

# Annual Summary

Pembina Pipeline Corporation

20  
23



**PEMBINA**

# About Pembina Pipeline Corporation

Pembina Pipeline Corporation is a leading energy transportation and midstream service provider that has served North America's energy industry for 70 years.

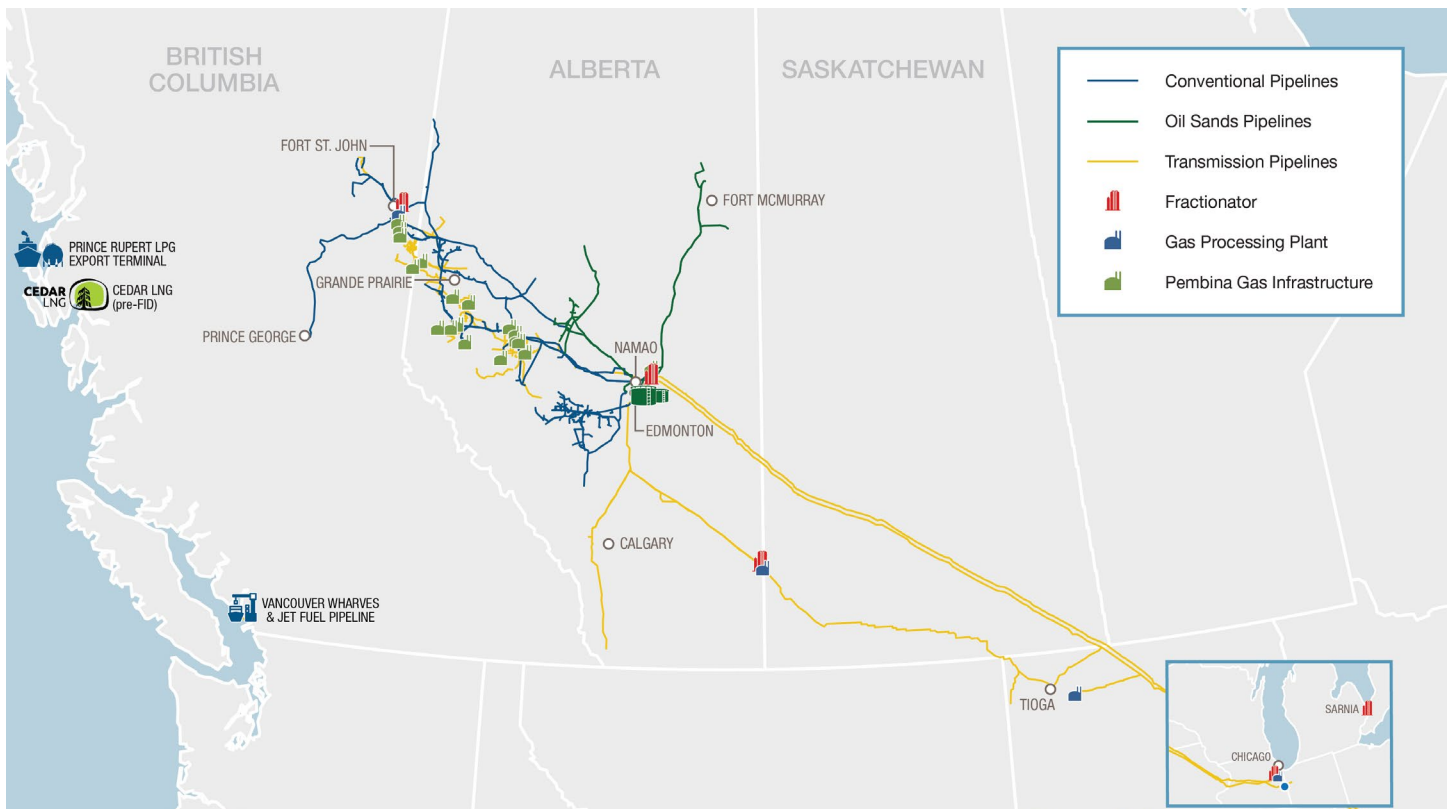
Pembina owns an integrated network of hydrocarbon liquids and natural gas pipelines, gas gathering and processing facilities, oil and natural gas liquids infrastructure and logistics services, and an export terminals business. Through our integrated value chain, we seek to provide safe and reliable energy solutions that connect producers and consumers across the world, support a more sustainable future and benefit our customers, investors, employees and communities. For more information, please visit [pembina.com](http://pembina.com).

**Purpose**

We deliver extraordinary energy solutions so the world can thrive

- ~2.9 million barrels per day pipeline capacity
- ~5.4 billion cubic feet per day gas processing capacity
- ~354 thousand barrels per day fractionation capacity

- ~10 million barrels above ground storage capacity
- ~21 million barrels cavern storage capacity
- ~20 thousand barrels per day propane export capacity



# Message from the Chair



**Henry W. Sykes**  
Chair of the Board

2023 was another year marked by notable accomplishments and a further demonstration of the strength and stability of Pembina’s business and commitment to its purpose, values, and strategy. Delivering record financial results, especially given the headwinds the company faced from the Alberta and British Columbia wildfires, was a remarkable outcome. Equally extraordinary was how Pembina’s employees went above and beyond, working tirelessly in responding to that challenge. Their commitment to each other, their communities, and our customers made us all proud.

## Overseeing Pembina’s Strategy

Last year in my letter, I outlined the strategy that the board approved to drive resilience in Pembina’s business and enable the company to thrive well into the future, even in a dynamic and rapidly evolving energy industry.



2023 was the first year of translating that strategy into action and the board continues to provide the oversight and direction to ensure that the strategy remains compelling and is executed effectively. This includes ensuring Pembina continues to build and mature new capabilities that will be instrumental in its success and ability to deliver value to our shareholders for many years to come.

Pembina has a diverse and integrated energy infrastructure business – we are not just a pipeline company, but also operate gas gathering and processing facilities, various natural gas liquids (NGL) infrastructure, and export terminals, while also providing marketing and logistics services. We operate across the hydrocarbon value chain and touch multiple products, including crude oil, condensate, natural gas and NGL. Operating across many different segments within political and energy landscapes that are often changing means the board needs to be thoughtful, knowledgeable, forward-looking, and strategic, especially when approving long-term investments.

It is paramount to the board that Pembina continues to deliver value to shareholders through safe and reliable operations, financial discipline, strategic capital allocation, and acquisitions that support the long-term success of both the company and our customers. In Scott’s letter he details the notable successes and accomplishments in 2023 in service of Pembina’s strategy. Over the past year, a highlight of the board’s work was overseeing the acquisition of Enbridge Inc.’s interests in Alliance Pipeline and Aux Sable. In addition to making sure the acquisition was financially compelling, the board had to be satisfied that it aligned with our strategy, and of course we found that it did. Owning more of Alliance and Aux Sable, both unique assets, clearly makes Pembina a stronger, more resilient company.

The board also oversaw the ongoing development of the Cedar LNG project, which represents a transformational opportunity for Pembina, our customers, and our Indigenous partner, the Haisla Nation. Cedar LNG checks many of Pembina’s strategic boxes. Cedar LNG will enhance Pembina’s business and make us more resilient. It will help meet global demand for energy while contributing to lower global emissions by displacing higher emitting energy sources with natural gas. And the positive impact it will have for the Haisla Nation demonstrates true economic reconciliation in action. The board looks forward to continuing our oversight of this important project and making a final investment decision in 2024.



Pembina’s commitment to strong and effective governance is foundational to our thriving and resilient business and supports our ability to operate successfully, mitigate risk and enhance value for our investors, customers, employees and communities.



## RISE Awards

This year I was honoured to attend Pembina's second RISE (Recognize Individuals who Show Excellence) Awards ceremony. It was a wonderful event during which we celebrated the amazing work our employees do every day to make Pembina and their communities better.

The RISE Awards are an inspiring showcase of Pembina's Values in action. A total of 51 finalists were invited to attend the event, which was the culmination of a thorough selection and evaluation process of hundreds of nominations from across Pembina. Winners were honoured for exceptional achievements in eight categories - leadership, safety, environmental stewardship, continuous improvement, inclusion, commercial & customer service, community spirit, and teamwork – and many other employees nominated for equally exceptional efforts were recognized as well.

The board knows what a privilege it is to have such dedicated and inspirational leaders, as well as a management team that celebrates their efforts. We could not be prouder!

- 'CEO' Award**  
Exemplary Leadership with Pembina's Values
- 'Keeping us Safe' Award**  
Commitment to Health & Safety
- 'Environmental Stewardship' Award**  
Stewardship & Conservation, Environment & Sustainability
- 'Driving Success' Award**  
Efficiencies, Continuous Improvement
- 'Inclusion Champion' Award**  
Inspiring Equity, Diversity & Inclusion
- 'Commercial & Customer Service' Award**  
Commercial, New business, Customer Service
- 'Community Spirit' Award**  
Above and Beyond in the Community
- 'Teamwork' Award**  
Recognize a small team for a significant accomplishment

## Environment, Social and Governance

Overseeing Pembina's ESG strategy is a core responsibility of the board. We dedicate significant time and energy to ensuring that Pembina's approach to ESG is aligned with our strategy and is being integrated into the company's long-term business planning, organizational structure, compensation, and corporate policies and practices. The board is pleased to see the progress Pembina has made on many fronts of which two in particular stand out.

First, is the work we are doing to reduce our own emissions and support others to do the same. We understand the complexity of providing reliable secure energy to power the economy and improve global standards of living, while at the same time addressing the risks associated with climate change. Recent geopolitical events have displayed the importance of energy security, and we are proud of the part we play in delivering energy solutions in a global economy. We remain on track to meet our target of a 30% reduction in emissions intensity by 2030<sup>1</sup> and continue to evaluate longer-term opportunities to more broadly support and invest in the transition to a lower-carbon economy.

## Our climate change strategy in action

- 1** Reducing emissions from our operations through equipment modernization, system optimization and fugitive emissions management in support of achieving our 30% by 2030 target
- 2** Developing transformational opportunities like the ACG, Cedar LNG and the proposed Blue Ammonia and Low Carbon Complex projects
- 3** Investing in renewables through power purchase agreements and developing solar projects integrated with our existing assets
- 4** Linking our financing strategy to achieving our emission reduction targets
- 5** Tying executive and employee short-term incentive compensation to GHG emissions reduction performance
- 6** Working with government and lending partners to access energy transition grants, incentives and financing

(1) Relative to 2019 baseline emissions.

Second, is the progress Pembina has made towards its equity, diversity, and inclusion (EDI) targets at both the board level and across the workforce. We are now exceeding two of our four employee targets, including overall diversity of our executive leadership, as well as the targets for overall diversity and gender diversity on the Board. I believe we are a better board and that we make better, more informed decisions because of this diversity. Further, by building a more diverse and inclusive workforce, Pembina will become a more innovative and resilient organization.

	2022 (%)	2023 (%)	Target (%)
Women in Workforce	26	26	35
Women in Executive	35	38	30
Workforce Diversity	38	39	45
Executive Diversity	39	42	40
Women on Board	45	50	30
Board Diversity	45	60	40

ESG is truly a journey. The board endorses the path we are on and is excited to see what Pembina will achieve in the years to come.



## Overseeing Pembina’s sustainability strategy is a core responsibility of the Board.

The **Governance, Nominating and Corporate Social Responsibility Committee** assists the Board in providing oversight of Pembina’s ESG strategy and makes recommendations to the Board on the integration of ESG considerations into long-term business planning, organizational structure and corporate policies and practices.

The **Safety, Environment and Operational Excellence Committee** oversees the development, implementation and monitoring of risks and policies related to process and occupational safety, environment, operational excellence, asset integrity management, corporate security and cyber security.

The **Human Resources, Health and Compensation Committee** oversees our approach to employee health and wellness as well as EDI strategies and programs. This committee is also responsible for approving the incentive compensation programs for all employees and executives, including the incorporation of ESG metrics into those programs.

## Looking to the Future

This year will mark Pembina’s 70th year of operations. The company has a rich history and a track record of commercial success and value creation, and I am very enthusiastic about what is yet to come. The board is confident in Pembina’s long-term strategy and ability to pursue new opportunities to ensure that Pembina continues to thrive in both the near and long-term. Pembina’s strong foundation, through its skilled workforce, breadth of assets, strong partnerships, including with Indigenous communities, and commitment to best practices and industry-leading initiatives, will allow it to continue to deliver exceptional returns for our investors.

The board believes that effective governance is essential for building a strong, resilient, and sustainable business and remains committed to maintaining the high standards our shareholders have come to expect from us. We also prioritize clear and transparent disclosure and open communication with our investors and will always take the time to hear their perspectives. The board welcomes your feedback and I invite you to share your views by emailing me at [boardchair@pembina.com](mailto:boardchair@pembina.com).

In closing, I would like to thank my fellow directors for their ongoing dedication, professionalism, and stewardship, and the management team and employees for continuing to deliver outstanding operational and financial results. Additionally, thank you to our shareholders for trusting us with your investment. We are grateful for your continued support and the confidence you place in Pembina. We are looking forward to continuing to serve you in 2024 and beyond.

Sincerely,

Henry W. Sykes



## Message from the President and CEO



**Scott Burrows**

**President and Chief Executive Officer**

**I am pleased to share that 2023 was another year of significant accomplishment for Pembina and our stakeholders. We began the year full of optimism as the Canadian energy industry was as strong as ever and growing, offering Pembina many opportunities to pursue. Early in the year we were excited to launch our refreshed corporate strategy and purpose, tailored to this moment in the company's history, to allow it to continue creating value well into the future.**

We carried that energy and momentum throughout the year despite two big challenges we encountered in the first half - the Alberta and British Columbia wildfires and an incident that disrupted operations on our Northern Pipeline and associated infrastructure. I am incredibly proud of the teamwork and collaboration that our organization displayed in responding to those two events. Our priority in both cases was the health and safety of our staff, impacted communities, customers, and the environment. We were grateful not to have incurred any significant fire-related damage to our assets and all employees and contractors in the affected areas were kept safe while the company worked to ensure they received the personal and professional support they needed. I have long recognized the ability of our teams to rally together in the face of adversity and 'show up' for each other and the communities where we live and work. Across the company, our people once again displayed the character and resilience that define Pembina.

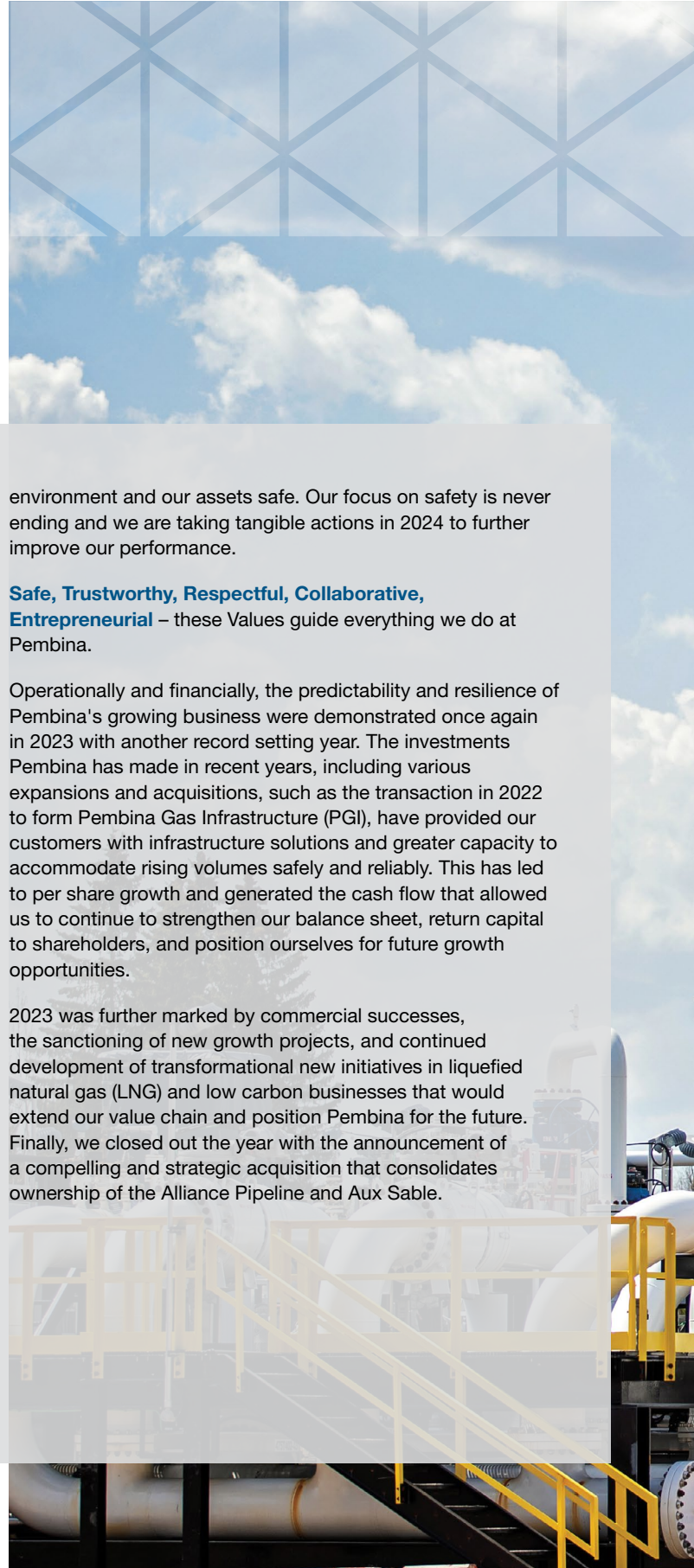
I am equally proud of our 'Zero by Choice' safety culture, which seeks to achieve zero harm to people, the environment, and our assets. We firmly believe our employees can achieve this goal and that all incidents are preventable. We had strong safety performance in 2023, highlighted by a 35% reduction in our significant incident frequency and a 29% reduction in lost workday injuries compared to 2022. There is a reason 'Safe' is listed first in our Values - there is absolutely nothing that matters more than keeping our people, our communities, the

environment and our assets safe. Our focus on safety is never ending and we are taking tangible actions in 2024 to further improve our performance.

**Safe, Trustworthy, Respectful, Collaborative, Entrepreneurial** - these Values guide everything we do at Pembina.

Operationally and financially, the predictability and resilience of Pembina's growing business were demonstrated once again in 2023 with another record setting year. The investments Pembina has made in recent years, including various expansions and acquisitions, such as the transaction in 2022 to form Pembina Gas Infrastructure (PGI), have provided our customers with infrastructure solutions and greater capacity to accommodate rising volumes safely and reliably. This has led to per share growth and generated the cash flow that allowed us to continue to strengthen our balance sheet, return capital to shareholders, and position ourselves for future growth opportunities.

2023 was further marked by commercial successes, the sanctioning of new growth projects, and continued development of transformational new initiatives in liquefied natural gas (LNG) and low carbon businesses that would extend our value chain and position Pembina for the future. Finally, we closed out the year with the announcement of a compelling and strategic acquisition that consolidates ownership of the Alliance Pipeline and Aux Sable.



## 2023 Record Results and Financial Discipline

2023 results reflect the strength of Pembina's business and are highlighted by earnings of \$1.8 billion and record annual adjusted EBITDA of \$3.8 billion that exceeded the high end of our original guidance range. These results reflect growing volumes across many systems and a marketing business that continues to outperform the long-run average. While our operations in the first half of the year were impacted by wildfires and the Northern Pipeline outage, the second half of the year more accurately reflected the underlying positive momentum in the Western Canadian Sedimentary Basin (WCSB). This is demonstrated most notably by the more than four percent year-over-year increase in second half volumes in the conventional pipelines business.

Throughout 2022 and 2023, Pembina generated substantial free cash flow, which was allocated to strengthening the balance sheet and returning capital to shareholders. During this time, Pembina raised the quarterly common share dividend by six percent, repurchased approximately \$400 million of common shares, and redeemed \$300 million of preferred shares. As well, Pembina paid down debt, reducing our metrics below the low end of the target range in anticipation of funding future capital projects.

## Progressing Pembina's Strategy

In early 2023, Pembina outlined a strategy designed to ensure it remains resilient into the future. Guided by this strategy, we are working every day to strengthen our existing business to ensure we help meet the energy needs of today and maximize the value of oil and gas products from Western Canada by getting them to the best markets in the world. We also recognize that the future of energy will require lower emissions and new energy solutions - there is a tremendous opportunity for Pembina to leverage its existing core business to help meet that challenge. Furthermore, our strategy demonstrates the value we place on doing this important work in a way that benefits everyone that has a stake in Pembina's business - our investors, customers, employees, and communities.

As we strive to deliver exceptional results within the four strategic priorities, teams across Pembina achieved notable successes in 2023.

**To be resilient we will sustain, decarbonize, and enhance our business.**

**Growing the business through an opportunistic and strategic acquisition of high quality and unique assets.**

- A highlight of the year was the announcement of a \$3.1 billion acquisition of Enbridge's interests in Alliance and Aux Sable. Pembina's business is built around integrated, difficult-to-replicate assets that provide an enduring competitive advantage and unequalled market access for customers. Alliance and Aux Sable are world-class energy infrastructure assets and increasing our existing ownership in them will further

strengthen our growing franchise. The acquisition complements Pembina's strategy of providing access for world-class, long-life resources from the WCSB to premium end markets and increases our exposure to lighter hydrocarbons, including natural gas and NGL.

## Acquisition of Alliance and Aux Sable<sup>(2)</sup>

**Alliance Pipeline** – 3,849 km integrated Canadian & U.S. natural gas transmission pipeline, with 60 receipt points, delivering ~1.7 bcf/d of liquids-rich natural gas from Western Canada and North Dakota to markets in the Chicago, Illinois area.

**Aux Sable** – includes a fractionation complex capable of extracting and fractionating up to 131,000 bbls/day of NGL products by processing up to 2.1 bcf/d of natural gas; Aux Sable has the exclusive right to extract NGL from rich natural gas shipped on Alliance pipeline.

Pembina currently owns 50 percent of the equity interests in Alliance and Aux Sable's Canadian operations and 42.7 percent of the equity interests in Aux Sable's U.S. operations. Upon closing, Pembina will hold 100 percent of the equity interest in Alliance and Aux Sable's Canadian operations, and 85.4 percent of Aux Sable's U.S. operations.

**Financially Compelling:** Attractive valuation with synergy opportunities; immediately accretive to adjusted cash flow from operating activities per share.

**Highly Strategic Infrastructure:** Alliance is unique within North America in its ability to transport liquids-rich natural gas, while providing a cross-border conduit to high demand U.S. markets.

**Backed by Strong Natural Gas Fundamentals:** The liquids-rich nature of Montney and Bakken natural gas aligns well with Alliance's unique ability to transport liquids-rich natural gas to premium U.S. Midwest markets. Further, Alliance acts as a valuable conduit for Canadian natural gas to access the growing U.S. Gulf Coast LNG export market.

**Drives Resilient Growth:** Consistent with Pembina's well-established commitment to its financial guardrails, Alliance provides additional low risk, fee-based cash flows underpinned by long-term, predominantly take-or-pay contracts with high-quality counterparties.

**Platform for the Future:** Increasing its ownership interest in Alliance and Aux Sable will expand Pembina's U.S. presence and is expected to provide opportunities to further establish the company's reputation and brand name in the robust U.S. NGL market.

(2) Expected to close in the first half of 2024, subject to the satisfaction or waiver of customary closing conditions, including the receipt of required regulatory approvals.



**Increasing volumes on our existing assets, developing new projects to accommodate future volume growth, and deploying capital effectively through on time, on budget, and safe delivery of projects.**

- Continued construction of the Phase VIII Peace Pipeline Expansion, including completing three of the new pump stations. We also revised the estimated project cost lower by \$100 million, to \$430 million, and expect Phase VIII will enter service in the second quarter of 2024.
- In response to high utilization at the existing Redwater Complex and the need to accommodate future demand growth, primarily from rising northeast British Columbia (NEBC) Montney production, we sanctioned a new 55,000 barrels per day (bpd) propane-plus fractionator (RFS IV).
- In NEBC, Pembina progressed a 40,000 bpd expansion of its NEBC Pipeline system (NEBC MPS Expansion) and continues to evaluate further expansions to support volume growth from that area, including new pipelines and terminal upgrades within the NEBC Pipeline system and downstream systems. These expansions would accommodate increased customer demand anticipated from growing production volumes within the NEBC Montney in the second half of the decade, drive higher utilization on the Peace Pipeline system, and allow Pembina's NEBC customers to access premium markets.
- Reactivated the Nipisi Pipeline system to serve customers in the rapidly growing Clearwater oil play. The reactivation was supported by agreements for a significant long-term commitment with an anchor customer and given the outlook for continued growth in the Clearwater, discussions continue with several producers in the area regarding potential additional long-term contractual commitments.
- On the Cochin Pipeline, Pembina has successfully increased daily volume throughput over the past two years by up to 25,000 bpd, or approximately 25 percent, through operational optimization and equipment upgrades. Cochin Pipeline spans from Illinois to Alberta, supplies light condensate to fill a structural diluent shortfall in the WCSB, and plays an important role supporting the Canadian oil industry's operations, development, and growth.
- All former Energy Transfer Canada plants acquired in the formation of PGI became connected to the Peace Pipeline system. Full integration of the PGI assets was an important step towards realizing incremental efficiencies and enhancing our customer service offering as contemplated when PGI was created. Furthermore, volume growth at these plants has exceeded our original expectations when the PGI transaction was announced.
- PGI progressed, and in early 2024 approved, an expansion (the Wapiti Expansion) that will increase natural gas processing capacity at the Wapiti Plant by 115 mmcf/d (gross to PGI). The expansion opportunity is driven by strong customer demand supported by growing Montney production and will be fully underpinned by long-term, take-or-pay contracts.

**Maintaining the cash flow stability and predictability of our business by ensuring our assets remain highly supported by long-term, take-or-pay contracts.**

- Secured and strengthened the contractual profile of the Peace Pipeline system by recontracting all volumes from recent and near-term contract expirations and executing new contracts for approximately 90,000 bpd of incremental volume. Customer activity continues to demonstrate the value of the Peace Pipeline system, the backbone of Pembina's integrated value chain. Given its many advantages, including its extensive reach, capacity of 1.1 million bpd, product segregation across four commodities, high reliability, low operating cost, and multiple delivery points, service on the Peace Pipeline system continues to be in high demand.
- On the Cochin Pipeline, we recontracted 90,000 bpd on a multi-year basis.
- In conjunction with the RFS IV expansion, Pembina successfully extended certain existing contracts and signed incremental new contracts with both current and new producers.

**Evaluating opportunities and progressing projects to reduce emissions and exposure to emissions-related costs.**

- Approved development of a 28 megawatt (MW) cogeneration facility at PGI's Kaybob 3 Plant, which is expected to lower overall operating costs through the utilization of cogeneration waste heat and reduce exposure to emissions compliance costs through the low-emission power generated. This is Pembina's third cogeneration project following the successful development of cogeneration facilities at the Redwater Complex and the Empress NGL Extraction Facility.
- Continued to progress and evaluate emissions reduction opportunities and the potential to achieve net zero emissions at some of our higher emitting facilities. This includes evaluating pilot projects for carbon capture and storage at Pembina's gas processing and fractionation facilities.
- The Garden Plain Wind Farm, which Pembina supported through a long-term 100MW power purchase agreement, became operational in mid-2023. Pembina views power purchase agreements as an effective tool to support development of renewable energy infrastructure to lower emissions and support the transition to a lower carbon energy system, while managing our overall power cost.

**To thrive, we will invest in the energy transition to improve the basins in which we operate.**

**Investing in technologies and developing new business platforms within the low carbon space that are strategically aligned with, and benefit from, Pembina's core business.**

- In partnership with TC Energy, Pembina progressed the Alberta Carbon Grid (ACG), a carbon transportation and sequestration platform that is intended to enable Alberta-based industries to



effectively manage their GHG emissions. ACG completed the appraisal well drilling, logging and testing in December 2023. Preliminary data was consistent with ACG's storage capacity expectations and further work is underway to confirm the initial results.

- Outlined a vision to develop an industrial complex for low-carbon energy infrastructure. This new growth platform known as the Pembina Low Carbon Complex (PLCC) will be focused on attracting and developing investment for innovative and emerging energy transition technologies, sustainable fuels, and chemicals, specifically low-carbon hydrogen and hydrogen carriers such as ammonia and methanol. To enable the construction and operation of large-scale clean energy projects, projects within the PLCC could gain access to land; low-carbon hydrogen; clean power; natural gas and industrial gases; water; carbon capture, utilization, and storage; and the construction and operation of rail assets to support product movement. Representing a potential anchor project within the PLCC, Pembina announced the signing of a Memorandum of Agreement with Marubeni Corporation to progress an end-to-end, low-carbon ammonia supply chain from Western Canada to Japan and other Asian markets.

## III To meet global demand, we will transform and export our products.

**Accessing resilient end use markets for our customers' products and extending our value chain to include West Coast LNG exports.**

- Cedar LNG, a partnership between Pembina and the Haisla Nation, advanced key project deliverables, including obtaining environmental approvals, executing a lump-sum engineering, procurement, and construction contract, and progressing commercial offtake.

### Cedar LNG

Cedar LNG is a partnership between Pembina and the Haisla Nation to develop a proposed floating LNG facility in Kitimat, British Columbia, within the traditional territory of the Haisla Nation. Cedar LNG is the world's first Indigenous majority-owned LNG project. Powered by renewable energy from BC Hydro, the project will be one of the lowest emissions LNG facilities in the world, providing significant opportunities for both the Haisla Nation and the region. The project is strategically positioned to leverage Canada's abundant natural gas supply and British Columbia's growing LNG infrastructure to produce industry-leading, low-carbon, cost-competitive Canadian LNG for overseas markets.

## IV

## To set ourselves apart, we will create a differentiated experience for our stakeholders.

It is important that our business serves all of Pembina's stakeholders. While delivering industry leading returns to investors and striving to be the first choice of customers to deliver reliable and value-added services, it is also important that we maintain an equal focus on our employees and communities.

To be the employer of choice we need programs, policies and practices that ensure a safe, respectful, collaborative, and inclusive work culture. When our employees value their experience at Pembina, we are better able to attract, retain, and develop top talent.

We strive to have communities welcome us, and to do so, we need to provide a net positive impact, both socially and environmentally, and work hard every day to strengthen and build enduring relationships with the people in those communities.

## Differentiated Experience for Stakeholders

### Investors

- Record results including \$3.8 billion of adjusted EBITDA
- Paid \$1.5 billion or \$2.66 per share of dividends
- Reduced leverage and strengthened our financial position

### Customers

- Mitigated impact to customers from the Northern Pipeline outage
- Renewed and added significant new long-term contracts on the Peace, Cochin, and Nipisi pipelines, and the Redwater Complex

### Employees

- Strong employee safety performance
- Significant improvement in employee engagement scores
- Hosted first Women in Field Summit
- Launched Indigenous Inclusion Network
- Launched Men's Mental Health Inclusion Network
- 2<sup>nd</sup> Annual RISE awards

### Communities

- Issued the 2022 Sustainability Report
- Released inaugural Indigenous Stories Report
- Supported communities affected by Alberta and British Columbia wildfires
- Invested over \$11 million supporting nearly 300 organizations

## Looking Ahead to 2024 and Beyond

Momentum within our business is expected to continue and Pembina is well positioned to benefit from what it expects to be a transformational period in the Canadian energy industry.

In 2024, we will focus on progressing our current growth projects – the Phase VIII Peace Pipeline expansion, RFS IV, the K3 Cogen, the Wapiti Expansion, and the NEBC MPS Expansion – and delivering them on time and on budget. We also look forward to progressing our other development opportunities, such as Cedar LNG, the Alberta Carbon Grid and further expansions of assets in our core business. As well, upon closing of the Alliance and Aux Sable acquisition, we will prioritize integrating those businesses and pursuing the near-term synergies we have identified to extract greater value from these exceptional assets.

Given our expectation of continued volume growth across the WCSB, another strong marketing year, and the additional contribution from greater ownership of Alliance and Aux Sable, Pembina could potentially deliver 2024 adjusted EBITDA of more than \$4 billion for the first time. It would be a milestone achievement in our 70-year history.

Looking beyond 2024, over the next several years, Pembina sees the potential for mid-single digit annual volume growth across the WCSB. This growth is expected to come most notably from the NEBC Montney formation, where certain large producers continue to signal the potential for significant, visible, multi-year growth. Near term catalysts contributing to this growth include:

- Up to approximately 2.8 billion cubic feet per day of new natural gas export capacity from new West Coast LNG projects.
- 590,000 bpd of new crude oil export capacity from the expected completion of the Trans Mountain Pipeline expansion.
- Potential new developments in the Alberta petrochemical industry, including significant incremental ethane demand associated with Dow Chemical Canada's recent decision to build a new integrated ethylene cracker and derivatives facility in Fort Saskatchewan.

Given the scope and reach of its assets, highly economic expansion opportunities, existing long-term contracts, and agreements with three premier NEBC producers, Pembina is uniquely positioned to capture new volumes and benefit from the growth in the WCSB. Pembina will continue to invest in infrastructure to serve customers and enhance its integrated value chain, while also pursuing opportunities in the new ventures portfolio that align with



the company's strategy to enhance access to global markets and support the transition to a lower-carbon economy.

Our investors have come to expect strong and consistent financial leadership from us, demonstrated by a secure and growing dividend, an unwavering commitment to our financial guardrails, a low-risk and primarily fee-based business with high take-or-pay or cost-of-service contributions, and strong balance sheet metrics. You can expect us to live up to our reputation and execute our strategy with the same financial discipline that has made us successful to date.

In closing, I believe the next five years will be an exciting time in the Canadian energy industry. Blessed with exceptional resources, growing access to global markets and leading environmental and social performance standards, Canada's energy industry has an opportunity for greatness. I am extremely proud of what Pembina and the rest of our industry do to ensure responsibly produced energy is available to meet growing global demand. I am confident that together we can maintain and grow production and improve Canada's competitiveness while supporting global decarbonization efforts.

Thank you to our investors, customers, employees, and communities that support Pembina and share in our success. Together we will continue delivering extraordinary energy solutions so the world can thrive.

Sincerely,

Scott Burrows

### Pembina's Investment Proposition

- Integrated, difficult to replicate assets provide an enduring competitive advantage and valuable market access
- Low risk business model delivers resilient, predictable and growing cash flow
- Growth in the Western Canadian Sedimentary Basin is enhancing the utilization of assets and providing significant opportunities to build or expand infrastructure
- Competitively positioned to win new business and capture new volumes
- Developing in-strategy energy transition opportunities
- Financially strong and able to execute our strategy within the financial guardrails

## Financial & Operational Highlights

Year Ended December 31	2023	2022	2021
<i>(\$ millions, except as indicated)</i>			
Revenue	9,125	11,611	8,627
Net revenue <sup>(1)</sup>	3,994	4,247	3,938
Earnings	1,776	2,971	1,242
Per common share (basic) (\$)	3.00	5.14	2.00
Earnings before income tax	2,189	3,219	1,665
Cash flow from operating activities	2,635	2,929	2,650
Per common share (basic) (\$)	4.79	5.30	4.82
Adjusted cash flow from operating activities <sup>(1)</sup>	2,646	2,661	2,640
Per common share (basic) (\$) <sup>(1)</sup>	4.81	4.82	4.80
Common share dividends declared	1,459	1,409	1,386
Dividends per common share (\$)	2.66	2.55	2.52
Preferred dividends	120	126	135
Capital expenditures	606	605	658
Common shares outstanding:			
Weighted average - basic (# millions)	550	553	550
Weighted average - diluted (# millions)	551	554	551
End of period (# millions)	549	550	550
Volumes (mboe/d) <sup>(2)</sup>	3,306	3,383	3,456
Adjusted EBITDA <sup>(1)</sup>	3,824	3,746	3,433
Per common share (basic) (\$) <sup>(1)</sup>	6.95	6.78	6.24

(1) Refer to "Non-GAAP and Other Financial Measures".

(2) Total revenue volumes. Revenue volumes are physical volumes plus volumes recognized from take-or-pay commitments. Volumes are stated in thousand barrels of oil equivalent per day ("mboe/d"), with natural gas volumes converted to mboe/d from millions of cubic feet per day at a 6:1 ratio.





# Investor Information



## Investor Inquiries

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Website [www.pembina.com](http://www.pembina.com)

## Annual Meeting

The Annual Meeting of Shareholders will be held as a virtual-only meeting on May 10, 2024 at 2:00 pm MDT. A live audio webcast of the meeting will be available at [www.pembina.com](http://www.pembina.com) and will be archived on the site for approximately one year. Webcast details will be available on the Company's website closer to the meeting date.

## Sustainability Report

Pembina publishes a sustainability report and provides updates of our performance metrics on our website. Pembina invites interested parties to download the reports, which are available on our website at [www.pembina.com/sustainability/](http://www.pembina.com/sustainability/).

## Trustee, Registrar and Transfer Agent

### Computershare Trust Company of Canada

Suite 800, 324 – 8th Avenue S.W.

Calgary, Alberta, Canada T2P 2Z2

Phone **1.800.564.6253**

## Auditors

### KPMG LLP

Chartered Professional Accountants

Calgary, Alberta

## Common and Preferred Shares

The Common Shares of Pembina Pipeline Corporation trade in Canada on the Toronto Stock Exchange under the trading symbol "PPL" and in the United States on the New York Stock Exchange under the trading symbol "PBA".

The Preferred Shares trade in Canada on the Toronto Stock exchange under the following trading symbols:

Series 1 – PPL.PR.A	Series 17 – PPL.PR.Q
Series 3 – PPL.PR.C	Series 19 – PPL.PR.S
Series 5 – PPL.PR.E	Series 21 – PPL.PF.A
Series 7 – PPL.PR.G	Series 22 – PPL.PF.B
Series 9 – PPL.PR.I	Series 25 – PPL.PF.E
Series 15 – PPL.PR.O	

## Non-GAAP and Other Financial Measures

Pembina has disclosed certain financial measures and ratios within this Annual Summary that are not specified, defined or determined in accordance with generally accepted accounting principles (GAAP) and which are not disclosed in Pembina's financial statements. These non-GAAP financial measures and non-GAAP ratios do not have any standardized meaning under International Financial Reporting Standards (IFRS) and may not be comparable to similar financial measures disclosed by other issuers. These measures and ratios should not, therefore, be considered in isolation or as a substitute for, or superior to, measures and ratios of financial performance specified, defined or determined in accordance with IFRS, including revenue, earnings, earnings before income tax, and cash flow from operating activities.

Additional information relating to each non-GAAP financial measure and non-GAAP ratio disclosed in this Annual Summary is contained in the "Non-GAAP and Other Financial Measures" section of the management's discussion and analysis of Pembina dated February 22, 2024 for the year ended December 31, 2023 and the management's discussion and analysis of Pembina dated February 23, 2023 for the year ended December 31, 2022 (collectively, the "MD&A"), which sections are incorporated by reference in this Annual Summary. The MD&A are available on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca), EDGAR at [www.sec.gov](http://www.sec.gov) and Pembina's website at [www.pembina.com](http://www.pembina.com).

## Forward-Looking Statements

For additional information regarding forward looking statements, please refer to Pembina's Management's Discussion and Analysis and Annual Information Form, each for the period ended December 31, 2023, which are available online at [www.sedarplus.ca](http://www.sedarplus.ca), [www.sec.gov](http://www.sec.gov)/[edgar](http://edgar) and through Pembina's website at [www.pembina.com/investors/](http://www.pembina.com/investors/). Management approved the 2024 adjusted EBITDA guidance contained herein as of February 22, 2024. The purpose of 2024 adjusted EBITDA guidance is to assist readers in understanding expected and targeted financial results, and this information may not be appropriate for other purposes.