



Investor Intelligence Report TC Energy Corporation

"Voice of the Shareholder"

1Q 2023

Brendan Wood International
First Intelligence

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Brendan Wood & Partners

The Brendan Wood Shareholder Confidence Panel

BWI Panel
Institutional
&
Private Wealth Investors

Secondary Markets
Professionals
Research, Sales & Trading

GLOBAL PANEL
 2000+ Debriefs with Decision
 Makers
 >\$56 Trillion in Assets
 70% Sector Specialists
 30% Generalists
 Average 9 Yrs Professional
 Experience, 25% more than 15
 Years

+/- 600 Professionals, including...
 +/- 400 TopGuns

GLOBAL RESOURCES PANEL
 350+ Debriefs with Decision
 Makers
 >\$15 Trillion in Assets
 80% Sector Specialists
 20% Generalists
 Average 11 Yrs Professional
 Experience, 35% more than 15
 Years

+/- 100 Professionals, including...
 +/- 100 TopGuns

Geographic Breakdown of the BWI Panel 2023:

US	42%
Canada	21%
Europe/Middle East/Africa	32%
Pacific Rim	4%
Latin America	1%+

Global Resources Panel:

35%
34%
27%
3%
1%+

WHAT DO BRENDAN WOOD COMPANY SCORES MEAN?

METHODOLOGY

The core mission of BWI performance and quality metrics is to illustrate and explain the emerging investor “commitment to own” particular stocks.

Eleven critical performance metrics are used to determine the relative strength of investor commitment to a company as an investment target. To help investors rate companies in a sector on a relative basis “one metric at a time”, a visual technique is used. For example, the visual tool shows investors a consensus vertical hierarchy representing how each investment target company in a sector is rated by investors against a criterion such as “Quality of Strategy” ... AS AN INFLUENCE ON THE INVESTOR COMMITMENT TO OWN THE NAME. The investor is then asked to adjust the consensus rating hierarchy to match their own particular view of how each company scores against the “Quality of Strategy” criterion. They may agree or disagree with the consensus. The investor then makes their personal adjustments which are added to our cumulative data instantly. To make this task fast and accurate the visual scoring hierarchy is broken down into top decile, four quartiles and a bottom decile, therefore six potential levels of performance against each investment selection criterion. The quartile display is instantly recognizable by investors as indicating both absolute and relative bases of the influence of a company’s level of competitive performance against a critical investment selection criterion.

The above methodology forces the (dependent variable) absolute benchmark of “commitment to own” on each quality of a corporate investment target.

WHY A COMPANY SCORE MAY BE FIRST IN ITS SECTOR BUT RATE IN THE SECOND QUARTILE?

This means that the sector itself (all companies included) ranks in the second quartile or below of investor selection attractiveness against a particular criterion of investability.

ADVANTAGE OF BRENDAN WOOD INTERNATIONAL METHODOLOGY?

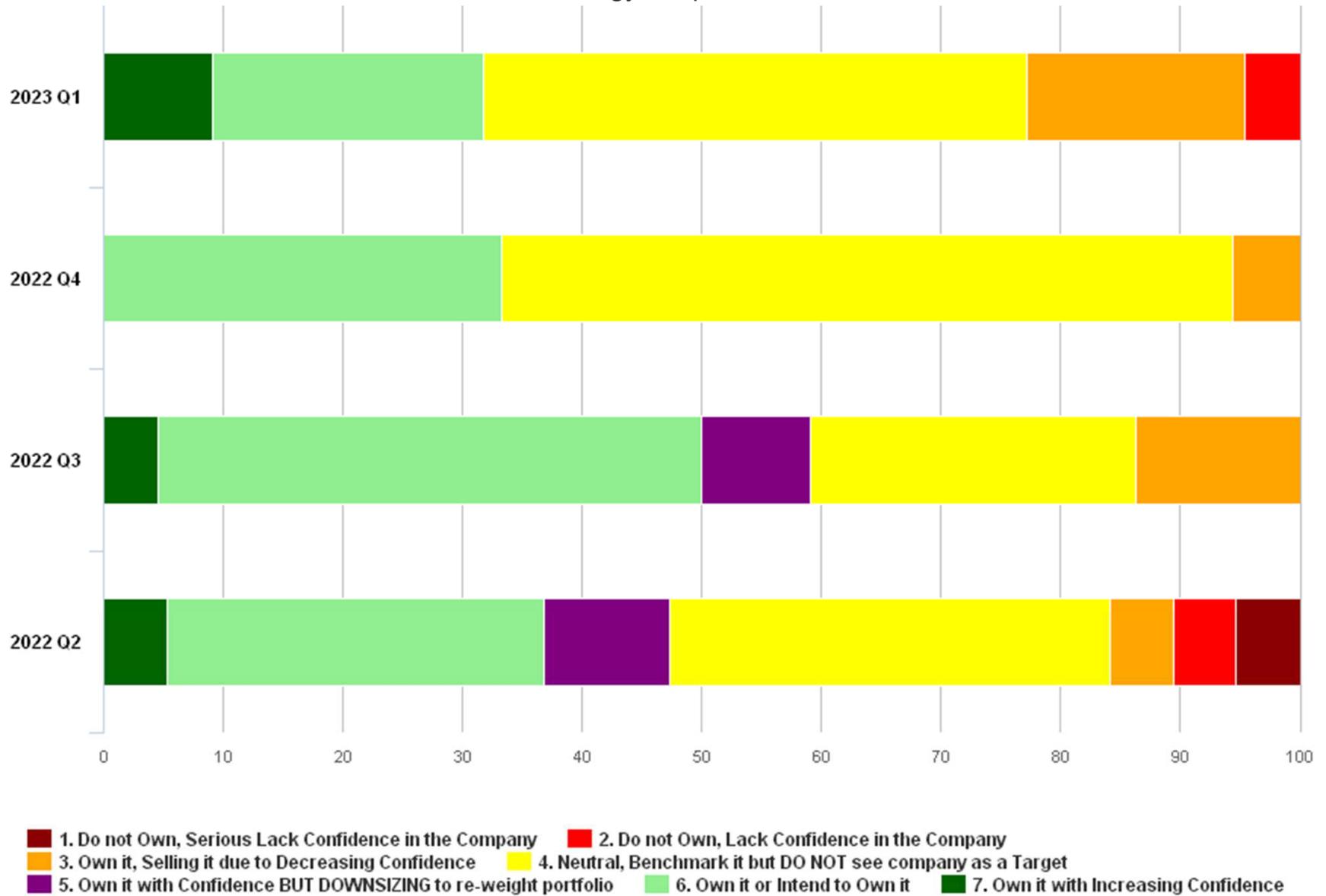
This process identifies the emerging competitiveness of individual sectors, sub-sectors and most importantly of companies as investment targets on both an absolute and relative ‘best in sector’ basis against investors’ selection criteria for the year ahead. Such calibrated data allows BW partners to help corporate management to accurately analyze their company’s attractiveness as a target for the year ahead as an individual story and relative to its comparables and sector. The isolation of performance against individual metrics enables management to identify and address the key metrics which drive the “commitment to own” their particular stock.

APPARENT CONTRADICTION BETWEEN QUARTERLY RESULTS AND ROLLING YEAR RESULTS?

Quarterly results = the results in the quarter. Rolling years results = the results for a full year of data.

What is Your Commitment to Own This Stock in The Year Ahead?

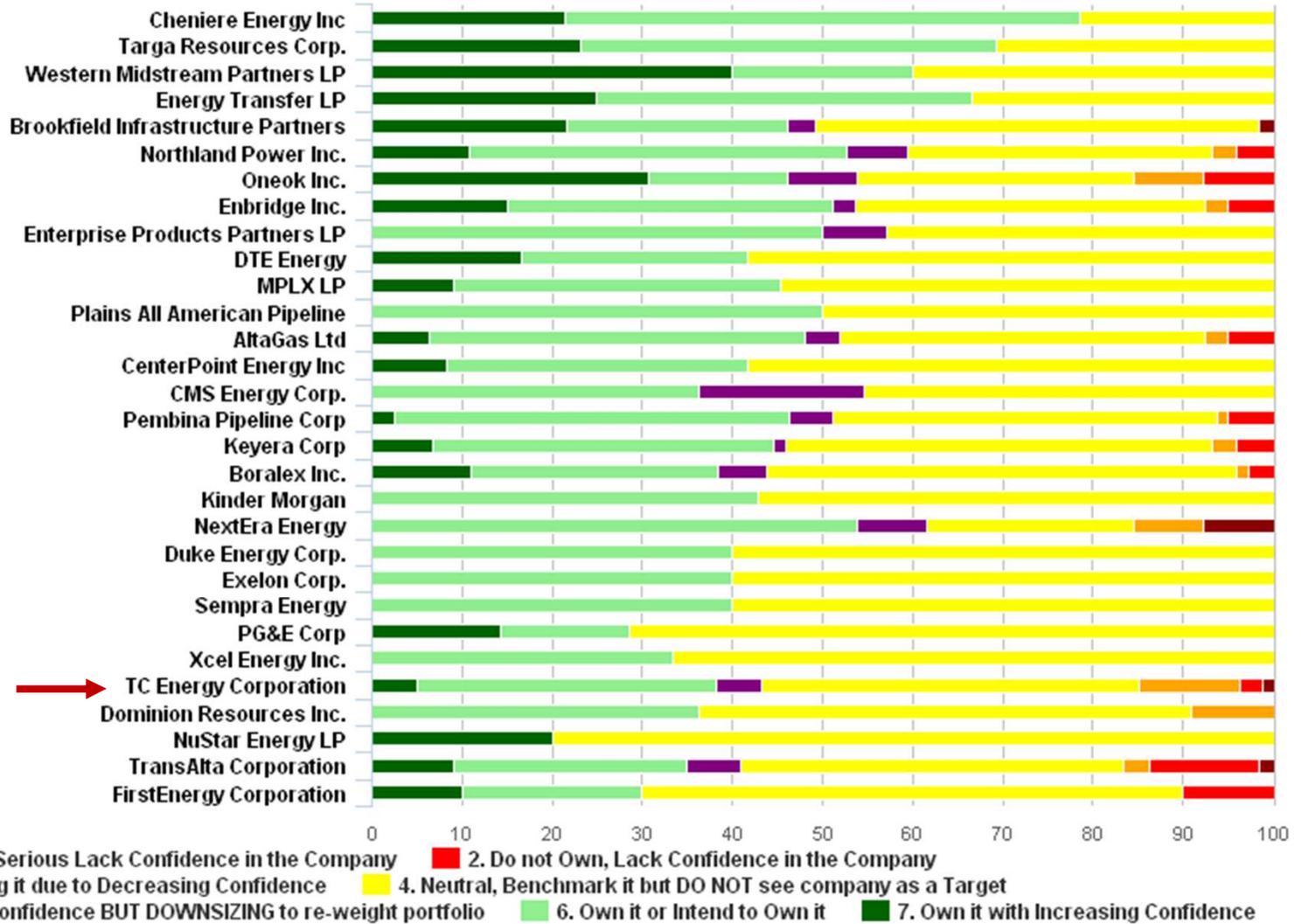
TC Energy Corporation



What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

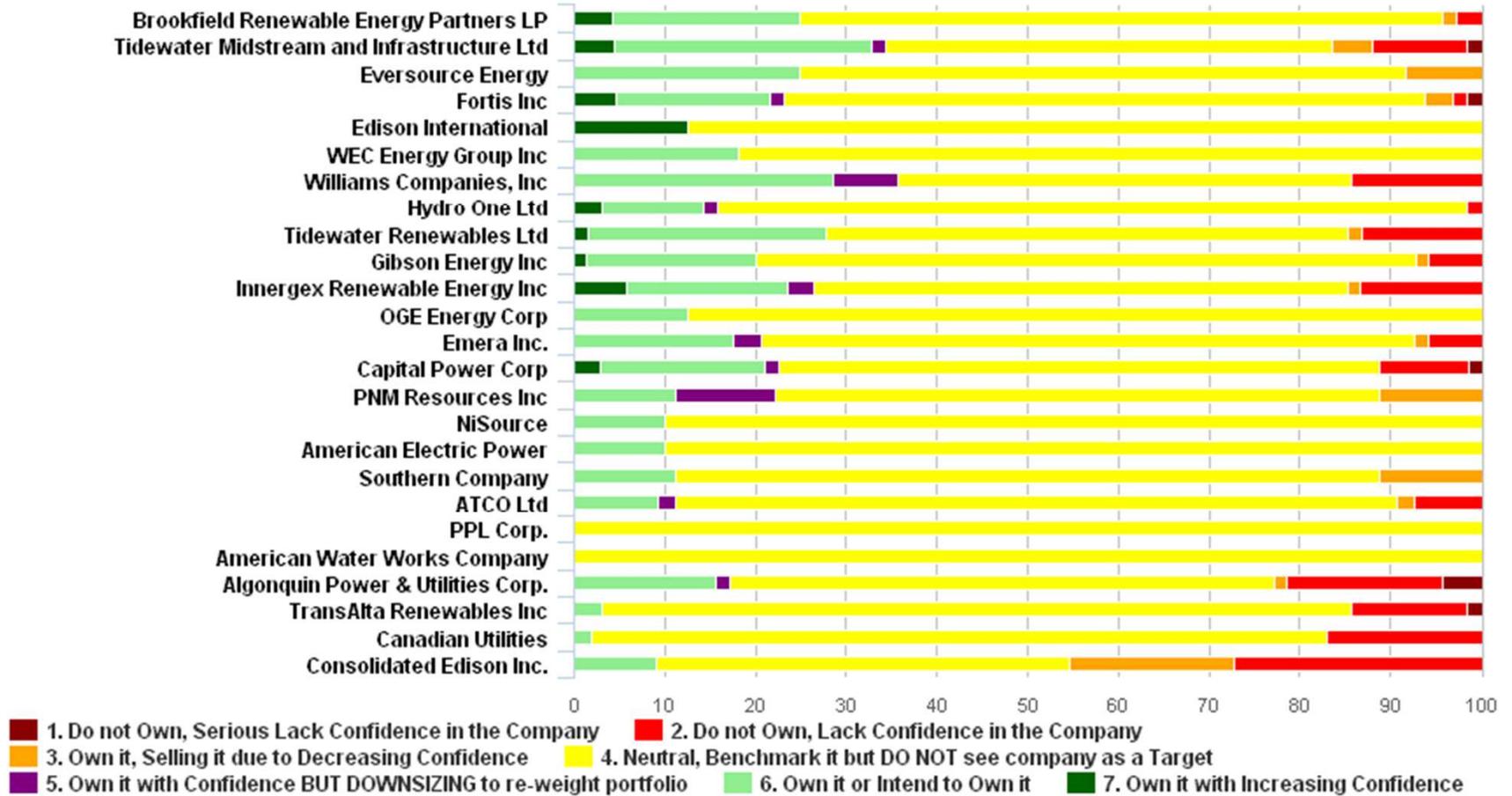
Buyers/Sellers by Sector



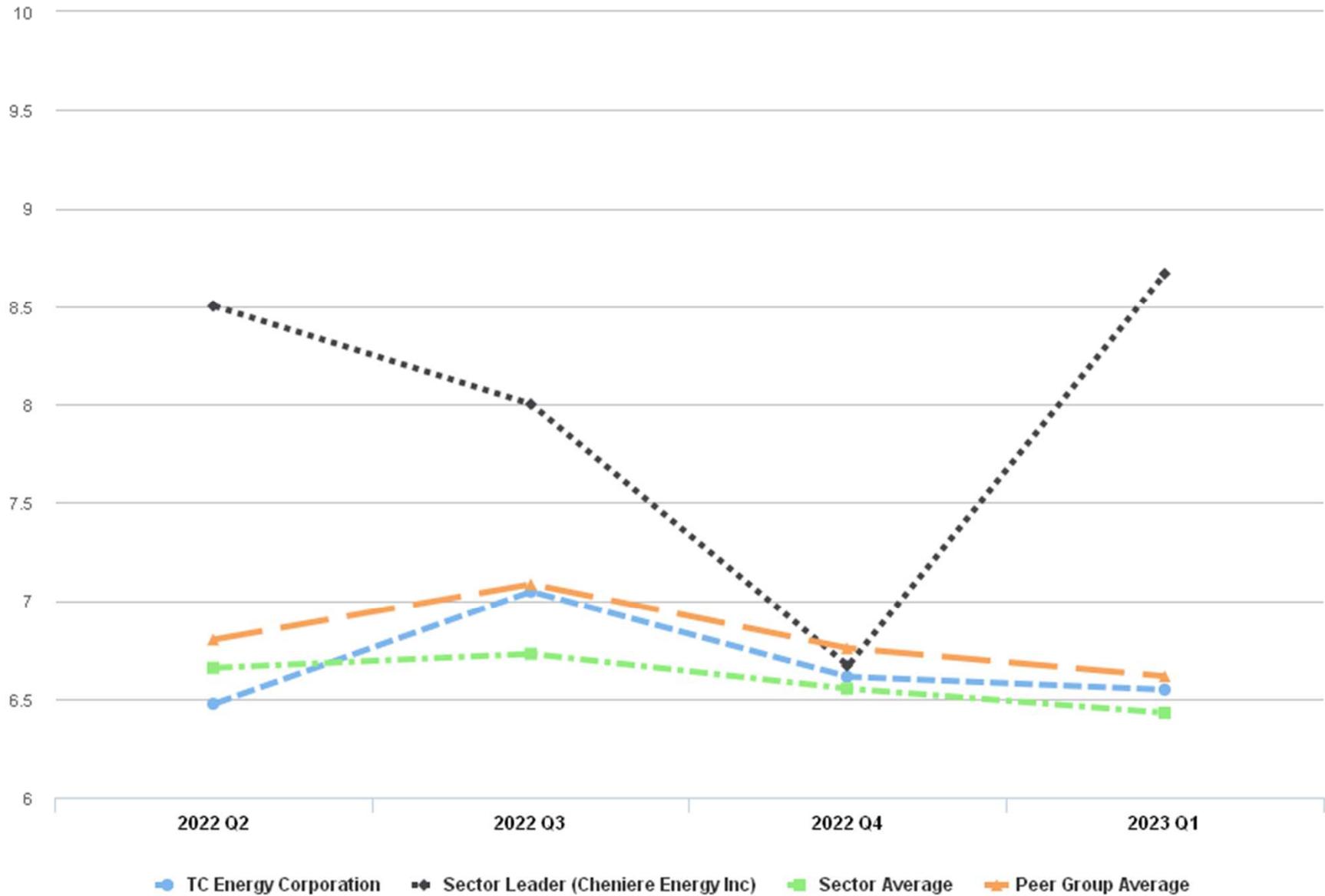
What is Your Commitment to Own This Stock in The Year Ahead?

Rolling Year Data

Buyers/Sellers by Sector



What is Your Commitment to Own This Stock in The Year Ahead?



Shareholder Confidence Metrics

TC Energy Corporation's Performance Vs TC Energy Corporation Peer Group

TC Energy Corporation Peer Group

Enbridge Inc.

Gibson Energy Inc

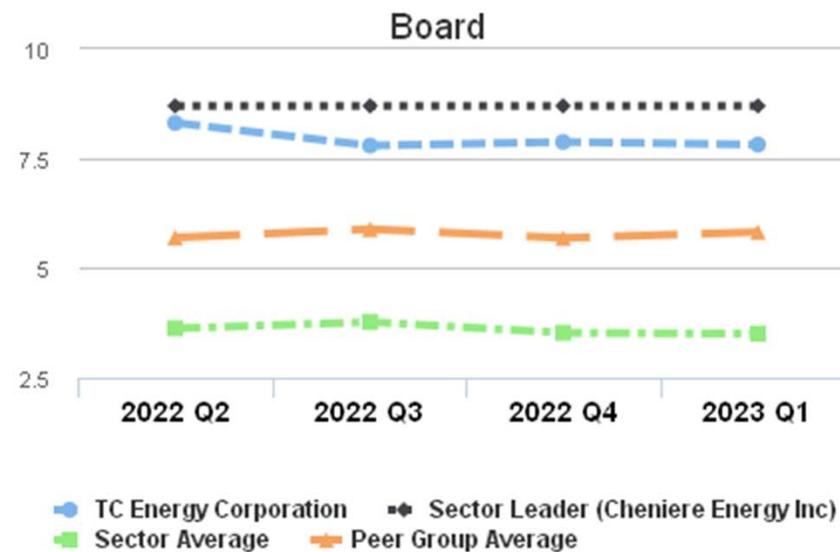
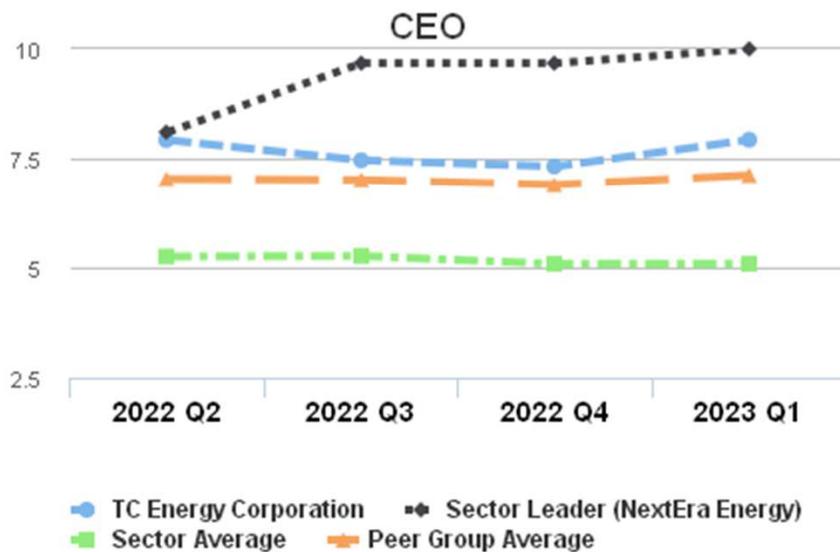
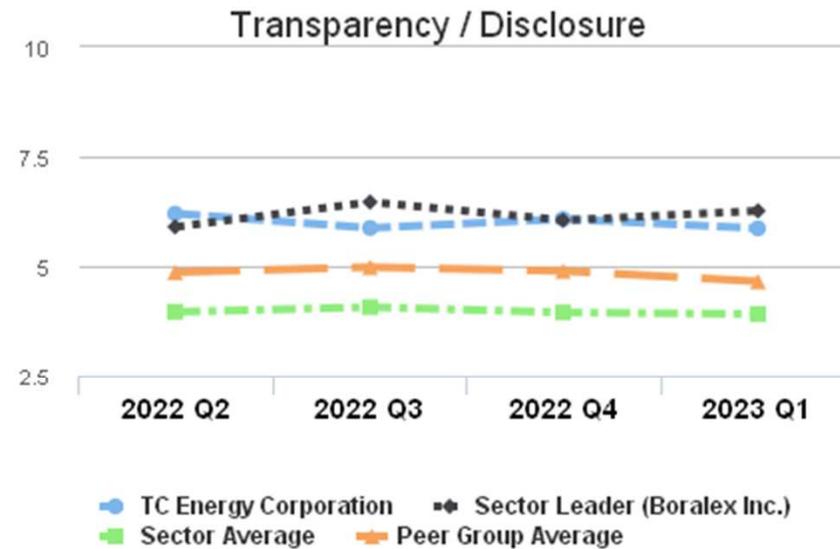
Keyera Corp

Pembina Pipeline Corp

TC Energy Corporation

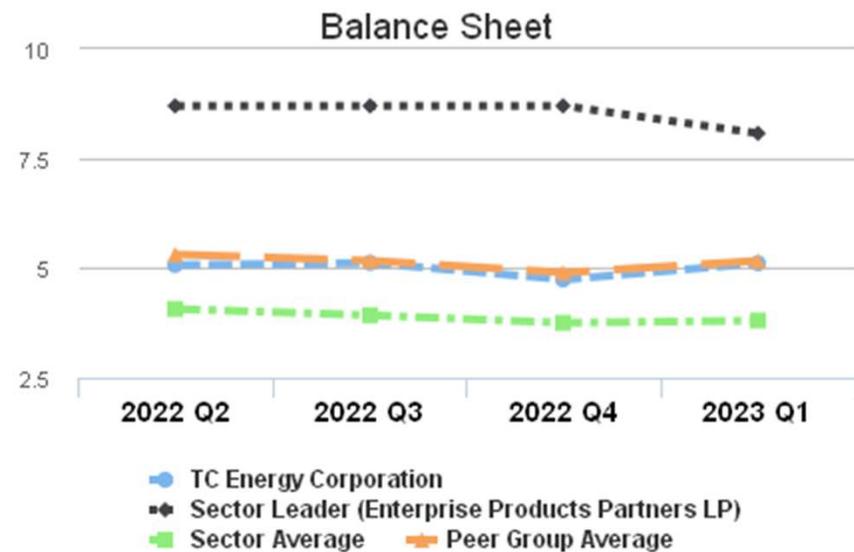
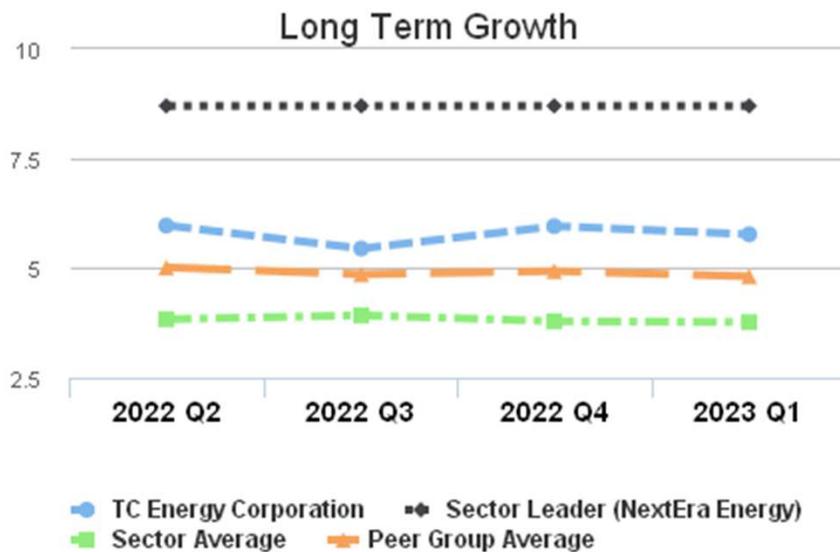
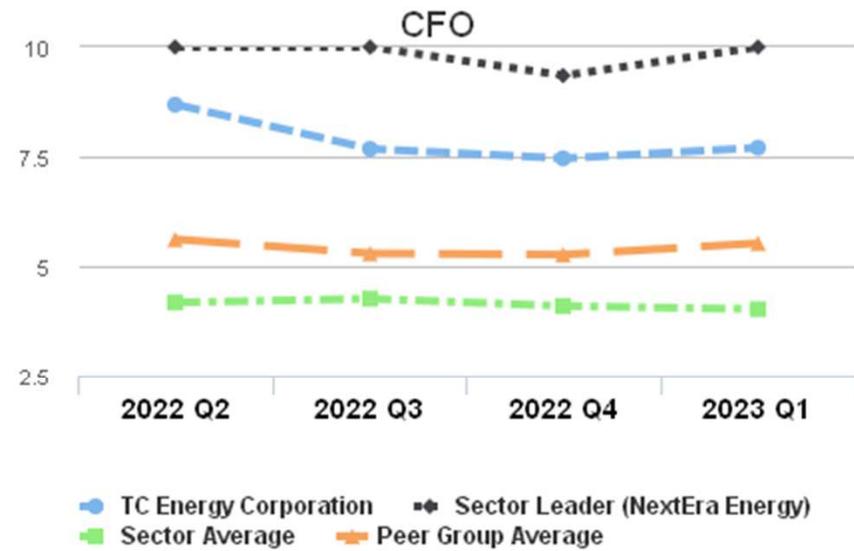
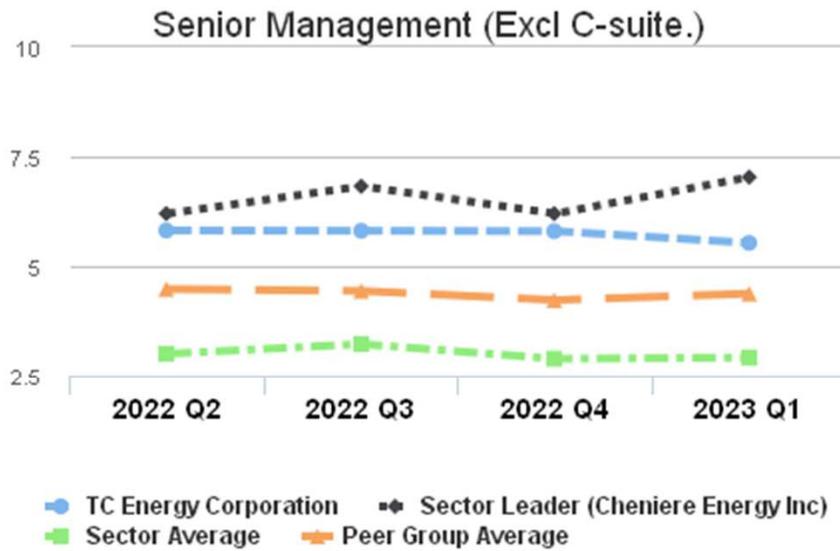
Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results



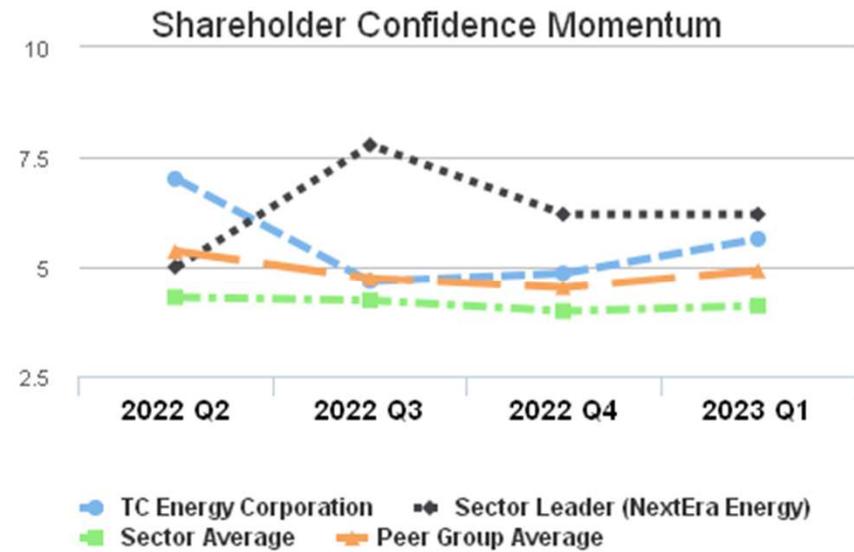
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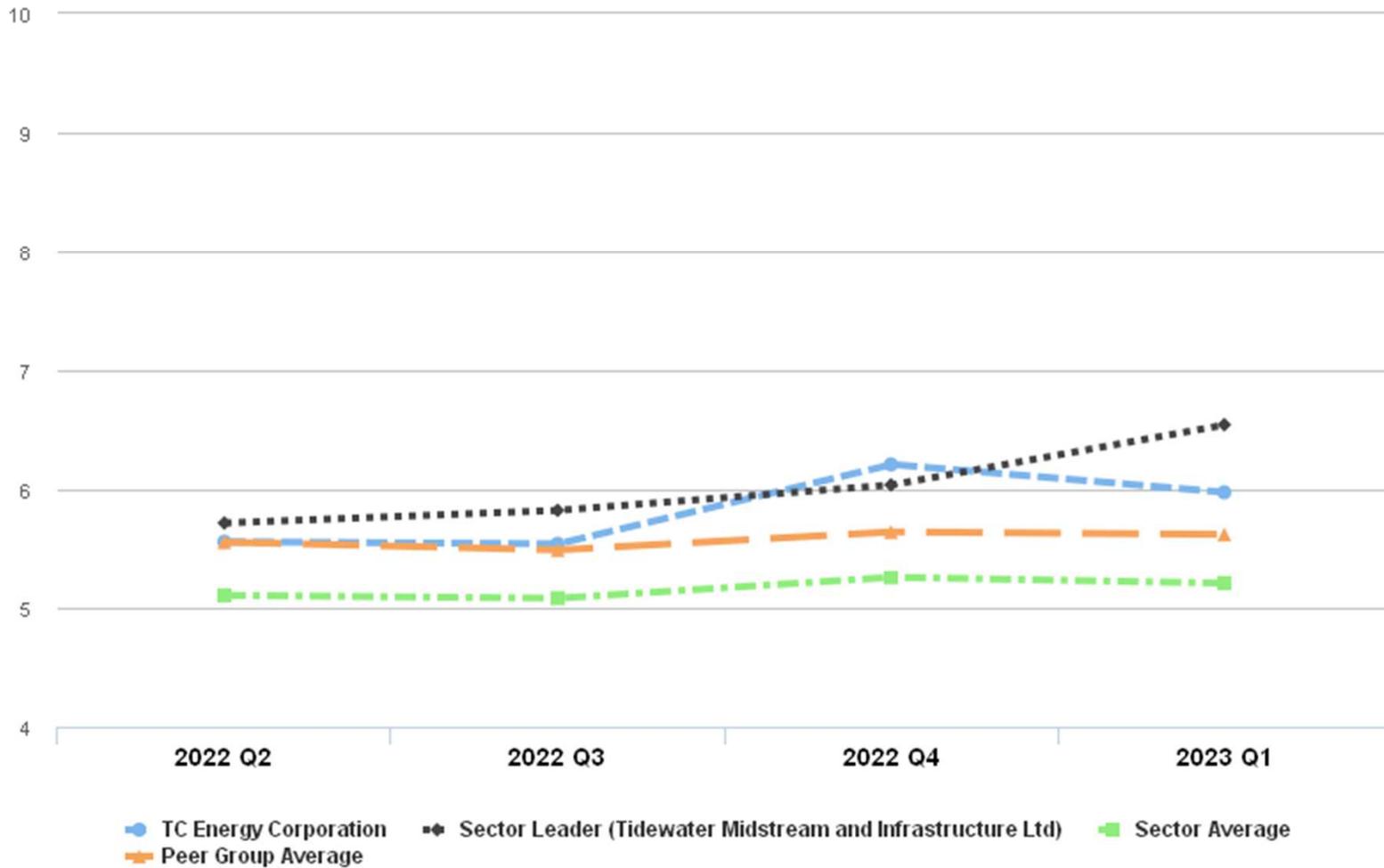
Quarter over Quarter Results



Shareholder Confidence Metrics Forecast for the Year Ahead

Quarter over Quarter Results

Price Appreciation Potential



Typical Investor Verbatim

Positive Momentum Verbatim

"TC Energy has very good disclosure."

"TC's strategy around long-term growth is still very solid."

"TC Energy is a bellwether for us. It's in every portfolio we manage. The loss of Keystone was unfortunate but we don't hold the company responsible for that event. We have not lost confidence. The Coastal GasLink is an absolutely vital project for Canada. Regarding the Mexican pipeline deal, sure there is a little bit of risk with the government and cartels, but Mexico needs what TC is bringing to the table. It's a critical project for their oil & gas industry and it will be well protected."

"TC Energy is the most levered company in the sector."

"TC's CEO, Francois Poirier, does a good job of explaining what their strategy is, and what they are keeping aligned with in terms of what shareholders want. They've been pretty responsive throughout the pandemic and lower priced commodities, to show they're flexible and willing to take advice from the investors. There's still room for improvement there, but being more flexible in times of uncertainty is something that they've done well."

"TC Energy's reporting and disclosure has gotten pretty good."

"I have confidence in TC's reporting because they do give you a pretty fulsome update."

Typical Investor Verbatim

Positive Momentum Verbatim

"TC Energy announced this \$5 billion asset sale program, which theoretically improved confidence in the balance sheet."

"I have confidence in TC Energy because it's nuclear, and it's having a resurgence right now. Also, although natural gas is not perfect, it's better than alternatives, so it'll probably grow."

"I like TC because of their valuation, we view the project specific issues like Keystone as a transitory thing. We think they'll be able to comply with the regulations, fix and identify the cause, and ultimately get most of the costs recovered through insurance. In terms of the Coastal GasLink, they've had a lot of issues on that project, but a lot of the downsides are now built in with the recent cost announcements. They'll get past these headwinds eventually and get their balance sheet is in better shape. TC is a case of a great business with a less than ideal capital structure, but they'll be able to get it in line. There's a number of attractive assets in their portfolio that they'll be able to monetize to help them keep that leverage ratio reasonable in the short term. Over the medium-term, there's solid growth with the eventual completion of the Coastal GasLink that'll improve their situation. Given the valuations, we've seen more upside than downside at this point. It's trading very low in the context of where they've historically traded. Over time, they'll be able to work through some of its issues and improve its capital structure."

"TC Energy is such a large enterprise that I don't know if cost overruns on Coastal GasLink really matter. I don't think there's any lingering baggage with the loss of Keystone. The main issue is probably ESG stuff, which is unfair for such a large, growing enterprise. They have enough project inventory to keep their growth rate going, and they have a history of raising dividends."

Typical Investor Verbatim

Neutral Momentum Verbatim

"There are a few people who think there's a cultural problem at TC Energy. I don't necessarily agree, but they have had a new CEO and CFO in the last 18 months. The market is not as comfortable with them yet, as they might be in the fullness of time. I don't have any proof to say there's a cultural problem."

"In order for TC to improve, they just need to execute these big projects online and on budget. They also need to de-lever, so I'd like to see some asset sales."

"TC is more of a utility. We like energy companies who are generating lots of free cash flow, making that available to buy back stock, reduce debt, and pay dividends. TC is a little ways away from that because of the massive capital spending plan that they have, which is the major reason why we haven't owned the stock in a major way."

"I was able to meet with TC before the investor day and understand the pluses and minuses of the company. It's a great company, but they just have a few challenges."

"I don't see TC generating free cash flow until much later, and there's a lot of uncertainties with their asset sale."

"TC's short term growth potential is going to be tricky because they have divestitures that they're going to be doing."

"We like the name, but TC has more debt than they should."

Typical Investor Verbatim

Neutral Momentum Verbatim

"I'd like to see TC, Keyera, Pembina, and Enbridge grow, but I don't think they can. It's very challenging for them from a regulatory standpoint and cost of capital. We've seen TC expand to Mexico, and they got the deal done, but it wasn't easily placed. They're sitting with quite a bit of debt, which they can hold, but the debt financing costs are going to increase with interest rates. They have significant payout ratios so they're going to be borrowing at some point to finance this. So, there isn't a lot of growth opportunities in the shorter term. The landscape for growth is challenging. They're still good companies, but it's not where we want to be over the next year."

"The biggest loss for Trans Canada Energy was Alex Pourbaix not staying there and becoming CEO. He was helping run TC way back in the day, and he used to do a good job."

"TC's CEO, Francois Poirier, like everyone, didn't see this inflation coming. When you're a CEO, you have to spend a lot of time focusing on your capital side of the budget, not just the returns, and things move very quick on them in terms of how much labour and materials cost. He got lucky that the Trans Canada XL Pipeline wasn't approved because he would have been in a serious hole from a capital perspective. The cost overruns would have been 'ginormous'. On the flipside of that, he's done a good job of managing the complicated business structure. My criticism of not just him, but the whole industry, is that no one really foresaw the realities of what these things cost and the capital creep that came into the system."

"The growth prospect at TC is definitely less now. In terms of their management team, I'm neutral towards them."

"For the past few years, we've been allocating our midstream budget to renewable stocks. Frankly, we're not looking to buy into the midstream as the valuations don't reflect the future earnings potential correctly. The renewables are not over-valued compared to the midstream companies."

Typical Investor Verbatim

Neutral Momentum Verbatim

"I'm worried about TC's capital budget as we move into an inflationary environment."

"I own Enbridge and TC, but I have a slight preference for Enbridge at the moment. We must own these majors but I don't think either of these are the ones that will outperform over the mid-term. They are less volatile names."

"TC has had some issues with Coastal GasLink. The only thing they can do is finish it and try to find a way to recover some of their costs."

"I met with TC Energy's CFO, Joel Hunter, recently, and he was good, but not first quartile material."

"Last fall (2021), the new CEO of TC Energy expressed what sounded like a hard pivot to lower carbon future and energy transition. Then post-Ukraine, it's not clear how much he back-pedaled on that given that legacy assets will still be used for a while. That's where some of these question marks come from."

"If you would have told me 8-10 years ago that TC wouldn't complete their Keystone Pipeline in 2022, I would have lost a lot of money on that bet. It just seemed like an absolute no brainer to make a pipeline, but politics and lack of common sense got in the way. I understand people's frustration because I thought TC had a home run, but now they're sitting back and wondering what they're going to do without Keystone."

Typical Investor Verbatim

Negative Momentum Verbatim

"TC Energy is doing Coastal GasLink, they want to build this huge carbon hub, they want to build a hydrogen hub where the economics are questionable, and they want to build an offshore Gulf of Mexico pipeline to Mexico. Working in Mexico has never turned out well for people. There's a lot of really big projects where the returns are questionable. It's not a place where I would want to put money. Enbridge is more balanced in their approach to this energy transition, and returns are going to look better for them compared to TC Energy. Enbridge's overall strategy is better, and there's more growth upside. For TC Energy, growth comes from Coastal GasLink, that's about it."

"Since the Keystone project got cancelled, TC are struggling to backfill their growth. They cut back their dividend growth to 3%, so they're essentially a utility company now: 95% of their earnings/cash-flows are locked-in. However, utilities grow their dividend at 6-8%. They're starting to get into the clean energy stuff a bit too much, and they're going to have to make an acquisition to grow."

"The utilities are expensive. They're acting defensive, so the valuation has expanded. There's not much more upside from here."

"TC Energy's balance sheet is running away too levered right now, and that scares me. It concerns me that they are not taking more urgent action to de-lever."

"TC Energy has already bumped up their capital programs to over \$7 billion, and they're probably wondering what they're going to do right now as their EBITDA is already 5.5X, Enbridge's is 4.8X. We still don't know how much Coastal GasLink is costing, and if there's any additional capital they have to put in there."

Typical Investor Verbatim

Negative Momentum Verbatim

"TC Energy needs to clean up their portfolio as they still have the Keystone Pipeline which is not core to their asset base. They could let that go at some point. They're doing a pretty good job with their US gas pipeline network, but they could be a little bit more aggressive on the LNG front. They're well positioned to extend their network into the LNG market, but I don't see management executing on that opportunity as well as they should. The execution on the Canadian utilities has been a bit of a disaster with the NGTL extensions and expansions causing cost over-runs. We all know about the Coastal GasLink saga. The balance sheet is not in great shape and they're just not generating the returns they should be given the quality of their asset base."

"The proof is in the pudding. TC Energy projects are going sideways and that falls on the Senior Management team. They need to improve their execution."

"There's a lot of confusion around what TC Energy's CEO plans to acquire. Everyone believes he plans to acquire more utilities, and the big concern is that he's going to pay too much."

"TC is gigantic, so it's tough for them to be a great grower, and there's a lot of questions around how they are going to grow."

"TC Energy's new CEO, Francois Poirier. He's not well loved, and investors are tough on their senior management team."

"There's a view that TC's board didn't pick the best CEO."

"Investors don't have confidence in TC Energy's balance sheet because they downgraded their dividend growth in the last 12 months. This shows that they weren't able to deliver, the hung on to it too long, and off they go."

Typical Investor Verbatim

Negative Momentum Verbatim

"TC's disclosure and reporting is too complicated."

"Enbridge has a deeper bench than TC."

"TC Energy have a funding problem. They need to figure out how to pay for all the money they're going to spend. Until that's been figured out, I don't know if anybody should have a lot of confidence in their estimates because there's most likely going to be assets that's included in estimates that should not be included. The extent of that is a question mark."

"It's pretty well known that TC Energy has some balance sheet issues. They are addressing them with asset sales, but honestly, they have a history of spending a lot of money."

"TC Energy hurt investor confidence this year with the equity raise and the messaging around that."

"TC's CEO, Francois Poirier, could communicate clearer on their conference calls, he changes strategy, and a number of their projects have cost overruns, some of it is not their fault, but some of it they could have done better planning."

"I don't have much confidence in TC's CFO, Joel Hunter, because he's new, and I don't know if he can do the asset sales as they planned. I don't know if they're going to manage large projects vis a vis labour costs, commodity costs, and regulatory costs as effectively as they should."

Typical Investor Verbatim

Negative Momentum Verbatim

"TC's debt is higher because of cost overruns. They're telling me to not worry because they'll deal with it, but they're not clear on their plans. I know they're dealing with assets where they don't want to compromise the sales price, but they still are murky on when they're going to reach their target."

"I'm not 100% confident on TC's execution."

"TC Energy has ongoing operational issues, the depths of which are not fully understood by the market. They are keeping retail and they don't have a new CEO yet. They added new members to the board, which is great, but some previous ones need to go."

"TC Energy's CEO, Francois Poirier, needs to be more prudent with capital budgeting and funding sources."

"TC Energy needs to sell at least \$6 billion of assets starting a year and a half ago."

"I don't have as much confidence in TC Energy because they're not paying enough attention to the risk in their leverage."

"TC Energy's Coastal GasLink is a very tough situation to be in, even if it's not their fault. When they said that there'll be material cost increase to Coastal GasLink, no one even knows what that even means. I think it could've been worded differently. I understand that they don't know their costs, and even though some of it was not their fault, the way they communicated it seems kind of vague. It's up for interpretation which is usually not a good thing."

Typical Investor Verbatim

Negative Momentum Verbatim

"TC Energy has had some trouble building things."

"I don't have confidence in TC's CFO because their balance sheet has been quite messy."

"When comparing Enbridge to TC, I like Enbridge because they play to their strengths, they continue to invest in their business, and their capex program is more digestible. Enbridge is a larger company with almost half the capex program, and they have no cost overruns. Everything that Enbridge is doing is what you want to see. You want to see a well-managed company, achievable targets, realistic management, and realistic growth."

"I don't have confidence in TC's board given what has happened. If a company is having funding issues or cost overruns, and it wasn't managed, it's not just on management, it's on the board as well. If they're having cost overruns, or they have a very aggressive growth strategy, that strategy is endorsed and approved by the board, so the board has to take blame for it. The CEO and CFO can't make plans or go ahead with stuff without the board's approval."

"I'm not happy with TC right now. The investments they're making, and what they're communicating to the market is not creating value. They need to allocate their capital in a way that is actually creating value. To sell assets in North America to invest in Mexico where they've had trouble in the past is not the best use of capital deployment. I have low confidence in the company right now. That doesn't mean it can't change in the future, but right now it's low. The root cause of this issue is cost overruns, not locking in costs, not doing proper analysis, not investing in the right projects, and trying to do big projects to make headlines. As an

Typical Investor Verbatim

Negative Momentum Verbatim

example, look at Keystone XL, it's swinging for the fences, and now the big headline is project shut down and money is lost there. Coastal GasLink was also swinging for the fences, it's a big capex project, has major cost overruns, and has very low returns, if any. They have a very big capital program that just shattered investor confidence on the funding program. There's too much focus on high growth, and not on return. They're not considering uncertainty and risk involved in undertaking those ventures. On a risk adjusted basis, they have a much higher risk to their projects than other companies. There should be a focus for utilities to go into low-risk projects because they by definition, are low risk, low return, high visibility companies."

"The main issue with TC Energy is their valuation. Furthermore, they downgraded their dividend growth outlook late 2021, and they didn't handle the messaging well. Another issue with TC energy is their leverage is higher than we would like to see."

"TC Energy just announced a massive over-run on Coastal GasLink which has dented my confidence."

"I don't have much confidence in TC Energy's senior management team. The company is messy."

Quarter over Quarter Results

Forecast for the Year Ahead TC Energy Corporation

