



March 29, 2022

Dear Fellow Shareholders:

2021 was another exciting year for AltaGas and we are proud of the results we achieved despite the ongoing impacts of the global pandemic. We delivered strong operational and financial results and achieved a number of important milestones, which is a reflection of the strength and dedication of our workforce. We successfully integrated the Petrogas business, significantly expanded our global exports and midstream platform, and continued to invest in our utilities, focusing on servicing customers and upgrading our networks to drive the best long-term outcomes for customers and stakeholders.

We continued to broaden our organizational capacity and significantly advanced AltaGas' long-term corporate strategy. In the past three years we have successfully repositioned the Company to focus on our two core businesses supported by a common platform and have regained our financial strength and flexibility. We will continue to build upon this foundation, leveraging our core competencies and enhancing our businesses.

There are three key areas I would like to highlight this year: 1) our 2021 performance; 2) what ESG means to AltaGas; and 3) what you can expect from AltaGas on the road ahead.

### **2021 Performance:**

We are extremely proud of the financial performance that we delivered in 2021. Normalized EPS<sup>1</sup> increased 25 percent and normalized EBITDA<sup>1</sup> increased approximately 14 percent year-over-year achieving the increased guidance ranges that we announced in April of 2021. This is a testament to our diversified business model that continues to demonstrate resiliency and strong advantages throughout market cycles.

Our Midstream platform delivered very strong growth. We continued to build on the momentum that has been demonstrated since 2019 through sustained growth in our global exports business, exceeding our cost synergy targets at Petrogas, and continuing to optimize capacity and throughput across the platform. This year we achieved an average of approximately 90,000 barrels a day of global exports, increased our fractionation and liquids handling volumes by 30 percent year-over-year and our gathering and processing volumes by 10 percent year-over-year; all of which demonstrated the strength of our industry-leading footprint in Northeastern B.C and our distinctive western North American LPG export platform.

Our regulated Utilities continue to provide us with the stable growth and highly reliable results that we expect. We maintain strong operations and continue to deliver the critical energy needed by our customers. Within our Utilities, we are centered on the same regulatory, capital and cost discipline that we have been focused on instilling over the past three years. In 2021, we added 17,000 new customers across our utilities while increasing our rate base by approximately 8% year-over-year to US\$4.7 billion, through continued investment in accelerated pipeline replacement programs. These investments led to a reduction of incoming leaks on our systems by 13% and lowered repair costs by 15%, which highlights our commitment to improving the safety and reliability of our systems and driving better outcomes for our customers.

### **ESG at AltaGas:**

At AltaGas, our core values reinforce our commitment to integrating strong environmental, health and safety, social, and governance practices into all aspects of the business. These efforts support our strategy by allowing us to be more responsive to customer needs, better manage risks, and attract, motivate, and retain the talent we need to bring value to the communities we serve; and to do so in a way that prioritizes safety while fostering greater diversity and

*1. Non-GAAP measure; reconciliation to US GAAP financial measures shown in AltaGas' Management's Discussion and Analysis (MD&A) as at and for the period ended December 31, 2021, which is available on [www.sedar.com](http://www.sedar.com).*

inclusion. Broadening our diversity and inclusion initiatives goes beyond our workforce, it's about building capacity within our communities. We will continue to focus on this important work as we build on our strong relationships with stakeholders and First Nations partners.

In December 2021, we released our [2021 ESG Report](#), which marked an important milestone in our corporate journey as we released a number of long-term goals related to climate, diversity and inclusion, and safety. We are committed to investing in and supporting our people, customers, communities, and the environment to build a sustainable and financially successful future.

## **2022 Outlook**

Looking ahead, we remain focused on delivering our Corporate Strategy to invest in and operate long-life infrastructure assets that provide resilient and durable value for our stakeholders. We will continue to optimize and leverage our distinctive Utilities and Midstream platforms that are well-positioned to deliver strong and highly visible growth for years to come.

We remain excited about the opportunity set that we have in front of us as a company. Energy fundamentals continue to strengthen as the tightening supply/demand picture drives commodity prices to levels not seen in over a decade. The energy security concerns seen across the globe remind us of the critical role the energy sector plays in fueling the global economy and keeping society moving forward. We at AltaGas are proud to own and operate world class assets that contribute to the energy security of North America, and we remain well positioned to continue to support our partners in Asia as they seek to diversify their energy supply and transition to lower carbon fuels. Our ability to provide a foundation for energy security positions us to capitalize on new opportunities for growth and bolsters the role we can play in facilitating the best outcomes for our customers, both upstream and downstream, and connecting them to the best markets.

It is through our commitment to excellence that we have been able to deliver on our objectives in 2021, and why I remain confident in our ability to deliver on all our expectations moving forward. It is through this approach that we will continue building a diversified, lower-risk, high-growth Utilities and Midstream business to deliver resilient and durable value for our stakeholders that should compound in the years ahead.

Sincerely,



**Randy Crawford**

President and Chief Executive Officer