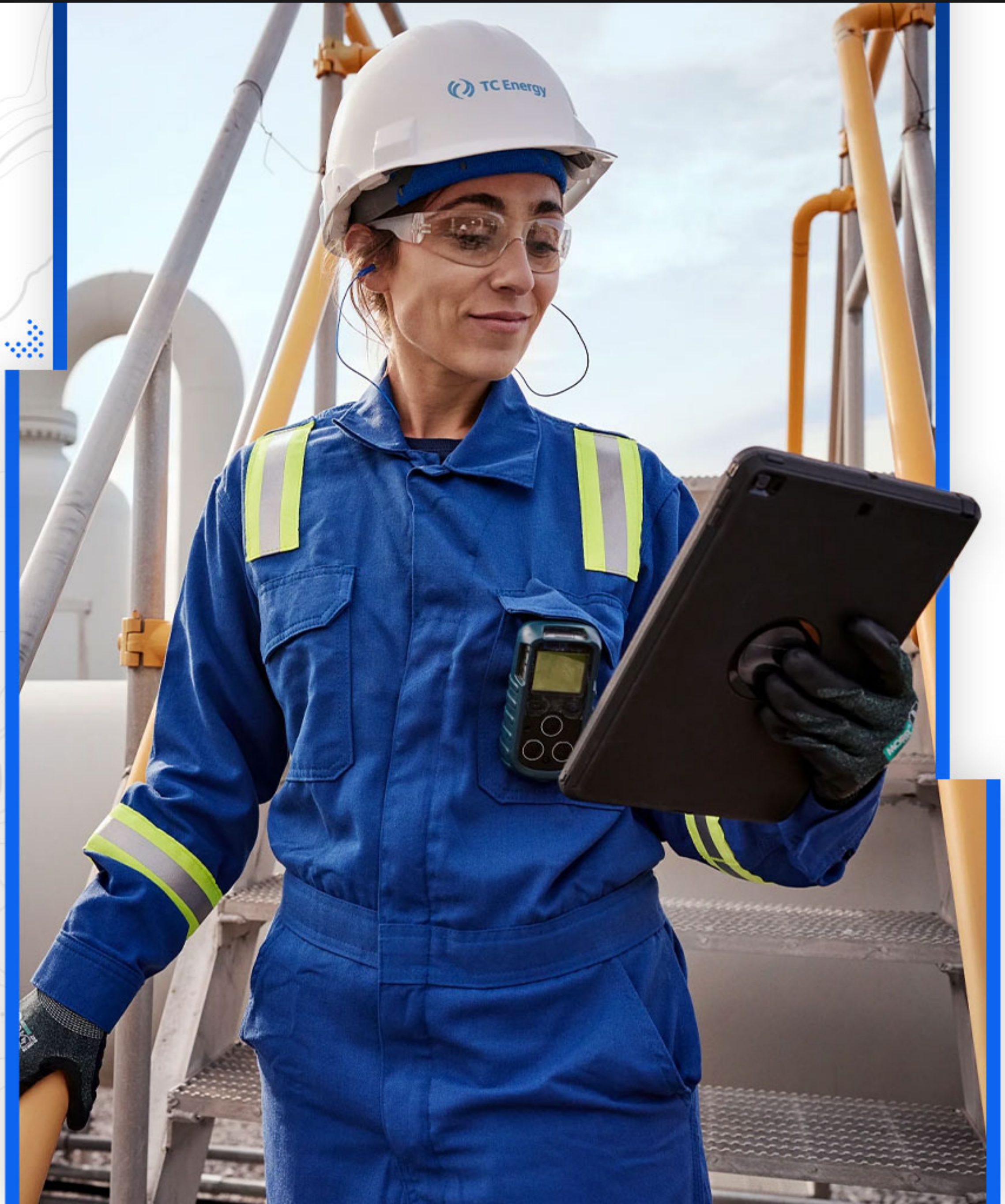
Fourth quarter 2023 conference call



February 16, 2024

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 Chief Operating Officer, Natural Gas Pipelines

Annesley Wallace – Executive Vice-President, Strategy and Corporate Development and President, Power and Energy Solutions

Bevin Wirzba – Executive Vice-President and Group President, Liquids Pipelines and Coastal GasLink, intended South Bow CEO

Greg Grant – President, Canadian Natural Gas Pipelines

Gavin Wylie – Vice-President, Investor Relations

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; (i) 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 herein. 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.

This presentation is not a solicitation of proxy. The materials provided herein are intended to provide details relating to the spinoff transaction between TC Energy and South Bow, along with other corporate initiative updates.

François Poirier
President and Chief Executive Officer

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 spinoff 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.

MAJOR PROJECT EXECUTION

Successfully connecting Canadian LNG to global markets

COASTAL GASLINK

Completed all construction and required **commissioning** activities

- Mechanical completion achieved **ahead of year-end target**
- **Recognized $200 million** incentive payment **after achieving certain milestones** in Q4 2023
- Post-construction **reclamation activities** to continue through 2024
- Remains **on track** with **~$14.5 billion** cost estimate

Photo credit: Brandon Indic

MAJOR PROJECT EXECUTION

Significant progress on Southeast Gateway

SOUTHEAST GATEWAY PIPELINE

Continue to **track schedule** and expected cost of **US$4.5 billion**

- **Offshore pipe installation** began in December 2023
- **Completed 100%** of concrete weight coating of offshore pipe in February
- **Onshore construction** at landfall sites continues to **progress on plan**
- **Obtained all critical permits** for construction
- Remain on track to achieve expected commercial in-service by **mid-2025**

Q4 HIGHLIGHTS

Operational excellence and high utilization across North America

CANADIAN NATURAL GAS PIPELINES

- **Net income[1] up 5%** vs. Q4 2022
- Average NGTL System deliveries of **14.5 Bcf/d**, largely consistent with Q4 2022
- NGTL System investment base **grew 9%** year-over-year

U.S. NATURAL GAS PIPELINES

- **Comparable EBITDA[2] up 7%** vs. Q4 2022
- Daily average flows were **27.7 Bcf/d**, in line with Q4 2022
- Record deliveries to power generators set during Q4 2023 of **2.8 Bcf/d**, **up 16%** vs. Q4 2022
- GTN system, PNGTS and Tuscarora achieved **delivery records** in Q4 2023

MEXICO NATURAL GAS PIPELINES

- **Comparable EBITDA[2] largely consistent** vs. Q4 2022
- Average daily throughput of **2.7 Bcf/d**, **up 30%** vs. Q4 2022 levels
- South section of Villa de Reyes pipeline targeted for **mechanical completion** in second half of 2024[3]

(1) Represents NGTL System and Canadian Mainline net income.
(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.
(3) Subject to successful resolution of stakeholder issues.

Q4 HIGHLIGHTS

Delivering power when it's needed most

POWER & ENERGY SOLUTIONS

- **Comparable EBITDA(1) increased 31%** vs. Q4 2022
- Alberta cogeneration power plant fleet achieved **~99% availability**
- Achieved **Bruce Power availability of 85%** reflecting a planned outage on Unit 8
    - Overall availability in 2023 averaged **92%**
- Final basis of estimate for the **Unit 4** MCR was filed with the IESO in Q4 2023 and **received IESO approval** in February
    - Unit 4 MCR expected to commence in Q1 2025

(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.*

Q4 HIGHLIGHTS

Continued to progress proposed South Bow spinoff

LIQUIDS PIPELINES

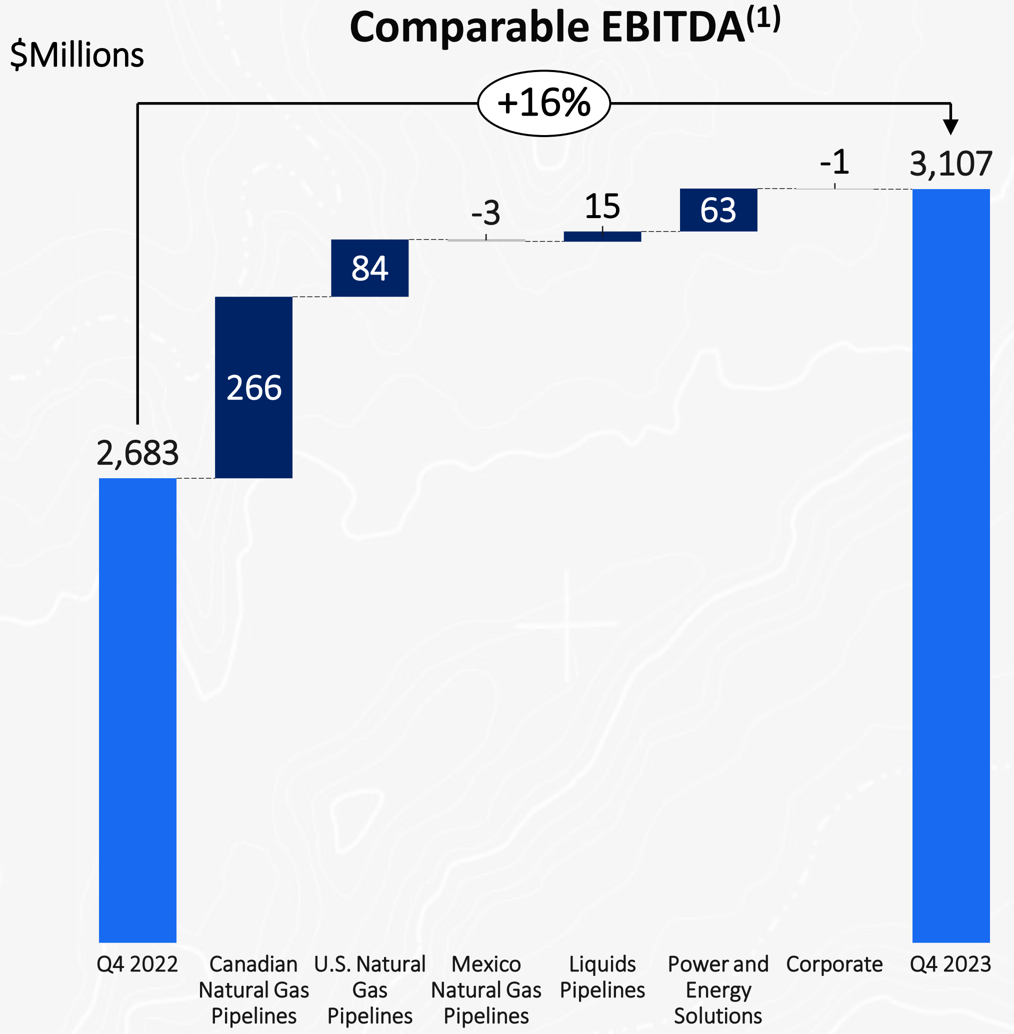
- **Comparable EBITDA[1] increased 4%** vs. Q4 2022
- Continued **strong demand** across the Keystone Pipeline System
- Continued **progress towards spinoff** with shareholder vote expected concurrent with the AGM **mid-2024**
- Named **Van Dafoe** as incoming Senior Vice-President and **Chief Financial Officer** at South Bow
- Named **Lori Muratta** as incoming Senior Vice-President and **General Counsel** at South Bow
- Received a **favourable tax ruling** from the **IRS** on the spinoff

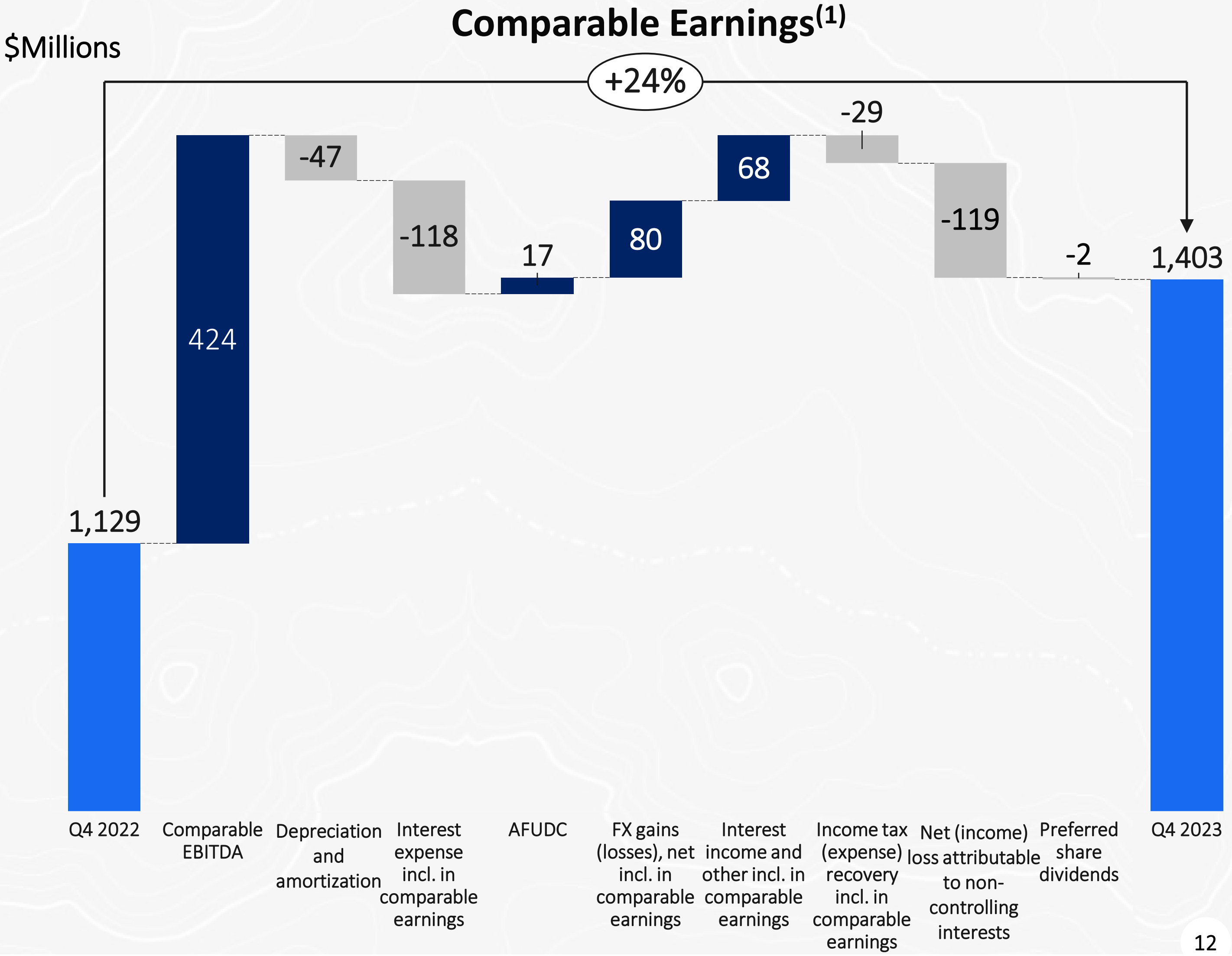
(1) *Comparable EBITDA is a non-GAAP measure. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.*

Joel Hunter

Executive Vice-President and
Chief Financial Officer

Fourth quarter comparable EBITDA[1] up 16% year-over-year



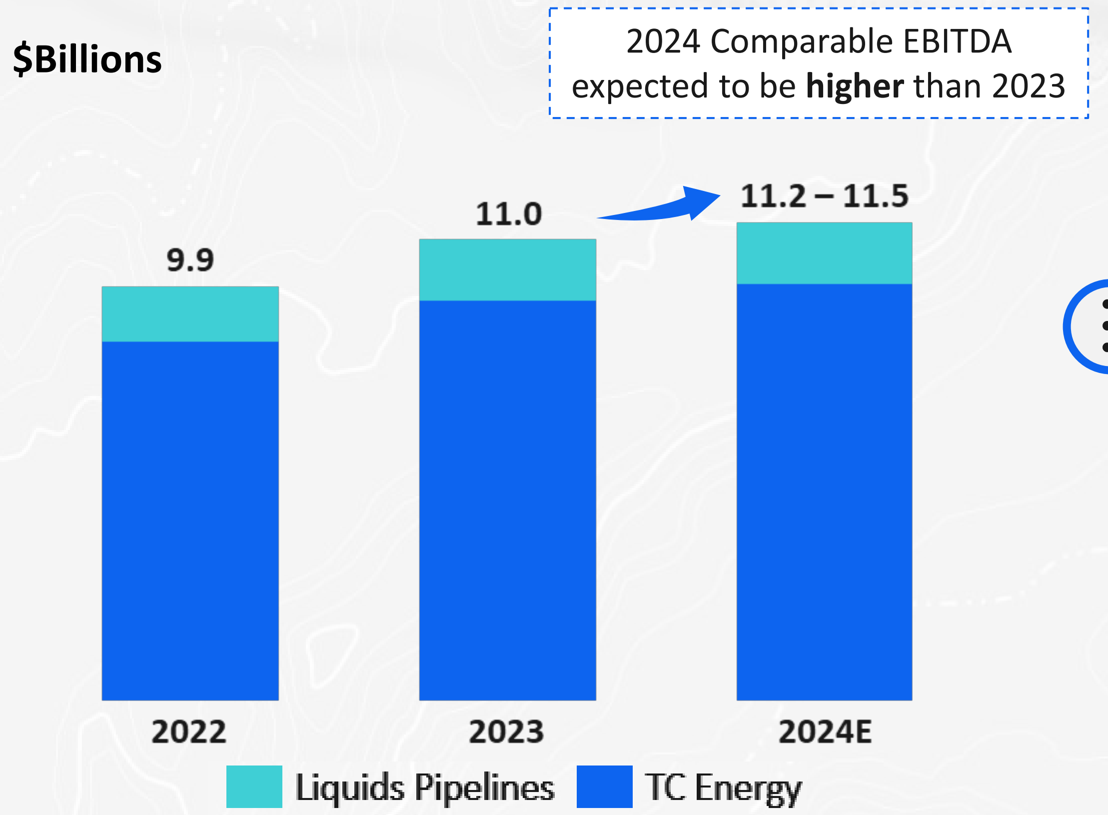


(1) Comparable EBITDA and Comparable earnings are non-GAAP measures. See the forward-looking information and non-GAAP measures slide at the front of this presentation and Appendix A and B for more information.

EXPECTED SUSTAINABLE GROWTH IN 2024

2024E financial outlook

Comparable EBITDA(1)



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.

2024 COMPARABLE EBITDA[1] OUTLOOK

CANADIAN NATURAL GAS PIPELINES

- **Consistent with 2023** driven by:
  - **$0.7 billion** of NGTL System assets expected to be placed into service in 2024
  - Expected in service of Coastal GasLink[2]
- 2024 expected capital expenditures: **~$2.1 billion[3]**

U.S. NATURAL GAS PIPELINES

- **Higher than 2023** driven by:
  - Completion of expansion projects in 2023
  - Anticipated completion of expansion projects in 2024:
    - Virginia Electrification – US$0.1 billion
    - GTN XPress – US$0.1 billion
    - Gillis Access – US$0.3 billion
- 2024 expected capital expenditures: **~US$1.9 billion[3]** (expected **net** capital expenditures[4]: **~US$1.4 billion**)

MEXICO NATURAL GAS PIPELINES

- **Higher than 2023** driven by:
  - Full-year incremental revenue from **US$0.2 billion** Villa de Reyes Lateral that was placed in commercial service in Q3 2023
- 2024 expected capital expenditures: **~US$1.6 billion[3]**

(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) *Subject to completion of plant commissioning activities at the LNG Canada facility and upon receiving notice from LNG Canada.*
(3) *Expected sanctioned gross capital expenditures.*
(4) *Expected net capital expenditures after considering capital expenditures attributable to the non-controlling interests of entities we control. 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.*

2024 COMPARABLE EBITDA[1] OUTLOOK

POWER AND ENERGY SOLUTIONS

- **Higher than 2023** driven by:
  - Full-year impact from Bruce Power Unit 6 returning to service September 2023
  - Expected April 1, 2024 contract price increase
- 2024 expected capital expenditures: **~$0.9 billion**[2]

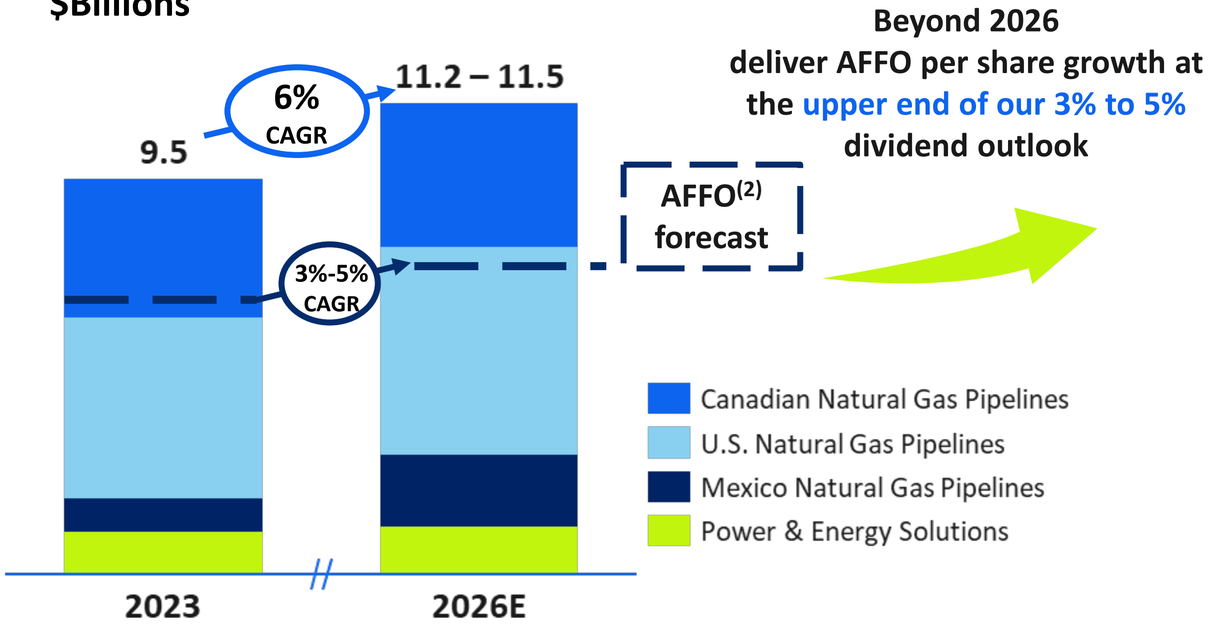
LIQUIDS PIPELINES

- **Consistent with 2023**:
  - Without taking into account impacts related to the spinoff transaction
- 2024 expected capital expenditures: **~$0.2 billion**[2]

(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) Expected sanctioned gross capital expenditures.

Delivering sustainable Comparable EBITDA(1) growth

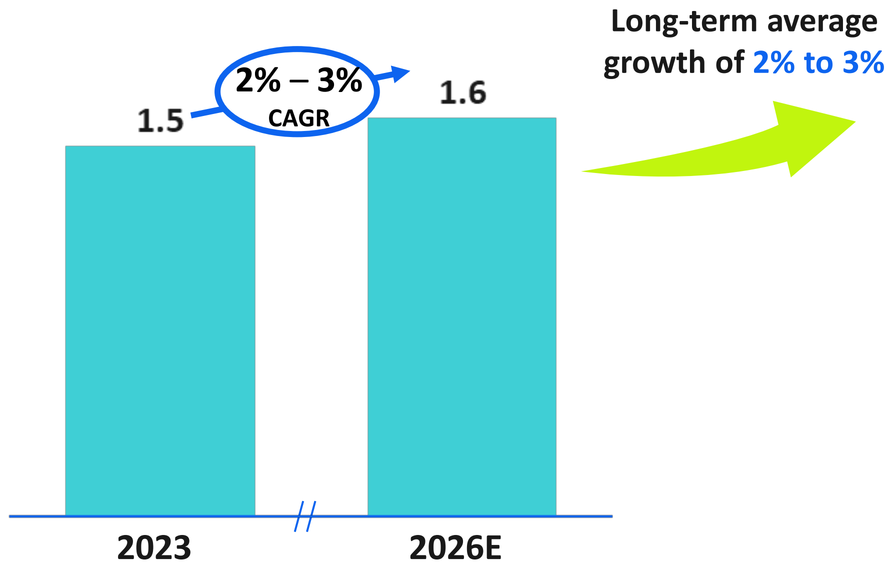
2023–2026E outlook (excluding Liquids Pipelines)
$Billions



High-quality assets placed into service

- 2023: **~$5.3 billion**
- 2024E: **~$7 billion**[3] expected
- 2025E: **~$9 billion** expected

2023–2026E outlook – Liquids Pipelines
$Billions



- **~88%** of comparable EBITDA is contracted
- **96%** of contracts with investment-grade counterparties

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.

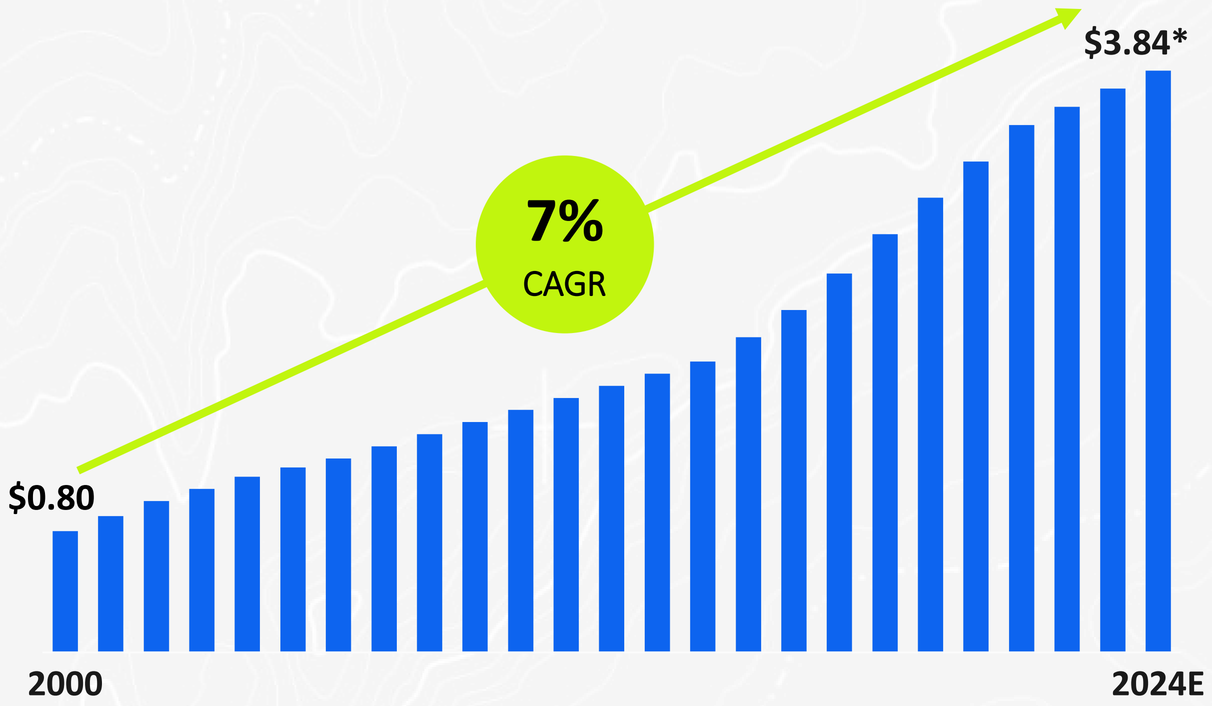
(2) Adjusted funds generated from operations (AFFO) is a non-GAAP measure. See forward-looking information and non-GAAP measures and Appendix E for more information.

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

Continued growth through disciplined investment

Maintaining dividend growth outlook: 3-5%

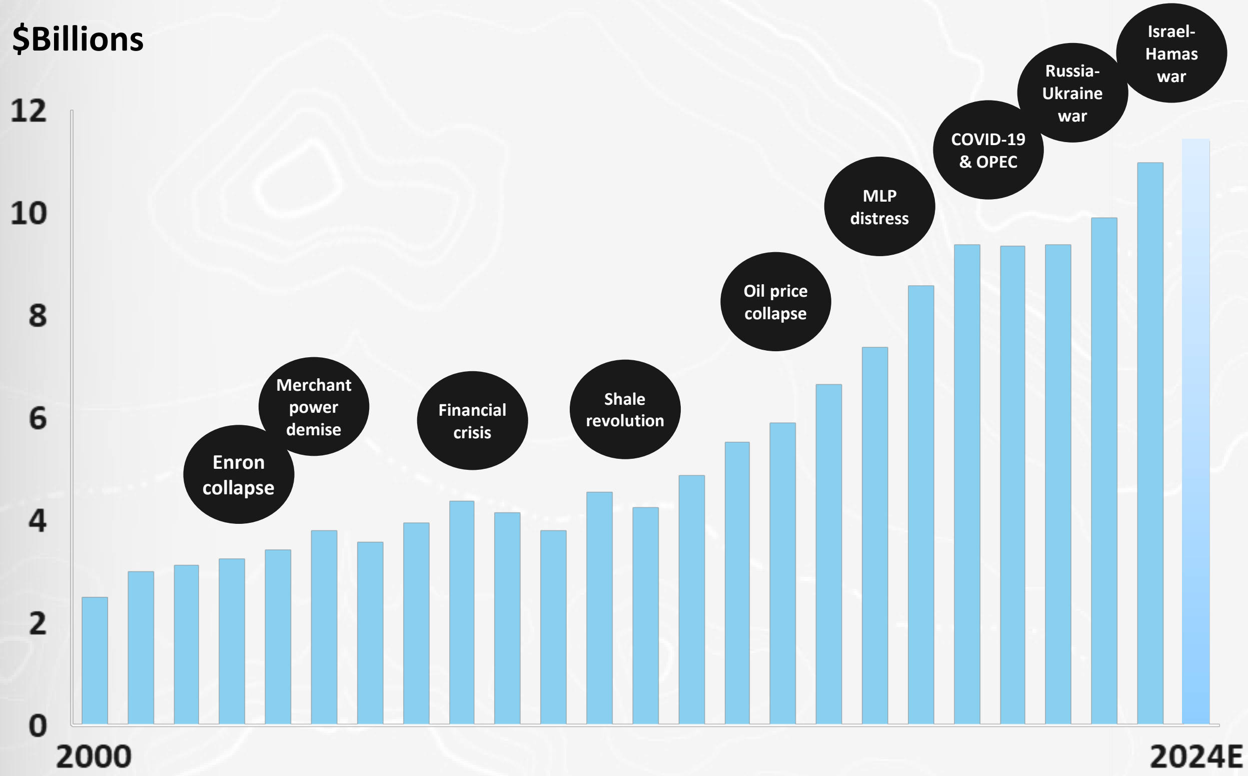
- Supported by growth in **earnings** and **cash flow per share**
- Maintain **conservative payout ratios**



Current dividend yield: 7.4%*

Comparable EBITDA[1]

2000-2024E



24 consecutive years of common share dividend increases

*Annualized based on first quarter 2024 dividend declared of $0.96 per share. Dividend yield as of market close February 15, 2024 reflecting a share price of $51.99.

(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.

Appendix

Appendix A – Non-GAAP reconciliations – Comparable EBITDA[1]

(Millions of dollars)

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Total segmented earnings (losses)	2,327	(998)	6,136	3,632
Interest expense	(845)	(722)	(3,263)	(2,588)
Allowance for funds used during construction	132	115	575	369
Foreign exchange gains (losses), net	89	132	320	(185)
Interest income and other	121	53	242	146
Income (loss) before income taxes	1,824	(1,420)	4,010	1,374
Income tax (expense) recovery	(209)	4	(942)	(589)
Net income (loss)	1,615	(1,416)	3,068	785
Net (income) loss attributable to non-controlling interests	(128)	(9)	(146)	(37)
Net income (loss) attributable to controlling interests	1,487	(1,425)	2,922	748
Preferred share dividends	(24)	(22)	(93)	(107)
Net income (loss) attributable to common shares	1,463	(1,447)	2,829	641

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Comparable EBITDA[1]	3,107	2,683	10,988	9,901
Depreciation and amortization	(717)	(670)	(2,778)	(2,584)
Interest expense included in comparable earnings	(840)	(722)	(3,253)	(2,588)
Allowance for funds used during construction	132	115	575	369
Foreign exchange gains (losses), net included in comparable earnings	40	(40)	118	(8)
Interest income and other included in comparable earnings	121	53	278	146
Income tax (expense) recovery included in comparable earnings	(288)	(259)	(1,037)	(813)
Net (income) loss attributable to non-controlling interests	(128)	(9)	(146)	(37)
Preferred share dividends	(24)	(22)	(93)	(107)
Comparable earnings[1]	1,403	1,129	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)

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Net income (loss) attributable to common shares	1,463	(1,447)	2,829	641
Specific items (net of tax):				
Coastal GasLink impairment charge	(74)	2,643	1,943	2,643
Keystone XL asset impairment charge and other	(18)	5	(18)	5
Foreign exchange (gains) losses, net – intercompany loan	55	—	44	—
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	25	64	(55)	114
Liquids Pipelines business separation costs	23	—	34	—
Focus Project costs	9	—	48	—
Keystone regulatory decisions	4	20	52	20
Keystone XL preservation and other	4	8	14	19
Milepost 14 insurance expense	—	—	36	—
Great Lakes goodwill impairment charge	—	—	—	531
Settlement of Mexico prior years' income tax assessments	—	1	—	196
Bruce Power unrealized fair value adjustments	(5)	(9)	(5)	13
Risk management activities	(83)	(156)	(270)	97
Comparable earnings(1)	1,403	1,129	4,652	4,279
Net income (loss) per common share	1.41	(1.42)	2.75	0.64
Specific items (net of tax):				
Coastal GasLink impairment charge	(0.07)	2.60	1.89	2.66
Keystone XL asset impairment charge and other	(0.02)	—	(0.02)	0.01
Foreign exchange (gains) losses, net – intercompany loan	0.05	—	0.04	—
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	0.03	0.06	(0.05)	0.11
Liquids Pipelines business separation costs	0.02	—	0.03	—
Focus Project costs	0.01	—	0.05	—
Keystone regulatory decisions	—	0.02	0.05	0.02
Keystone XL preservation and other	—	0.01	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)	—	0.01
Risk management activities	(0.08)	(0.15)	(0.26)	0.10
Comparable earnings per common share(1)	1.35	1.11	4.52	4.30

(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.

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

(Millions of dollars)

	Three months ended December 31		Year ended December 31	
	2023	2022	2023	2022
Net cash provided by operations	1,860	2,025	7,268	6,375
Increase (decrease) in operating working capital	(222)	128	(207)	639
Funds generated from operations[1]	1,638	2,153	7,061	7,014
Specific items:				
Current income tax expense on disposition of equity interest[2]	736	—	736	—
Liquids Pipelines business separation costs	25	—	40	—
Focus Project costs, net of current income tax	12	—	54	—
Keystone regulatory decisions, net of current income tax	5	27	53	27
Keystone XL preservation and other, net of current income tax	3	8	14	20
Current income tax expense on Keystone XL asset impairment charge and other	(14)	96	(14)	96
Milepost 14 insurance expense	—	—	36	—
Settlement of Mexico prior years' income tax assessments	—	1	—	196
Comparable funds generated from operations[1]	2,405	2,285	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 sheet~~s~~ 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*

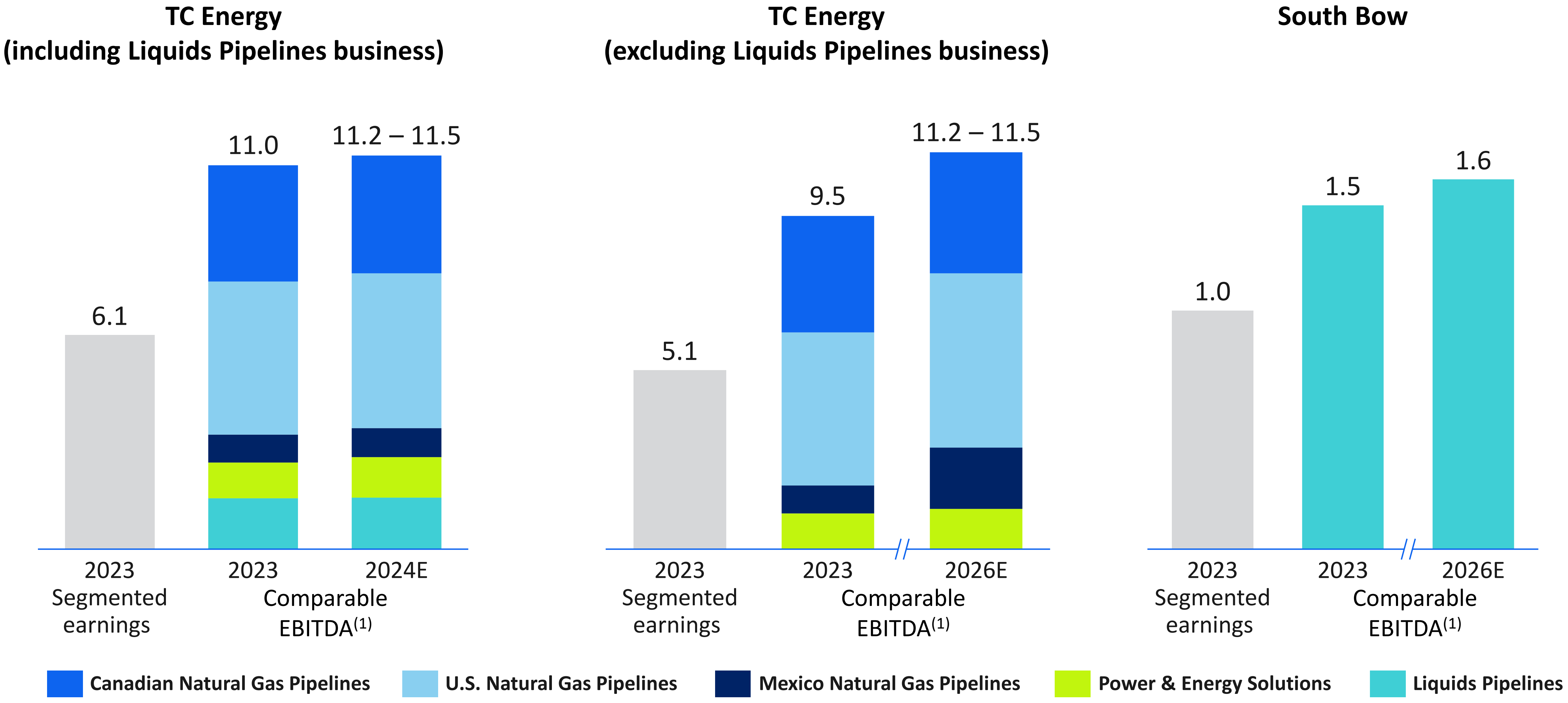
(Millions of dollars)

	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



(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.