

TC Energy completes the sale of Portland Natural Gas Transmission System

- Pre-tax cash equity proceeds of approximately \$750 million (US\$545 million) net to TC Energy
- Buyers assume approximately \$345 (US\$250) million of outstanding Senior Notes
- Advances toward \$3 billion asset divestiture target in 2024

CALGARY, Alberta – **Aug. 15, 2024** – News Release – TC Energy Corporation (TSX, NYSE: TRP) (TC Energy or the Company) and its partner Northern New England Investment Company, Inc., a subsidiary of Énergir L.P. (Énergir), today announced the successful completion of the sale of Portland Natural Gas Transmission System (PNGTS). The gross purchase price of US\$1.14 billion includes US\$250 million of outstanding Senior Notes held at PNGTS and consolidated on TC Energy's balance sheet, assumed by the buyers.

“Completing this transaction demonstrates continued progress towards delivering on \$3 billion in asset divestitures and enhancing our balance sheet strength,” said François Poirier, TC Energy's President and Chief Executive Officer. “We remain focused on reaching our 4.75 times debt-to-EBITDA upper limit by year-end, and today's announcement takes us one step closer to achieving this goal.”

Cash proceeds will be split pro-rata according to the PNGTS ownership interests prior to the sale (TC Energy 61.7 per cent, Énergir 38.3 per cent). TC Energy is providing customary transition services and will continue to work jointly with the buyers to ensure the safe and orderly transition of this critical natural gas system.

About TC Energy

We're a team of 7,000+ energy problem solvers working to safely move, generate and store the energy North America relies on. Today, we're delivering solutions to the world's toughest energy challenges – from innovating to deliver the natural gas that feeds LNG to global markets, to working to reduce emissions from our assets, to partnering with our neighbours, customers and governments to build the energy system of the future. It's all part of how we continue to deliver sustainable returns for our investors and create value for communities.

TC Energy's common shares trade on the Toronto (TSX) and New York (NYSE) stock exchanges under the symbol TRP. To learn more, visit us at [TCEnergy.com](https://www.tceenergy.com).

FORWARD-LOOKING INFORMATION

This release contains certain information that is forward-looking and is subject to important risks and uncertainties (such statements are usually accompanied by words such as "anticipate", "expect", "believe", "may", "will", "should", "estimate", "intend" or other similar words). Forward-looking statements in this document are intended to provide TC Energy security holders and potential investors with information regarding TC Energy and its subsidiaries, including management's assessment of TC Energy's and its subsidiaries' future plans and financial outlook. All forward-looking statements reflect TC Energy's beliefs and assumptions based on information available at the time the statements were made and as such are not guarantees of future performance. 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 information 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.

Non-GAAP Measures

This release contains references to debt-to-EBITDA which is a non-GAAP ratio which is calculated using adjusted debt and adjusted comparable EBITDA, both 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. These non-GAAP measures do not have any standardized meaning as prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. These non-GAAP measures are calculated by adjusting certain GAAP measures for specific items we believe are significant but not reflective of our underlying operations in the period. These comparable measures are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable except as otherwise described in the Condensed consolidated financial statements and MD&A.

Comparable EBITDA for Portland Natural Gas Transmission System for the years ended December 31, 2023 and 2022 was US\$104 million and US\$101 million, respectively. Comparable EBITDA for our U.S. Natural Gas Pipelines segment for the years ended December 31, 2023 and 2022 was US\$3.248 billion and US\$3.142 billion, respectively. Segmented earnings for our U.S. Natural Gas Pipelines segment for the years ended December 31, 2023 and 2022 were \$3.531 billion and \$2.617 billion, respectively. For reconciliations of comparable EBITDA to segmented earnings for our U.S. Natural Gas Pipelines segment for the years ended December 31, 2023 and 2022, refer to pages 21, 50 and the Non-GAAP measures section of our management's discussion and analysis for the year ended December 31, 2023 (the MD&A), which sections of the MD&A are incorporated by reference herein. The MD&A can be found on SEDAR+ (www.sedarplus.ca) under TC Energy's profile.

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 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 following "Reconciliation" section for reconciliation of adjusted debt and adjusted comparable EBITDA for the years ended 2023 and 2022.

Reconciliation

The following is a reconciliation of adjusted debt and adjusted comparable EBITDAⁱ.

(millions of Canadian \$)	Year ended December 31	
	2023	2022
Reported total debt	63,201	58,300
Management adjustments:		
Debt treatment of preferred shares ⁱⁱ	1,250	1,250
Equity treatment of junior subordinated notes ⁱⁱⁱ	(5,144)	(5,248)
Cash and cash equivalents	(3,678)	(620)
Operating lease liabilities	459	433
Adjusted debt	56,088	54,115
Comparable EBITDA ^{iv}	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-to-Adjusted Comparable EBITDAⁱ	5.1	5.4

i Adjusted debt and adjusted comparable EBITDA are non-GAAP financial measures. Management methodology. Individual rating agency calculations will differ.

ii 50 per cent debt treatment on \$2.5 billion of preferred shares as of December 31, 2023.

iii 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.

iv Comparable EBITDA is a non-GAAP financial measure. See the Forward-looking information and Non-GAAP measures sections for more information.

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