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# ANNUAL SUMMARY

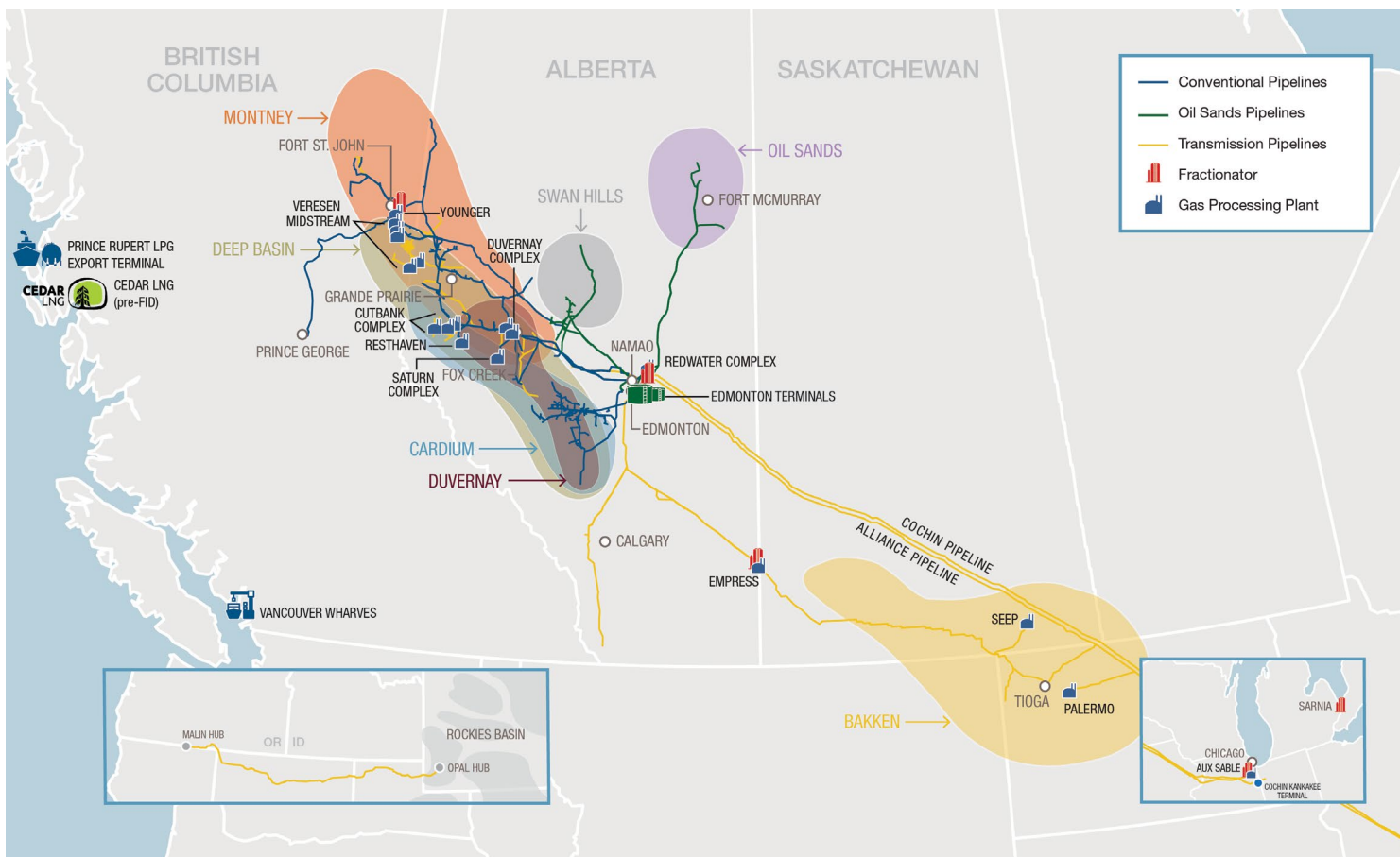
PEMBINA PIPELINE  
CORPORATION



# 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 more than 65 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 a growing export terminals business. Through our integrated value chain, we seek to provide safe and reliable infrastructure solutions which connect producers and consumers of energy 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).





# Pembina's Value Proposition

- ✓ **Leading provider** of essential North American energy services

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- ✓ Track record of **sector outperformance**

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- ✓ Resilient and diverse set of **franchise assets** and services along the energy value chain

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- ✓ Established presence and **further growth opportunities** in the prolific Montney and Duvernay areas

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- ✓ Accessing **global markets** and higher value for Canadian products

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- ✓ Focused on delivering leading ESG solutions, including **emissions reductions projects**; enhanced **employee equity, diversity and inclusion**; and meaningful **Indigenous participation**

104%

Adjusted EBITDA per common share<sup>(1)</sup> has increased 104% over the past 5 years

\$11 Billion

Pembina has returned \$11 billion to common shareholders through dividends since inception

## Purpose of Pembina

To be the leader in delivering integrated infrastructure solutions connecting global markets

**Customers** choose us first for reliable and value-added services



**Investors** receive sustainable industry-leading total returns

**Employees** say we are the 'employer of choice' and value our safe, respectful, collaborative, and inclusive work culture

**Communities** welcome us and recognize the net positive impact of our social and environmental commitment

(1) Adjusted EBITDA is a Non-GAAP measure. For the most directly comparable GAAP measure, earnings (loss) before income tax, see the "Financial and Operational Highlights" table and refer to "Non-GAAP Measures".

# Message from the Chair



**Randall (Randy)  
Findlay**

**Chair of the Board**

Pembina Pipeline Corporation

February 24, 2022

Throughout another year of global economic and health uncertainties and challenges, Pembina once again proved resilient and disciplined while delivering on its commitments to our stakeholders. The Board continues to provide sound strategic oversight and remains confident that Pembina's diversified and integrated asset base, low-risk business model and enduring focus on all stakeholders, will allow it to sustain its track record of strong performance and capitalize on longer-term growth opportunities, including contributing to the transition to a lower carbon economy.

In November, Pembina announced a leadership transition with the departure of its President and Chief Executive Officer (CEO), Mick Dilger. I want to thank Mick for his service and contribution to Pembina. During his tenure, Pembina accelerated its impressive history of innovation and growth, becoming a truly differentiated, integrated leader in the midstream industry, with a strong core business and well-positioned for the future. I am truly proud to have worked with Mick.

Selecting a CEO is one of the most important tasks a Board can undertake. We approached this task thoughtfully, recognizing the strong capabilities and future opportunities inherent in Pembina today, and ultimately the Board was pleased to appoint Scott Burrows as Pembina's new President and CEO.

Scott has a deep understanding of the Company and the industry, with 11 years of experience at Pembina and over 18 years in energy. In his roles with Pembina in corporate development and as Chief Financial Officer, Scott has been a key architect of the Company's growth and strong proponent of financial discipline. He has overseen over \$20 billion in successful strategic acquisitions and growth investments that have reshaped the Company over the last decade.

Scott, along with the rest of Pembina's senior management team, have been instrumental in defining and executing the strategy that has created what Pembina is today. Scott and the rest of the leadership team have the Board's full support in continuing to advance Pembina's strategy, driving new initiatives forward and seizing opportunities to enhance value as they present themselves.



*Pembina has significantly enhanced its ESG disclosure and actively advanced its overall ESG strategy.*

The Board remains dedicated to the highest standards of corporate governance and stewardship in all aspects of our business. A priority in recent years has been enhancing board-level diversity. Diversity on the Board is critical to good governance as a broad range of perspectives allows

## Board Diversity Targets

- To maintain **gender diversity** of Board representation of at **least 30 percent**.
- At **least 40 percent** of the independent directors be individuals **who belong to one of the four designated groups in the Employment Equity Act**: Indigenous persons, people with disabilities, people who are visible minorities, and women.

for more fulsome discussions and improves decision making, thus improving our ability to deliver sustained, long-term value to stakeholders. The Board was pleased in 2021 to extend this focus to the broader organization as it provided oversight and approval of the Company's employee equity, diversity and inclusion targets.

Pembina continues to demonstrate its commitment to providing responsible energy transportation and midstream services that deliver much needed oil and gas products to market. While proudly providing these services, Pembina is taking steps to lessen its environmental footprint through the reduction of emissions and other impacts to the environment caused by its business activities. In 2021, the Board oversaw and approved a new greenhouse gas emissions intensity target as well as the strategy to deliver on that target. Pembina has a long history of evolving its business to meet our stakeholders' needs. The Board is confident that the global transition to a lower carbon economy will create new opportunities for Pembina and its stakeholders.

In addition to announcing concrete targets, over the past few years, Pembina has significantly enhanced its environmental, social and governance (ESG) disclosure and actively advanced its overall ESG strategy by integrating these considerations within its long-term business planning and further embedding them into its organizational structure and corporate policies and practices. The Board is pleased to see that these efforts are being recognized as Pembina has successfully improved or maintained its ESG scores

or rankings from globally recognized agencies including Sustainalytics, MSCI, and ISS.

This past year, the Board also approved amendments to the Company's Code of Ethics to include Human Rights; adopted a new Anti-bribery Policy and Community Relations Policy; and updated its Indigenous and Tribal Relations Policy. These board-approved policies are foundational to good governance.

Finally, while last year I referenced my retirement in 2022, after careful consideration, the Board has asked me to continue on as Chair for 2023 to oversee the leadership transition. The Board continues its focus on succession planning and ensuring the next Chair has the right characteristics to lead the Board as Pembina evolves in the coming years.

In closing, the Board continues to have strong conviction around Pembina's strategy for the long-term. The core tenets of the strategy that have underpinned our success remain intact. We look forward to continuing to build upon Pembina's base business and support long-term growth opportunities, while being a leading participant in the energy industry's evolution to a more sustainable future. There are many exciting opportunities for Pembina to pursue and we remain well-positioned to tackle any challenges while continuing to differentiate ourselves as an industry leader. Truly, the Board is excited about what lies ahead for the Company and the energy industry.

I remain honoured to work with a board and a management team with a deep and unwavering commitment to values and ethics, and in service of a Company with a long-standing reputation as a reliable and responsible energy services provider. I would like to thank my fellow directors for their ongoing stewardship of Pembina. I would also like to acknowledge the strong leadership of our experienced management team and their dedication to creating a leading North American energy company by continuing to execute Pembina's strategy. To Pembina's employees, thank you for your commitment, resilience and hard work over the course of another challenging year. And thank you to all our shareholders for your ongoing support. The Board remains committed to working on your behalf and we look forward to serving you in 2022 and beyond.

Sincerely,



Randall (Randy) Findlay

# Message from the President & CEO



**Scott Burrows**

**President and**

**Chief Executive Officer**

Pembina Pipeline Corporation

February 24, 2022

I am very honoured to address you this year as Pembina's President and CEO and grateful for the opportunity to lead such an amazing organization at this important point in its history. I would like to first thank Mick Dilger for his leadership and dedication to Pembina and for his many contributions to the Company's strong position today. With the foundation of world class people and assets, momentum in our business continues to grow, giving us cause for great optimism about the future. The core strategy that has been instrumental in Pembina's success and helped generate industry-leading returns remains intact and will continue under the direction of a seasoned and diverse management team. As we move forward into 2022, we are committed, as always, to ensuring Pembina's long-term future and that of our stakeholders.

In my 11 years at Pembina, I have been fortunate to be part of a team that has grown the 'Pembina Store' into a \$38 billion entity, operating safely and reliably, with many businesses in multiple jurisdictions, and more underway. The business has been built within our 'financial guardrails', which were developed to provide a roadmap of how we would grow and diversify Pembina while managing overall financial risk. I am proud of the unwavering commitment to Pembina's 'Purpose' and its four stakeholder groups - customers, employees, investors and communities - and feel privileged to have contributed to Pembina's transformation into one of the most dynamic energy transportation and midstream providers in North America. The Company has also built a solid foundation for long-term

ESG excellence and leadership in the transition to a lower carbon economy.

In last year's letter we reflected on the significant impact the global health pandemic had on our business in 2020, as well as the incredible efforts of our staff, strong stakeholder relationships and resilient business model that allowed us to deliver strong results despite a challenging year. It was noted then that in 2020, Pembina effectively hit the 'pause' button but that in 2021 there was renewed optimism building and a sense of being able to hit 'play' once again. Despite the ongoing pandemic, Pembina did in fact hit 'play', most notably by restarting construction on several previously deferred capital projects and by exceeding the high end of our adjusted EBITDA<sup>(1)</sup> guidance range. Amidst the backdrop of a recovering economy and strengthening commodity prices, Pembina delivered strong financial and operational results, progressed new initiatives, advanced our ESG strategy and positioned ourselves for continued growth and tremendous future success.

## Strong 2021 Results

Safety remains at the forefront of everything we do. Whether it is protecting the health of our people during a global pandemic or ensuring a safe working environment at our sites or on construction projects, it is always a top priority. Improving our safety performance is a job that requires

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relentless focus, a strong culture and active involvement by all employees and contractors. Pembina continues to deliver a safety record that exceeds the industry average, and that is something we are very proud of. However, as a stark reminder of the need to remain ever diligent we were deeply saddened this year to report a fatality of one of our subcontractors, which occurred at a Peace Pipeline construction site. This news hit us all very hard, and our thoughts continue to be with the individual's family, friends and co-workers. Pembina is committed to doing everything it can to learn from this incident. We continue to believe that all incidents are preventable and reinforce that nothing is more important than the safety of our employees, contractors and communities.

Financially, Pembina delivered record adjusted EBITDA<sup>(1)</sup> of \$3.43 billion dollars in 2021, which exceeded the top end of our annual guidance range and represents a five percent increase over 2020. Strong financial results reflected much improved commodity prices across all products within Pembina's value chain – crude oil, natural gas and natural gas liquids. Volumes on many of Pembina's systems improved throughout 2021 and higher prices and margins on crude oil and natural gas liquids (NGL), as well as higher NGL sales volumes in the year, also led to strong annual results in our marketing business.

Strong financial performance allowed Pembina to exit 2021 in an even better financial position with a stronger balance sheet, improved liquidity, and having maintained or strengthened the Company's financial guardrails. Our commitment to these guardrails has been demonstrated consistently and is unwavering.

Pembina placed over \$500 million of new projects into service in 2021. At Veresen Midstream, we safely completed the start-up of Hythe Developments, which primarily included an expansion of sour gas processing at the existing Hythe Gas Plant, as well as new pipelines. Pembina also placed into service a new northeast British Columbia (NEBC) terminal and an expansion at Vancouver Wharves. However, the highlight of the year was the placement into service of Pembina's first propane marine export facility, Prince Rupert Terminal (PRT) on Watson Island, British Columbia. The start-up of PRT represents the first project executed in support of Pembina's strategy to access global markets and is a major step forward in providing market diversity and helping add incremental value to our customers' hydrocarbons. In conjunction with Pembina's unit train capabilities, PRT links the rest of the Company's natural gas liquids infrastructure in western Canada with growing demand markets throughout the world, with the majority of the increased value flowing to those customers in Pembina's marketing pool. PRT has been an exciting and transformational addition to Pembina's service offering and we look forward to further building out our export business.

Working together with the community, governments, and First Nations, Pembina was able to transform and re-purpose a contaminated site on Watson Island into a key connection point in moving propane from rail cars to vessels off the West Coast. Pembina invested approximately \$12 million in remediation activities and together with the City of Prince Rupert removed a toxic and abandoned pulp mill, replacing it with a key income generating asset, which will have lasting benefits for all stakeholders. PRT is a true success story!

## Advantage Canada

Given an improvement in commodity prices, and the expectation of a post-pandemic economic recovery, we continue to have a constructive view of activity in the Western Canadian Sedimentary Basin (WCSB). Throughout 2021 and now into 2022, we have observed a number of important developments, that we have framed collectively as 'Advantage Canada'.

**Stronger Customers** – Higher commodity prices are allowing our producing customers to generate significant discretionary cash flow and after paying down debt, on average, producers' financial health is as strong as it has ever been. Despite the broader inflationary pressures in the global economy, ingenuity and continuous improvement have driven costs out of their businesses making them more efficient and able to deliver more value with the same development dollars. We have also seen significant producer consolidation, with the result being larger, stronger companies with better balance sheets and a greater ability to quickly deploy capital when opportunities and commodity prices present themselves. The priority to date amongst this group broadly has been debt reduction and shareholder returns and we expect them to continue to be financially disciplined. However, we also recognize that high energy prices are a signal that may eventually necessitate a supply response to meet the world's near-term energy needs and that producers will increasingly begin to allocate capital to new drilling. We are well-positioned to capture new volume growth, which would clearly have positive implications for Pembina.

**New Oil Pipelines** – New third-party oil pipelines, including the Trans Mountain Pipeline expansion currently under construction and Enbridge's Line 3 Replacement, which entered service in 2021, are expected to collectively improve relative pricing for Canadian oil and support future growth in the WCSB. Together they meaningfully expand Western Canadian oil egress with up to 750,000 barrels per day of takeaway capacity, providing ample opportunity for supply to grow meaningfully to fill the gap, with the potential for related benefits to accrue to Pembina over the long-term. Related to a growing supply of oil is the need for incremental condensate supply. While condensate demand growth has certainly moderated, we have seen a recovery from 2020, and third-party forecasts suggest continued growth into 2022, as the oil sands industry continues to grow. Pembina's Peace Pipeline is well-positioned to attract incremental condensate volumes coming from the WCSB.

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Further, while domestic condensate production ramps up, demand growth can be met through spare capacity and low-cost expansions of Pembina's Cochin Pipeline.

**Emerging Canadian LNG Industry** – Between LNG Canada, which is a third-party liquefied natural gas (LNG) export project, and our proposed Cedar LNG project, we could see more than two billion cubic feet per day of LNG being exported from Canada's west coast, and that could grow to greater than four billion cubic feet per day with the expansion of LNG Canada. This incremental natural gas demand is in addition to the conversion underway from coal to natural gas generation of electricity in Alberta, as well as growing demand for exports of natural gas to the United States. What does all this mean for Pembina? Ultimately, more natural gas means more natural gas processing in areas where Pembina has a presence and more NGL volumes, which require transportation, fractionation, storage and rail, along with marketing services, which Pembina is well-situated to service on our customers' behalf.

**Incremental Propane Demand** – Globally, demand for propane is rising, as it is increasingly being used as a clean-burning alternative to the use of solid fuels in many parts of the developing world, resulting in positive environmental outcomes and health benefits for millions of people. Global propane demand increased five percent in 2021 and forecasts suggest additional growth of approximately four percent annually from 2021 until 2024<sup>(1)</sup>. Within Canada, propane demand continues to rise in tandem with the global trend with the development and expansion of west coast export facilities; the addition of a new third-party propane-supplied petrochemical complex; and incremental demand-pull from the United States. Propane is an area where Pembina has a leading position and the opportunities include the potential to expand our Redwater fractionation facility, and propane export capacity at our Prince Rupert Terminal.

**Petrochemicals** – The Government of Alberta's support for the petrochemical industry, including various incentive programs, is expected to drive higher petrochemical feedstock (including ethane, propane and butane) demand in western Canada. We were excited by the recent announcement from DOW Chemical Co. this past year, which highlighted plans to build a new ethylene cracker in

Alberta. The proposed project would represent a significant increase in ethane demand in Alberta as we estimate over 100,000 barrels per day of new ethane feedstock supply could be required. This should have positive implications for third-party service providers, as new infrastructure will be required for ethane extraction and transportation. Once again, this is a space where Pembina has a strong presence and will be well-positioned to benefit through increased utilization of its existing ethane-plus pipelines, incremental NGL extraction, additional fractionation at our Redwater Complex, and the potential to expand our AEGS pipeline.

## Progressing Our ESG Strategy

Pembina's Purpose is integral to how we work each and every day. We strive to be the leader in delivering integrated infrastructure solutions and connecting global markets. But in doing so, we have also committed ourselves to being in business for all stakeholders, not just one. We have a long history of ensuring each group benefits from our business activities. Our Purpose is squarely aligned with our approach to ESG. Our customers are increasingly asking Pembina to support them in achieving their own ESG commitments, and we have the expertise and infrastructure to do that. Our communities expect us to minimize the impacts of our operations and to share the economic benefits we bring. Our employees want a work environment that celebrates and values their diversity, where they are represented at all levels of the organization. Our investors want to know that we are embracing the transition to a lower carbon economy, while still providing competitive returns. Accordingly, Pembina advanced the following important ESG initiatives in 2021:

**GHG Reduction Target** – As the Company continues to advance its ESG strategy, we were pleased to announce a target to reduce Pembina's greenhouse gas (GHG) emissions intensity by 30 percent by 2030, relative to 2019. The GHG reduction target will help guide business decisions and improve overall emissions intensity performance while increasing Pembina's long-term value and ensuring Canadian energy is developed and delivered responsibly. To meet the target, Pembina will focus initially on operational opportunities, greater use of renewable and lower emission energy sources, and investments in a lower carbon economy.

(1) Source: IHS Markit.

Pembina is committed to achieving the following targets over the next three years:

35 percent women in the overall workforce by 2025

30 percent women in executive leadership by 2022

45 percent overall diversity in the workforce by 2025

40 percent overall diversity in executive leadership by 2025



**Equity, Diversity and Inclusion** – Pembina demonstrated its commitment to employee diversity, equal opportunity and ensuring a safe and inclusive workplace with the announcement of employee equity, diversity and inclusion targets. These targets support the work being done across the organization to increase the representation of women and other underrepresented groups at all levels of the organization.

In addition to these targets, we continued to advance Pembina's equity, diversity and inclusion strategy through specific initiatives. We have enhanced diversity at the executive level, including the appointment of two female members to the senior executive team; established inclusion networks for women and LGBTQ2S+ to further support an inclusive and diverse workplace; and launched our 'Conversations for Change' series, which featured a variety of panels where employees shared their experiences with a focus on gender, Indigenous culture and reconciliation, mental health, and LGBTQ2S+ pride.

**Transformational Indigenous Partnerships** – Pembina announced two significant and transformational partnerships that combine strong business opportunities with compelling ESG attributes. The first is a partnership with the Haisla Nation to develop the proposed Cedar LNG Project, which would be the largest First Nation-owned infrastructure project in Canada with one of the cleanest environmental profiles in the world. The second is Chinook Pathways, a partnership with Western Indigenous Pipeline Group to pursue ownership of the Trans Mountain Pipeline, following completion of the construction of the Trans Mountain Expansion project.

These partnerships do not happen overnight; they happen after years of relationship building with the communities that live and work near these projects. Both are exciting opportunities to redefine how Indigenous communities and industry can work together to support economic reconciliation. Throughout its history, Pembina has had an unwavering focus on developing meaningful relationships and creating value for all stakeholders. We could not be prouder of our partnerships with both the Haisla Nation and the Western Indigenous Pipeline Group. Pembina believes that the future of Canada's energy sector development is inextricably linked to meaningful partnerships and commercial relationships with Indigenous communities. We see an important role for our company to play in advancing Indigenous economic reconciliation in Canada.

**Alberta Carbon Grid** – Pembina is delighted to be partnering with TC Energy Corporation (TC Energy) to jointly develop a world-scale carbon transportation and sequestration system. Developing the Alberta Carbon Grid (ACG), will allow Pembina to play a vital role in helping Alberta-based industries effectively manage emissions. Further, for Canada to achieve its national climate targets, carbon transportation and sequestration technology and



*Pembina is embracing the opportunity to adapt, respond and contribute to a more sustainable future.*

infrastructure will need to play a vital role. Pembina and TC Energy are uniquely positioned to take a leadership role in the transportation of carbon emissions given their collective skills and extensive network of existing pipeline infrastructure. By leveraging existing pipelines and a newly developed sequestration hub, the ACG represents the infrastructure platform needed for Alberta-based industries to effectively manage their emissions and contribute positively to Alberta's lower-carbon economy and create sustainable long-term value for Pembina and TC Energy stakeholders.

Pembina has never been one to shy away from a challenge. As the world around us continues to evolve, Pembina is embracing the opportunity to adapt, respond and contribute to a more sustainable future. Our ESG strategy is aligned with our Purpose and in service of all of our stakeholders. We are embracing the opportunity to support the energy transition. We are laser-focused on diversity and inclusion by creating a workplace where all employees can thrive. We are setting the standard for what true Indigenous industry partnerships can look like, and we are embedding ESG into our systems and processes. It is just the way we do business. We are excited about these initiatives and our strong commitment to ESG is being demonstrated by the ambitious new projects, partnerships, and targets we announced this past year.

## Looking Ahead to 2022

Based on the outlook for 2022, Pembina expects to deliver adjusted EBITDA<sup>(1)</sup> of \$3.35 to \$3.55 billion. Relative to \$3.43 billion in 2021, adjusted EBITDA is expected to benefit from higher volumes on existing assets within the conventional pipelines and gas processing businesses and from continued strength in our marketing business. We expect to have higher contributions from assets that were placed into service in 2021, including Prince Rupert Terminal and Hythe Developments, and assets expected to be placed into service in 2022, including the Peace Pipeline Phase VII and Phase IX expansions and Empress Cogeneration. Combined, Pembina is excited to bring approximately \$900 million of new projects into service in 2022. These positive factors are expected to be partially offset by higher integrity costs and other operating expenses, lower contributions from select assets due to contract expirations and increased spending on continuous improvement initiatives that will support Pembina's long-term cost efficiency efforts.

For 2022, we announced a capital expenditure program totalling \$655 million, primarily focused on in-flight projects, including the completion of the Peace Pipeline Phase VII and Phase IX expansions, as well as the Empress

(1) Adjusted EBITDA is a Non-GAAP measure. For the most directly comparable GAAP measure, earnings (loss) before income tax, see "Financial and Operational Highlights" table and refer to "Non-GAAP and Other Financial Measures".

Cogeneration facility. Various continuous improvement initiatives and technology investments are also included in the 2022 budget. These opportunities possess strong return profiles and will ultimately enhance our ability to offer our customers highly reliable and cost-competitive services. Pembina has a proven track record of generating long-term shareholder value through capital expenditures and will continue to prioritize allocating capital to growth projects with attractive risk-adjusted returns.

2022 cash flow from operating activities is expected to exceed dividend payments and the capital expenditure program. Pembina expects to allocate up to the first \$200 million of the excess cash flow to common share repurchases by mid-2022, representing approximately one percent of the Company's common shares. Additional cash flow will be available for incremental capital investment if sanctioned, debt repayment, or additional distribution to shareholders. We recognize that our investors depend on the income they receive through the dividend and remain committed to a stable and growing dividend over the long term. We are proud to have raised our dividend on average by 5 percent per year over the last ten years and maintained the dividend after the onset of the pandemic despite the economic uncertainty it created. This dividend remains solid and very well protected. While we made the decision not to increase the dividend as we typically would have done in May 2021, we believe it was the prudent course of action to protect Pembina's balance sheet during a difficult time. Pembina will continue to evaluate the merits of dividend growth relative to other opportunities for capital allocation as 2022 evolves, particularly in consideration of the dividend yield on Pembina's common shares.

Based on the current guidance for 2022, Pembina expects to remain firmly within its financial guardrails with ample liquidity. Leverage metrics are expected to remain within the ranges for a strong 'BBB' credit rating.

## Attractive Portfolio of Growth Projects

Pembina has \$900 million of projects currently underway, with another \$5 billion pending reactivation or in the early development stage.

In the Pipelines Division, in response to customer demand for services, including to accommodate volume growth in the NEBC Montney, Pembina continues to pursue a measured, capital-efficient, economic, and orderly expansion of our Peace Pipeline system, including the Phase VII and IX expansions, which are expected to be completed and brought into service later this year. Recently we were pleased to revise the capital cost of Phase VII lower, by \$110 million. This is a reflection of a very highly efficient project management process, great work by our contractor partners, and the benefit of good weather.

With respect to Phase VIII expansion, that project remains deferred at this point in time. We continue to do value engineering and are watching closely, looking for resolution around development in NEBC, due to the ongoing

discussions between the government and First Nations.

In the Facilities Division, we continue construction of the Empress Cogeneration project that will provide the vast majority of electricity to the Empress NGL Extraction facility, reducing operating costs and GHG emissions at that site.

Additionally, Pembina continues to develop additional greenfield and brownfield projects to accommodate the many demand drivers we see impacting the industry and Pembina's business. The projects under development include expansions of our existing assets, like new gas processing facilities, new pipeline terminals, pipeline connections, cogeneration facilities, and additional NGL extraction at existing plants. This also includes our value chain enhancing projects, such as the Cedar LNG project. We are confident in our ability to convert this attractive portfolio of highly economic potential projects into secured investments. The opportunities that lie ahead, will move us powerfully forward as we continue the work to create an integrated, diversified, and global energy platform.

In closing, let me summarize what I believe is Pembina's value proposition. We have a diversified and integrated business model; we have strategic franchise assets along the full value chain; and we continually strive to achieve the highest netbacks for our customers. That is a unique combination that our customers value and that has made us a leading provider of midstream energy services. We have visible growth opportunities ahead of us, with a multi-billion dollar portfolio of value chain extensions and new infrastructure projects to accommodate the growth we expect to see across the basins where we operate. We can self-fund approximately \$2 billion of capital per year without shareholder dilution from issuing new shares. We have a very strong balance sheet and a commitment to executing our strategy within our financial guardrails. We are focused on a wide range of ESG priorities and solutions, including a commitment to equity, diversity and inclusion within our workforce, building meaningful partnerships with Indigenous groups, and advancing projects that can reduce our own and others' emissions. Finally, we have a talented and dedicated workforce, with whom I enjoy working every day.

Thank you to Pembina's Board of Directors for the trust they have placed in me as President and CEO. And thank you to all of Pembina's stakeholders for their continued support.

Sincerely,



Scott Burrows

# Financial & Operational Highlights

Year Ended December 31	2021	2020	2019
<i>(\$ millions, except as indicated)</i>			
Revenue	<b>8,627</b>	5,953	6,372
Net revenue <sup>(1)</sup>	<b>3,938</b>	3,444	3,120
Earnings (loss) before income tax	<b>1,665</b>	(416)	1,542
Earnings (loss)	<b>1,241</b>	(316)	1,507
Per common share (basic) (\$)	<b>2.00</b>	(0.86)	2.69
Cash flow from operating activities	<b>2,652</b>	2,252	2,532
Per common share (basic) (\$)	<b>4.82</b>	4.10	4.94
Adjusted cash flow from operating activities <sup>(1)</sup>	<b>2,640</b>	2,289	2,234
Per common share (basic) (\$) <sup>(1)</sup>	<b>4.80</b>	4.16	4.36
Common share dividends declared	<b>1,386</b>	1,385	1,213
Dividends per common share (\$)	<b>2.52</b>	2.52	2.36
Preferred dividends	<b>135</b>	151	126
Capital expenditures	<b>658</b>	1,029	1,645
Acquisitions	--	--	4,255
Common shares outstanding:			
Weighted average - basic (#)	<b>550</b>	550	512
Weighted average - diluted (#)	<b>551</b>	550	514
End of period (#)	<b>550</b>	550	548
Volumes (mboe/d) <sup>(2)</sup>	<b>3,456</b>	3,500	3,451
Adjusted EBITDA <sup>(1)</sup>	<b>3,433</b>	3,281	3,061
Per common share (basic) (\$) <sup>(1)</sup>	<b>6.24</b>	5.97	5.97

(1) Refer to "Non-GAAP 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

## Head Office

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Email [investor-relations@pembina.com](mailto:investor-relations@pembina.com)  
Website [www.pembina.com](http://www.pembina.com)

## Annual Meeting

To mitigate the risks to the health and safety of our stakeholders in light of the COVID-19 pandemic, the Annual Meeting of Shareholders will be held as a virtual-only meeting on May 6, 2022 at 2:00 pm MST. 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 600, 530 – 8th Avenue S.W.  
Calgary, Alberta, Canada T2P 3S8  
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 23 – PPL.PF.C
Series 9 – PPL.PR.I	Series 25 – PPL.PF.E
Series 15 – PPL.PR.O	

## Non-GAAP 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 and earnings per share.

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 24, 2022 for the year ended December 31, 2021 (the "MD&A"), which information is incorporated by reference in this Annual Summary. The MD&A is available on SEDAR at [www.sedar.com](http://www.sedar.com), 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, 2021, which are available online at [www.sedar.com](http://www.sedar.com), [www.sec.gov/edgar](http://www.sec.gov/edgar) and through Pembina's website at [www.pembina.com/investors/](http://www.pembina.com/investors/). Management approved the 2022 adjusted EBITDA guidance contained herein as of February 24, 2022. The purpose of 2022 adjusted EBITDA guidance is to assist readers in understanding expected and targeted financial results, and this information may not be appropriate for other purposes.