

Tomorrow is on.

Mainline Tolling Agreement in Principle

May 4, 2023

Enbridge Investor Relations

(TSX: ENB / NYSE: ENB)



Legal Notice

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Non-GAAP Measures

This presentation makes reference to non-GAAP and other financial measures, including adjusted EBITDA. Management believes the presentation of these metrics gives useful information to investors and shareholders as they provide increased transparency and insight into the performance of the Company. EBITDA represents earnings before interest, tax, depreciation and amortization. Adjusted EBITDA represents EBITDA adjusted for unusual, infrequent or other non-operating factors on both a consolidated and segmented basis. Management uses EBITDA and adjusted EBITDA to set targets and to assess the performance of the Company and its business units.

Reconciliations of forward-looking non-GAAP and other financial measures to comparable GAAP measures are not available due to the challenges and impracticability of estimating certain items, particularly certain contingent liabilities and non-cash unrealized derivative fair value losses and gains which are subject to market variability. Because of those challenges, reconciliations of forward-looking non-GAAP and other financial measures are not available without unreasonable effort.

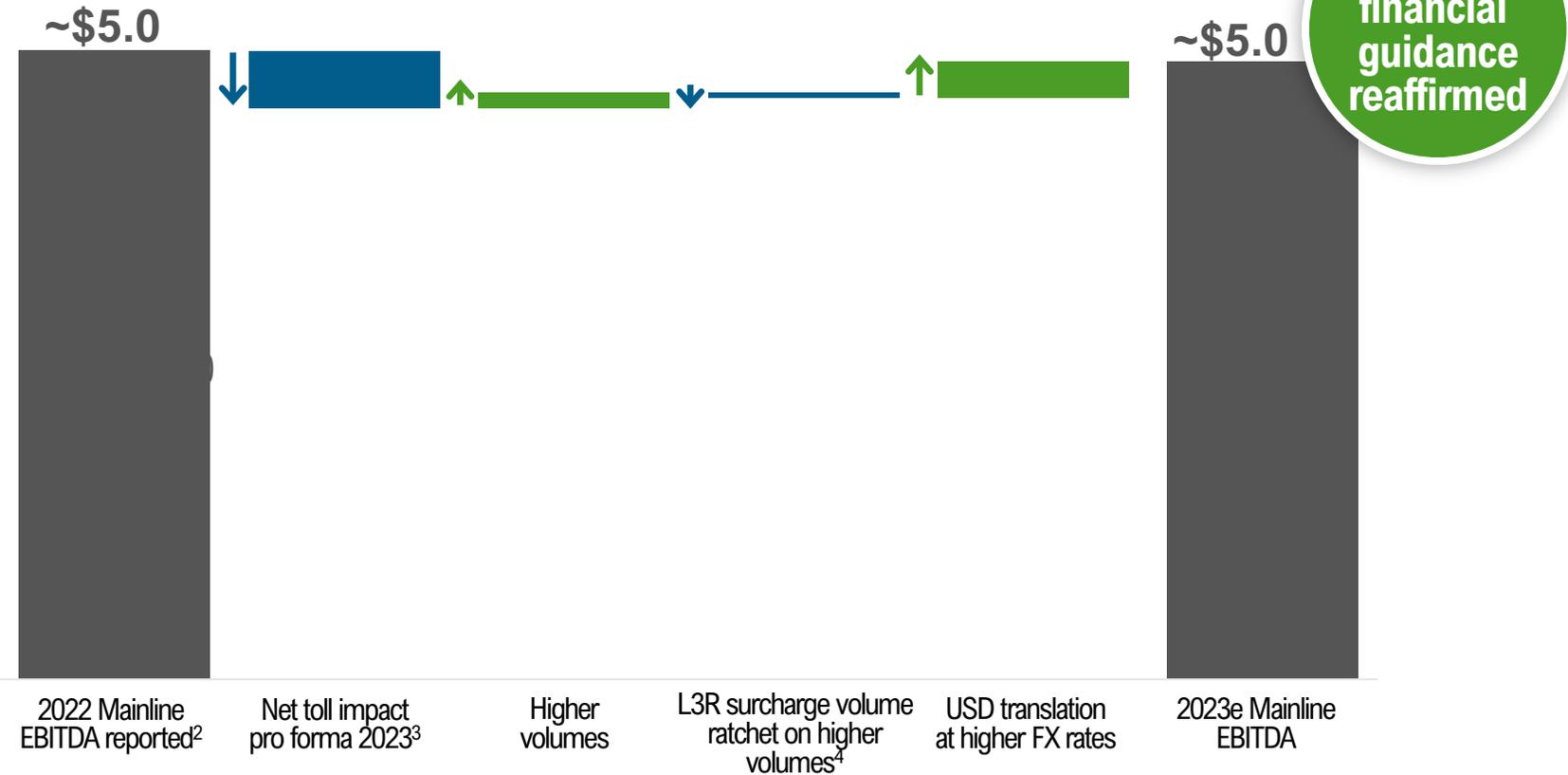
Our non-GAAP metrics described above are not measures that have standardized meaning prescribed by generally accepted accounting principles in the United States of America (U.S. GAAP) and are not U.S. GAAP measures. Therefore, these measures may not be comparable with similar measures presented by other issuers. A reconciliation of historical non-GAAP and other financial measures to the most directly comparable GAAP measures is available on the Company's website. Additional information on non-GAAP and other financial measures may be found in the Company's earnings news releases or in additional information on the Company's website, www.sedar.com or www.sec.gov.

Unless otherwise specified, all dollar amounts in this presentation are expressed in Canadian dollars, all references to "dollars" or "\$" are to Canadian dollars and all references to "US\$" are to US dollars.

Enbridge Mainline EBITDA

Adjusted EBITDA¹

(\$B)



2023 financial guidance reaffirmed

Tailwinds/Headwinds to Run-rate EBITDA

- + Toll inflators
- + Volume ratchet
- + Expansion surcharge
- + Line 5 surcharge
- +/- Volumes
- +/- Foreign exchange

Performance ROE collar: 11.0–14.5%

Run-rate EBITDA is governed by L3R⁵ surcharge volume ratchet and new performance collar; will have less variability going forward

(1) Adjusted EBITDA is a non-GAAP measure. Reconciliations to GAAP measures can be found at www.enbridge.com; (2) Inclusive of toll provision; (3) ~30% of ex-Gretna barrels are unimpacted due to separately negotiated Market Access IJTs; (4) Line 3 Replacement Surcharge, exclusive of the receipt terminaling surcharge, will be determined on a monthly basis by a volume ratchet based on the 9-month rolling average of ex-Gretna volumes. Each 50 kbpd volume ratchet above 2,835 kbpd (up to 3,085 kbpd) applies a US\$0.035/bbl discount; (5) Line 3 Replacement

Modelling Considerations

- International Joint Toll (IJT) for heavy oil deliveries from Hardisty, AB to Chicago, IL:
 - C\$1.65/bbl – Canadian portion; US\$2.57/bbl – U.S. portion
 - Line 3 surcharge of US\$0.935/bbl, subject to a volume ratchet
- Volume ratchet is based on the 9-month rolling average of ex-Gretna volumes
 - Each 50kbpd between 2,835 kbpd and 3,085 kbpd applies a US\$0.035/bbl discount or surcharge
- ~30% of ex-Gretna barrels are unimpacted due to separately negotiated Market Access IJTs
- ~20% of ex-Gretna barrels are Light or NGL deliveries which have a ~20% lower toll impact than heavy barrels due to a quality adjustment
- Liquids translates any residual USD exposed Mainline EBITDA to CAD at spot rates, while any related corporate level FX translation hedges will be reported in the E&O segment
- Performance ROE collar of 11.0-14.5%; 50% deemed equity thickness
- Annual toll escalation for operation, administration, and power costs tied to U.S. consumer price and power indices
- Toll will be subject to surcharges including the Line 3 abandonment, LMCI (abandonment), Line 5 tunnel, Line 5 re-route, and a financial collar true-up surcharge or surcredit
- All other legacy surcharges are superseded by the agreement
- The Lakehead COS application will also be settled as part of this agreement
- Customer refund will have no impact to earnings; toll surcredit will draw down a liability already recorded in earnings and cash flow

L3R Surcharge Volume Ratchet

Mainline volumes (kbpd) ¹	Base	Terminalling	Volume ratchet	Total
2,835 to 2,885	\$0.895	\$0.040	-\$0.035	\$0.900
2,886 to 2,935	\$0.895	\$0.040	-\$0.070	\$0.865
2,936 to 2,985	\$0.895	\$0.040	-\$0.105	\$0.830
2,986 to 3,035	\$0.895	\$0.040	-\$0.140	\$0.795
3,036 to 3,085	\$0.895	\$0.040	-\$0.175	\$0.760

(1) Each 50kbpd volume ratchet above 2,835 kbpd (up to 3,085 kbpd) applies a US\$0.035/bbl discount whereas each 50kbpd volume ratchet below 2,350 kbpd (down to 2,050 kbpd) adds a US\$0.04/bbl charge.



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