

Inter Pipeline Reports 2021 Preliminary Unaudited Year-End Results

Calgary, Alberta, February 2, 2022: Inter Pipeline Ltd. ("Inter Pipeline") today announced its preliminary unaudited results for the three and twelve-month periods ended December 31, 2021.

During 2021, Inter Pipeline's business achieved robust financial and operating results, reflecting the diligence and commitment of the commercial and operating teams, supported by a favourable commodity pricing environment. The results of 2021 have successfully positioned Inter Pipeline to continue optimizing the business and bring the Heartland Petrochemical Complex online this year as planned.

CAD\$ millions, unaudited	Three months ended December 31		Twelve months ended December 31	
	2021	2020	2021 ⁽¹⁾	2020
Net income	\$ 7.0	\$ 168.7	\$ 63.9	\$ 359.0
Gross profit	\$ 338.9	\$ 277.3	\$ 1,255.2	\$ 1,126.5
Adjusted EBITDA ⁽²⁾	\$ 298.7	\$ 245.6	\$ 1,102.8	\$ 1,001.8
Funds From Operations ⁽²⁾	\$ 245.6	\$ 204.3	\$ 948.0	\$ 810.8

⁽¹⁾ Includes supplementary financial measures. Please refer to the "Specified Financial Measures" section of this news release.

⁽²⁾ Non-GAAP financial measures. Please refer to the "Specified Financial Measures" section of this news release.

Inter Pipeline reported net income of \$63.9 million for the year ended December 31, 2021, compared to \$359.0 million in the prior year. Net income decreased compared to the prior year primarily due to higher transaction costs totalling \$500.7 million, including a \$350 million transaction break fee incurred in relation to the strategic alternatives review commenced by Inter Pipeline in early 2021.

For the twelve months ended December 31, 2021, gross profit of \$1,255.2 million reflects an 11 percent increase, while adjusted EBITDA of \$1,102.8 million excluding transaction and other one-time costs of \$512.8 million, increased by 10 percent compared with the same period last year. Funds from Operations (FFO) for the year ended December 31, 2021 totalled \$948.0 million, a 17 percent increase over the prior year. Full-year 2021 results were supported by strong commodity prices, slightly offset by higher fuel, power and operating costs.

Breakdown by Segments

Gross profit (loss) generated by each of Inter Pipeline's reportable segments for the three and twelve ended December 31 is as follows:

CAD\$ millions, unaudited	Three months ended December 31		Twelve months ended December 31	
	2021	2020	2021 ⁽¹⁾	2020
Transportation	\$ 224.7	\$ 229.5	\$ 900.8	\$ 961.7
Facilities Infrastructure	\$ 13.8	\$ 35.9	\$ 92.8	\$ 170.6
Marketing	\$ 153.7	\$ 21.7	\$ 342.8	\$ 31.3
New Ventures	\$ (24.0)	\$ (5.5)	\$ (48.0)	\$ (14.7)
Corporate ⁽²⁾	\$ (29.3)	\$ (4.3)	\$ (33.2)	\$ (22.4)
Gross profit	\$ 338.9	\$ 277.3	\$ 1,255.2	\$ 1,126.5

⁽¹⁾ Includes supplementary financial measures. Please refer to the "Specified Financial Measures" section of this news release.

⁽²⁾ Includes intersegment eliminations.

Adjusted EBITDA generated by each of Inter Pipeline's reportable segments for the three and twelve months ended December 31 is as follows:

CAD\$ millions, unaudited	Three months ended December 31		Twelve months ended December 31	
	2021	2020	2021	2020
Transportation	\$ 212.2	\$ 216.3	\$ 841.5	\$ 894.3
Facilities Infrastructure	\$ 9.9	\$ 35.1	\$ 84.2	\$ 165.8
Marketing	\$ 111.2	\$ 22.3	\$ 328.7	\$ 29.7
New Ventures	\$ (16.2)	\$ (8.0)	\$ (55.5)	\$ (26.5)
Corporate ⁽¹⁾	\$ (18.4)	\$ (20.1)	\$ (96.1)	\$ (61.5)
Adjusted EBITDA ⁽²⁾	\$ 298.7	\$ 245.6	\$ 1,102.8	\$ 1,001.8

⁽¹⁾ Includes intersegment eliminations.

⁽²⁾ Non-GAAP financial measure. Please see the "Specified Financial Measures" section of this news release.

The transportation segment generated gross profit and adjusted EBITDA of \$900.8 million and \$841.5 million, respectively, a reduction of approximately six percent compared with the prior year. The decreased full-year 2021 results are primarily due to the sale of 15 storage terminals located in Europe in November 2020 which contributed adjusted EBITDA of approximately \$70 million in the prior year.

Gross profit for the facilities infrastructure segment was \$92.8 million, compared with \$170.6 million in the prior year, and adjusted EBITDA was \$84.2 million compared with \$165.8 million in 2020. Lower full-year 2021 results are largely a result of higher fuel, power and other operating costs, combined with approximately \$25 million lower earnings due to the sale of Empress straddle plants in June 2021.

Gross profit and adjusted EBITDA for the marketing segment totaled \$342.8 million (increase of \$311.5 million) and \$328.7 million (increase of \$299.0 million), respectively. The significant annual increases reflect elevated commodity prices throughout 2021, which improved product margins.

The new ventures segment reported a gross loss of \$48.0 million, a variance of \$33.3 million compared to the full-year 2020. Adjusted EBITDA for the new ventures segment totaled a loss of \$55.5 million, a variance of \$29.0 million. Full-year 2021 results reflect the incremental employee and operational readiness costs incurred as HPC continues to advance towards completion.

Update on Strategic Initiatives

During the fourth quarter of 2021, progress on the Heartland Petrochemical Complex (Heartland) continued with construction substantially complete and a shift in focus to commissioning and start-up activities. Heartland will be one of the lowest emitting polypropylene producers globally marketing under the brand name Heartland Polymers. Based on the latest integrated schedule we continue to target a mid-2022 start-up, despite ongoing COVID-related challenges. Final cost adjustments related to the potential capitalization of certain additional commissioning expenses and interest during construction for the commissioning period continue to be finalized but are not anticipated to significantly impact the final capital cost.

A significant milestone was achieved during the fourth quarter of 2021 as Inter Pipeline successfully brought the Central Utilities Block (CUB) online and began producing power to the Alberta grid. This is an important step towards the overall operation of the Heartland Petrochemical Complex.

About Inter Pipeline Ltd.

Inter Pipeline is a major petroleum transportation and natural gas liquids processing business based in Calgary, Alberta, Canada. Inter Pipeline owns and operates energy infrastructure assets in Western Canada and is building the Heartland Petrochemical Complex — North America's first integrated propane dehydrogenation and polypropylene facility. www.interpipeline.com

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Reader Advisories and Cautionary Statements

Currency

All dollar values are expressed in Canadian dollars unless otherwise noted.

Preliminary Unaudited Financial Information

The financial and operating results included in this news release are based on preliminary unaudited estimated results which have not yet been finalized or, in the case of annual results, audited. These estimated results are subject to change upon completion of the financial statements for the year ended December 31, 2021 and the audit of such financial statements, and such changes could be material due to, among other things, the completion of Inter Pipeline's financial closing procedures, final adjustments, review by Inter Pipeline's auditors and other developments that may arise between now and the time the financial results are finalized. Accordingly, such estimated results are forward-looking statements (as defined below) within the meaning of applicable securities legislation and are subject to the limitations and risks described under "Forward-Looking Statements" below.

Inter Pipeline anticipates filing its audited annual financial statements for the year ended December 31, 2021 and related management's discussion and analysis on SEDAR in late February, 2022.

Forward-Looking Statements

Certain information contained herein may constitute forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that involve known and unknown risks, assumptions, uncertainties and other factors. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements, including, but not limited to, statements with respect to Inter Pipeline's anticipated year-end 2021 results, statements contained under the heading "Update on Strategic Initiatives" regarding: Inter Pipeline's optimization of its business and the timing for bringing the Heartland Petrochemical Complex online, in-service and on schedule; the anticipated capital cost of the Heartland Petrochemical Complex and the potential adjustments to such costs; the timing and brand name to be used for producing PP from the Heartland Petrochemical Complex; and the benefits of the CUB to support HPC's operational processes. Such statements reflect the current views of Inter Pipeline with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause the results of Inter Pipeline to differ materially from those expressed in the forward-looking statements. Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development and results of Inter Pipeline's businesses include, among other things: risks and assumptions associated with operations, such as Inter Pipeline's ability to successfully implement its strategic initiatives and achieve expected benefits therefrom, including the further development of its pipeline systems and other facilities or projects including the construction and capital costs of HPC; assumptions concerning operational reliability; Inter Pipeline's ability to maintain its investment grade credit ratings; assumptions based upon Inter Pipeline's current guidance including projected future adjusted EBITDA levels; the ability to access sufficient capital from internal and external sources including debt and equity capital; risks inherent in Inter Pipeline's Canadian and foreign operations; Inter Pipeline's ability to generate sufficient cash flow from operations to meet its current and future obligations; the potential delays of and costs of overruns on construction projects including the Heartland Petrochemical Complex, including, but

not limited to Inter Pipeline's current and future projects; risks associated with the failure to finalize formal agreements with counterparties in certain circumstances; Inter Pipeline's ability to make capital investments and the amounts of capital investments; increases in maintenance, operating or financing costs; the realization of the anticipated benefits of transactions; the availability and price of labour, equipment and construction materials; the status, credit risk and continued existence of customers having contracts with Inter Pipeline and its affiliates; availability of energy commodities; volatility of and assumptions regarding prices of energy commodities; competitive factors, including competition from third parties in the areas in which Inter Pipeline operates or intends to operate, pricing or inflationary pressures and supply and demand in the natural gas, propane and oil transportation, natural gas liquids extraction and storage industries; supply chain disruptions; fluctuations in currency and interest rates; inflation; risks of war, hostilities, civil insurrection, pandemics (including COVID-19), instability and political and economic conditions in or affecting countries in which Inter Pipeline and its affiliates operate; severe weather conditions and risks related to climate change; terrorist threats; risks associated with technology; changes in laws and regulations, including environmental, regulatory and taxation laws, and the interpretation of such changes to Inter Pipeline's business; the risks associated with existing and potential or threatened future lawsuits, legal proceedings and regulatory actions against Inter Pipeline and its affiliates; availability of adequate levels of insurance; difficulty in obtaining necessary regulatory approvals or land access rights and maintenance of support of such approvals and rights; the effects and impacts of the COVID-19 pandemic as further described in the MD&A under the section "Risk Factors" on Inter Pipeline's business and general economic and business conditions and markets; and such other risks and uncertainties described in the MD&A under the section "Risk Factors" and from time to time in Inter Pipeline's reports and filings with the Canadian securities authorities. The impact of any one assumption, risk, uncertainty or other factor on a forward-looking statement cannot be determined with certainty, as these are interdependent and Inter Pipeline's future course of action depends on management's assessment of all information available at the relevant time. You can find a discussion of those risks and uncertainties in the MD&A under the section "Risk Factors" and in Inter Pipeline's other securities filings at www.sedar.com. As actual results could vary significantly from the forward-looking statements, you should not put undue reliance on forward-looking statements. Such information, although considered reasonable by Inter Pipeline at the time of preparation, may later prove to be incorrect and actual results may differ materially from those anticipated in the statements made. For this purpose, any statements that are not statements of historical fact are deemed to be forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this document, and, except to the extent required by applicable law, Inter Pipeline assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary note.

Specified Financial Measures

This news release contains various specified financial measures such as "non-GAAP financial measures" and "supplementary financial measures" as such terms are defined in National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure* ("NI 52-112"). Further information concerning non-GAAP financial measures and supplementary financial measures used in this news release are set forth below.

Non-GAAP Financial Measures

The non-GAAP financial measures used in this news release are not standardized financial measures under GAAP and might not be comparable to similar measures presented by other companies where similar terminology is used. Investors are cautioned that non-GAAP financial measures should not be construed as alternatives to or more meaningful than the most directly comparable GAAP measures as indicators of Inter Pipeline's performance. Set forth below is a description of the non-GAAP financial measures used in this news release.

The following non-GAAP measures are provided to assist investors with their evaluation of Inter Pipeline, including their assessment of its ability to generate cash. Management considers these specified financial measures to be important indicators in assessing its performance.

Adjusted EBITDA and funds from operations are both reconciled from gross profit which is the most directly comparable GAAP measure. Adjusted EBITDA is calculated as gross profit (a component of net income) less general and administrative costs plus additional adjustments for unrealized gains/losses on derivative financial instruments and unusual or infrequent items, such as transaction costs, impairment charges, restructurings and other material one-time costs that are not reflective of ongoing performance. FFO also includes additional adjustments to remove current income taxes and non-affiliated financing costs, and to add back non-cash items.

The following table reconciles gross profit to adjusted EBITDA and FFO:

<i>Three months ended December 31</i>												
	Transportation		Facilities Infrastructure		Marketing		New Ventures		Corporate ⁽¹⁾		Total	
<i>CAD\$ millions, unaudited</i>	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021 ⁽²⁾	2020
Gross profit	\$ 224.7	\$ 229.5	\$ 13.8	\$ 35.9	\$ 153.7	\$ 21.7	\$ (24.0)	\$ (5.5)	\$ (29.3)	\$ (4.3)	\$ 338.9	\$ 277.3
<i>Less:</i>												
General and administrative costs	12.5	13.2	3.9	0.8	1.1	0.2	4.3	2.5	55.9	20.5	77.7	37.2
<i>Plus:</i>												
Realized loss on foreign exchange derivative ⁽³⁾	-	-	-	-	-	-	-	-	-	14.3	-	14.3
Unrealized (gain) loss on derivative financial instruments	-	-	-	-	(41.4)	0.8	-	-	-	(9.6)	(41.4)	(8.8)
Transaction and other one-time costs	-	-	-	-	-	-	12.1	-	66.8	-	78.9	-
Adjusted EBITDA	\$ 212.2	\$ 216.3	\$ 9.9	\$ 35.1	\$ 111.2	\$ 22.3	\$ (16.2)	\$ (8.0)	\$ (18.4)	\$ (20.1)	\$ 298.7	\$ 245.6
<i>Less:</i>												
Current income taxes											1.7	1.7
Non-affiliated financing costs											32.7	43.6
<i>Plus:</i>												
Non-cash costs											(18.7)	4.0
Funds from operations											\$ 245.6	\$ 204.3

⁽¹⁾ Includes intersegment eliminations.

⁽²⁾ Includes supplementary financial measures, the calculation of which are discussed further on in this section.

⁽³⁾ Associated with the European divestiture group.

<i>Twelve months ended December 31</i>												
	Transportation		Facilities Infrastructure		Marketing		New Ventures		Corporate ⁽¹⁾		Total	
<i>CAD\$ millions, unaudited</i>	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021 ⁽²⁾	2020
Gross profit	\$ 900.8	\$ 961.7	\$ 92.8	\$ 170.6	\$ 342.8	\$ 31.3	\$ (48.0)	\$ (14.7)	\$ (33.2)	\$ (22.4)	\$ 1,255.2	\$ 1,126.5
<i>Less:</i>												
General and administrative costs	59.3	67.4	8.6	4.8	5.9	2.4	19.6	11.8	563.6	72.0	657.0	158.4
<i>Plus:</i>												
Realized loss on foreign exchange derivative ⁽³⁾	-	-	-	-	-	-	-	-	-	14.3	-	14.3
Unrealized (gain) loss on derivative financial instruments	-	-	-	-	(8.2)	0.8	-	-	-	-	(8.2)	0.8
Transaction and other one-time costs	-	-	-	-	-	-	12.1	-	500.7	18.6	512.8	18.6
Adjusted EBITDA	\$ 841.5	\$ 894.3	\$ 84.2	\$ 165.8	\$ 328.7	\$ 29.7	\$ (55.5)	\$ (26.5)	\$ (96.1)	\$ (61.5)	\$ 1,102.8	\$ 1,001.8
<i>Less:</i>												
Current income taxes											9.4	6.7
Non-affiliated financing costs											142.5	189.6
<i>Plus:</i>												
Non-cash costs											(2.9)	5.3
Funds from operations											\$ 948.0	\$ 810.8

⁽¹⁾ Includes intersegment eliminations.

⁽²⁾ Includes supplementary financial measures, the calculation of which are discussed further on in this section.

⁽³⁾ Associated with the European divestiture group.

Supplementary Financial Measures

The supplementary financial measures used in this news release include "Twelve months ended December 31, 2021".

Historical financial results for the twelve months ended December 31, 2021 in the preliminary unaudited financial information contained herein have been presented separately for the Successor and Predecessor periods of the amalgamation with Bison Acquisition Corp., an affiliate of Brookfield Infrastructure Partners ("Brookfield"), following the closing of the plan of arrangement Inter Pipeline completed on October 28, 2021 under the *Business Corporations Act* (Alberta). However, in order to meaningfully convey the 2021 performance and operations of Inter Pipeline, this news release discusses the combined total of the Successor and Predecessor periods. The combined total of the 2021 Predecessor and Successor periods is considered a supplementary financial measure as the values are not available directly from the unaudited financial information contained herein. The combined total of the 2021 Predecessor and Successor periods does not purport to represent what Inter Pipeline's actual consolidated results of operations would have been had the change of control actually occurred on January 1, 2021 nor is it necessarily indicative of future consolidated results of operations.

Twelve months ended December 31, 2021 unaudited financial measures for revenue, cost of sales, gain/loss on derivatives, gross profit, depreciation and amortization, financing charges, general and administrative, gain/loss on divestitures, and net income are calculated as the sum of the Predecessor period of January 1, 2021 to August 20, 2021 (232 days) and the Successor

period of August 21, 2021 to December 31, 2021 (133 days) from the unaudited financial information contained herein. The Successor period has been deemed to commence following the change of control on August 20, 2021 when Brookfield acquired the majority of publicly traded Inter Pipeline shares.

Inter Pipeline Ltd.

Consolidated Balance Sheets

(unaudited)(millions of Canadian dollars)	Successor	Predecessor	
	December 31 2021	August 20 2021	December 31 2020
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 39.3	\$ 65.4	\$ 40.1
Restricted cash	39.5	89.7	—
Accounts receivable	350.1	402.6	329.2
Derivatives	13.7	13.0	0.1
Prepaid expenses and other assets	63.6	58.1	50.1
Inventory	51.0	25.4	14.0
Assets of Empress divestiture group held for sale	—	—	175.3
Total Current Assets	557.2	654.2	608.8
Non-Current Assets			
Restricted cash	41.3	65.3	—
Right-of-use assets	355.2	273.2	110.5
Property, plant and equipment	12,711.5	12,507.3	11,915.2
Goodwill and intangible assets	5,836.8	497.3	431.9
Total Assets	\$ 19,502.0	\$ 13,997.3	\$ 13,066.4
LIABILITIES AND EQUITY			
Current Liabilities			
Dividends payable	\$ —	\$ 17.2	\$ 17.2
Accounts payable and other liabilities	622.2	654.0	466.2
Derivatives	6.3	39.1	0.8
Lease liabilities	28.1	21.7	14.6
Current income taxes payable	7.3	4.2	3.0
Short-term debt and current portion of long-term debt	2,158.8	2,181.5	1,629.7
Liabilities of Empress divestiture group held for sale	—	—	44.3
Total Current Liabilities	2,822.7	2,917.7	2,175.8
Non-Current Liabilities			
Long-term debt	7,094.9	5,444.2	5,165.0
Due to affiliates	3,358.9	—	—
Long-term lease liabilities	360.6	281.9	125.1
Provisions	124.6	301.7	375.3
Long-term deferred revenue and other liabilities	39.0	45.1	35.0
Deferred income taxes	1,584.9	948.7	974.4
Total Liabilities	15,385.6	9,939.3	8,850.6
Total Equity	4,116.4	4,058.0	4,215.8
Total Liabilities and Equity	\$ 19,502.0	\$ 13,997.3	\$ 13,066.4

Inter Pipeline Ltd.

Consolidated Statements of Net Income

(unaudited)(millions of Canadian dollars)	Successor		Predecessor	
	December 31	August 20	December 31	
	2021	2021	2020	
	(133 days)	(232 days)	(366 days)	
Revenue	\$ 1,169.1	\$ 1,811.1	\$ 2,400.5	
Cost of sales	694.2	970.5	1,255.6	
(Gain) loss on derivatives	(6.0)	66.3	18.4	
GROSS PROFIT	480.9	774.3	1,126.5	
Depreciation and amortization	215.2	204.4	384.1	
Financing charges	93.9	92.5	189.6	
General and administrative	105.3	551.7	158.4	
Gain on sale of European divestiture group	—	—	(77.8)	
Gain on sale of Empress divestiture group	—	(68.6)	—	
INCOME (LOSS) BEFORE INCOME TAXES	66.5	(5.7)	472.2	
Income tax expense (recovery)	12.5	(15.6)	113.2	
NET INCOME	\$ 54.0	\$ 9.9	\$ 359.0	
Net income attributable to:				
Controlling shareholders of Inter Pipeline Ltd.	\$ 48.2	\$ 9.9	\$ 359.0	
Non-controlling interest	5.8	—	—	
NET INCOME	\$ 54.0	\$ 9.9	\$ 359.0	

Inter Pipeline Ltd.

Consolidated Statements of Cash Flows

	Successor	Predecessor	
	December 31	August 20	December 31
	2021	2021	2020
(unaudited)(millions of Canadian dollars)	(133 days)	(232 days)	(366 days)
OPERATING ACTIVITIES			
Net income	\$ 54.0	\$ 9.9	\$ 359.0
Items not involving cash:			
Depreciation and amortization	215.2	204.4	384.1
Gain on sale of European divestiture group	—	—	(77.8)
Gain on sale of Empress divestiture group	—	(68.6)	—
Non-cash (recovery) expense	(21.5)	18.6	5.3
Deferred income tax expense (recovery)	9.7	(22.2)	106.5
Unrealized (gain) loss on derivatives	(33.5)	25.3	0.8
Realized loss on foreign exchange derivative	—	—	14.3
Net change in non-cash operating working capital	127.7	(64.4)	(80.4)
Cash provided by operating activities	351.6	103.0	711.8
INVESTING ACTIVITIES			
Expenditures on property, plant and equipment	(420.3)	(813.1)	(1,145.5)
Receipt of government grants	—	7.4	26.5
Proceeds from sale of European divestiture group	—	—	654.2
Proceeds from sale of Empress divestiture group	(1.4)	38.7	—
Realized loss on foreign exchange derivative	—	—	(14.3)
Net change in non-cash investing working capital	(1.7)	8.6	(111.4)
Cash used in investing activities	(423.4)	(758.4)	(590.5)
FINANCING ACTIVITIES			
Acquisition of non-controlling interest	(1,924.6)	—	—
Issuance of equity	2,067.9	—	—
Cash dividends paid on common shares	—	(137.4)	(210.0)
Principal payments on lease liabilities	(8.9)	(11.0)	(19.6)
(Decrease) increase in debt including transaction costs	(75.4)	826.2	150.4
Net change in non-cash financing working capital	(17.2)	—	(41.9)
Cash provided by (used in) financing activities	41.8	677.8	(121.1)
Effect of foreign currency translation on cash	3.9	2.9	7.3
(Decrease) increase in cash and cash equivalents	(26.1)	25.3	7.5
Cash and cash equivalents, beginning of period	65.4	40.1	32.6
Cash and cash equivalents, end of period	\$ 39.3	\$ 65.4	\$ 40.1