



First-Quarter 2022

PAA & PAGP

Non-GAAP & Supplemental Reconciliations



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Introduction

Non-GAAP Financial Measures and Selected Items Impacting Comparability

To supplement our financial information presented in accordance with GAAP, management uses additional measures known as “non-GAAP financial measures” in its evaluation of past performance and prospects for the future and to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. The primary additional measures used by management are Adjusted EBITDA, Adjusted EBITDA attributable to PAA, Implied distributable cash flow (“DCF”), Free Cash Flow and Free Cash Flow after Distributions.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization (including our proportionate share of depreciation and amortization, including write-downs related to cancelled projects of unconsolidated entities), gains and losses on asset sales and asset impairments, goodwill impairment losses and gains on and impairments of investments in unconsolidated entities, adjusted for certain selected items impacting comparability. Our definition and calculation of certain non-GAAP financial measures may not be comparable to similarly-titled measures of other companies. Adjusted EBITDA, Adjusted EBITDA attributable to PAA, Implied DCF and certain other non-GAAP financial performance measures are reconciled to Net Income/(Loss), Free Cash Flow and Free Cash Flow after Distributions are reconciled to Net Cash Provided by Operating Activities, the most directly comparable measures as reported in accordance with GAAP, for the historical periods presented in the following pages, and should be viewed in addition to, and not in lieu of, our Consolidated Financial Statements in our Annual Reports on Form 10-K, our Condensed Consolidated Financial Statements in our Quarterly Reports on Form 10-Q and notes thereto. We do not provide a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures on a forward-looking basis as it is impractical to forecast certain items that we have defined as “Selected Items Impacting Comparability” without unreasonable effort, due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of and the periods in which such items may be recognized. Thus, a reconciliation of non-GAAP financial measures to the equivalent GAAP financial measures could result in disclosure that could be imprecise or potentially misleading.

Performance Measures

Management believes that the presentation of such additional financial measures provides useful information to investors regarding our performance and results of operations because these measures, when used to supplement related GAAP financial measures, (i) provide additional information about our core operating performance and ability to fund distributions to our unitholders through cash generated by our operations and (ii) provide investors with the same financial analytical framework upon which management bases financial, operational, compensation and planning/budgeting decisions. We also present these and additional non-GAAP financial measures, including adjusted net income attributable to PAA and basic and diluted adjusted net income per common unit, as they are measures that investors, rating agencies and debt holders have indicated are useful in assessing us and our results of operations. These non-GAAP measures may exclude, for example, (i) charges for obligations that are expected to be settled with the issuance of equity instruments, (ii) gains and losses on derivative instruments that are related to underlying activities in another period (or the reversal of such adjustments from a prior period), gains and losses on derivatives that are either related to investing activities (such as the purchase of linefill) or purchases of long-term inventory, and inventory valuation adjustments, as applicable, (iii) long-term inventory costing adjustments, (iv) items that are not indicative of our core operating results and/or (v) other items that we believe should be excluded in understanding our core operating performance. These measures may further be adjusted to include amounts related to deficiencies associated with minimum volume commitments whereby we have billed the counterparties for their deficiency obligation and such amounts are recognized as deferred revenue in “Other current liabilities” in our Consolidated Financial Statements in our Annual Reports on Form 10-K and our Condensed Consolidated Financial Statements in our Quarterly Reports on Form 10-Q. We also adjust for amounts billed by our equity method investees related to deficiencies under minimum volume commitments. All such amounts are presented net of applicable amounts subsequently recognized into revenue. Furthermore, the calculation of these measures contemplates tax effects as a separate reconciling item, where applicable. We have defined all such items as “selected items impacting comparability.” Due to the nature of the selected items, certain selected items impacting comparability may impact certain non-GAAP financial measures, referred to as adjusted results, but not impact other non-GAAP financial measures. We do not necessarily consider all of our selected items impacting comparability to be non-recurring, infrequent or unusual, but we believe that an understanding of these selected items impacting comparability is material to the evaluation of our operating results and prospects.

Although we present selected items impacting comparability that management considers in evaluating our performance, you should also be aware that the items presented do not represent all items that affect comparability between the periods presented. Variations in our operating results are also caused by changes in volumes, prices, exchange rates, mechanical interruptions, acquisitions, investment capital projects and numerous other factors and will be discussed, as applicable, in management’s discussion and analysis of operating results in our Quarterly Report on Form 10-Q and in our Annual Report on form 10-K for the period(s) applicable.

Liquidity Measures

Management also uses the non-GAAP financial measures Free Cash Flow and Free Cash Flow after Distributions to assess the amount of cash that is available for distributions, debt repayments, common equity repurchases and other general partnership purposes. Free Cash Flow is defined as Net Cash Provided by Operating Activities, less Net Cash Used in Investing Activities, which primarily includes acquisition, investment and maintenance capital expenditures, investments in unconsolidated entities and the impact from the purchase and sale of linefill and base gas, net of proceeds from the sales of assets and further impacted by cash received from or paid to noncontrolling interests. Free Cash Flow is further reduced by cash distributions paid to our preferred and common unitholders to arrive at Free Cash Flow after Distributions.

Reconciliation to Adjusted EBITDA and Adjusted Net Income Attributable to PAA (in millions)^{(1) (2)}

Selected Items Impacting Comparability⁽³⁾

	2022						2021						2020						2019									
	Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD					
Gains/(losses) from derivative activities and inventory valuation adjustments	\$ (132)	\$ 131	\$ (86)	\$ (9)	\$ 249	\$ 285	\$ (4)	\$ (99)	\$ (98)	\$ (258)	\$ (460)	\$ 97	\$ (51)	\$ 30	\$ (234)	\$ (158)												
Long-term inventory costing adjustments	92	41	27	13	13	94	(115)	51	(2)	21	(44)	21	(25)	1	22	20												
Deficiencies under minimum volume commitments, net	(6)	32	(6)	(56)	38	7	2	(7)	(64)	(5)	(74)	7	(1)	4	8	18												
Equity-indexed compensation expense	(7)	(5)	(4)	(6)	(5)	(19)	(4)	(5)	(5)	(5)	(19)	(3)	(4)	(5)	(4)	(17)												
Net gain/(loss) on foreign currency revaluation	9	8	7	(18)	11	7	(46)	23	10	28	16	(4)	(8)	5	7	1												
Significant transaction-related expenses	—	—	(3)	(2)	(11)	(16)	(3)	—	—	—	(3)	—	—	—	—	—												
Line 901 incident	(85)	—	—	—	(15)	(15)	—	—	—	—	—	—	(10)	—	—	(10)												
Net gain on early repayment of senior notes	—	—	—	—	—	—	—	3	—	—	3	—	—	—	—	—												
Selected items impacting comparability - Adjusted EBITDA	\$ (129)	\$ 207	\$ (65)	\$ (78)	\$ 280	\$ 343	\$ (170)	\$ (34)	\$ (159)	\$ (219)	\$ (581)	\$ 118	\$ (99)	\$ 35	\$ (201)	\$ (146)												
Gains/(losses) from derivative activities	—	—	—	—	—	—	—	—	—	—	—	—	(1)	—	—	(1)												
Gain (loss) on/(impairment of) investments in unconsolidated entities, net	—	—	—	—	2	2	(22)	(69)	(91)	—	(182)	267	—	4	—	271												
Gains/(losses) on asset sales and asset impairments, net	42	(2)	(369)	(221)	—	(592)	(619)	1	2	(101)	(719)	(4)	4	7	(34)	(28)												
Goodwill impairment losses	—	—	—	—	—	—	(2,515)	—	—	—	(2,515)	—	—	—	—	—												
Tax effect on selected items impacting comparability	8	(15)	1	32	(63)	(44)	23	11	9	31	76	24	(9)	(27)	24	12												
Selected items impacting comparability - Adjusted net income attributable to PAA	\$ (79)	\$ 190	\$ (433)	\$ (267)	\$ 219	\$ (291)	\$ (3,303)	\$ (91)	\$ (239)	\$ (289)	\$ (3,921)	\$ 405	\$ (105)	\$ 19	\$ (211)	\$ 108												

Net Income/(Loss) to Adjusted EBITDA attributable to PAA Reconciliation

	2022						2021						2020						2019									
	Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD					
Net Income/(Loss)	\$ 225	\$ 423	\$ (216)	\$ (55)	\$ 497	\$ 648	\$ (2,845)	\$ 144	\$ 146	\$ (25)	\$ (2,580)	\$ 970	\$ 448	\$ 454	\$ 307	\$ 2,180												
Interest expense, net	107	107	107	106	106	425	108	108	113	108	436	101	103	108	114	425												
Income tax expense/(benefit)	21	24	(10)	(30)	88	73	21	(12)	(3)	(26)	(19)	24	(23)	41	25	66												
Depreciation and amortization	230	177	196	178	223	774	168	166	160	160	653	136	147	156	163	601												
(Gains)/losses on asset sales and asset impairments, net	(42)	2	369	221	—	592	619	(1)	(2)	101	719	4	(4)	(7)	34	28												
Goodwill impairment losses	—	—	—	—	—	—	2,515	—	—	—	2,515	—	—	—	—	—												
(Gain on)/impairment of investments in unconsolidated entities, net	—	—	—	—	(2)	(2)	22	69	91	—	182	(267)	—	(4)	—	(271)												
Depreciation and amortization of unconsolidated entities ⁽⁴⁾	20	20	68	21	14	123	17	16	18	22	73	12	14	18	16	62												
Selected items impacting comparability - Adjusted EBITDA	129	(207)	65	78	(280)	(343)	170	34	159	219	581	(118)	99	(35)	201	146												
Adjusted EBITDA	\$ 690	\$ 546	\$ 579	\$ 519	\$ 646	\$ 2,290	\$ 795	\$ 524	\$ 682	\$ 559	\$ 2,560	\$ 862	\$ 784	\$ 731	\$ 860	\$ 3,237												
Less: Adjusted EBITDA attributable to noncontrolling interests	(76)	(3)	(4)	(5)	(82)	(94)	(2)	(2)	(4)	(5)	(14)	—	(3)	(5)	(2)	(10)												
Adjusted EBITDA attributable to PAA	\$ 614	\$ 543	\$ 575	\$ 514	\$ 564	\$ 2,196	\$ 793	\$ 522	\$ 678	\$ 554	\$ 2,546	\$ 862	\$ 781	\$ 726	\$ 858	\$ 3,227												

Net Income/(Loss) to Adjusted Net Income Attributable to PAA Reconciliation

	2022						2021						2020						2019									
	Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD		Q1	Q2	Q3	Q4	YTD					
Net Income/(Loss)	\$ 225	\$ 423	\$ (216)	\$ (55)	\$ 497	\$ 648	\$ (2,845)	\$ 144	\$ 146	\$ (25)	\$ (2,580)	\$ 970	\$ 448	\$ 454	\$ 307	\$ 2,180												
Less: Net income attributable to noncontrolling interests	(38)	(1)	(4)	(4)	(47)	(55)	(2)	(2)	(3)	(3)	(10)	—	(2)	(5)	(1)	(9)												
Net income/(loss) attributable to PAA	187	422	(220)	(59)	450	593	(2,847)	142	143	(28)	(2,590)	970	446	449	306	2,171												
Selected items impacting comparability - Adjusted net income attributable to PAA	79	(190)	433	267	(219)	291	3,303	91	239	289	3,921	(405)	105	(19)	211	(108)												
Adjusted net income attributable to PAA	\$ 266	\$ 232	\$ 213	\$ 208	\$ 231	\$ 884	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 565	\$ 551	\$ 430	\$ 517	\$ 2,063												

(1) Amounts may not recalculate due to rounding.

(2) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(3) For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PGP Earnings Release.

(4) Adjustment to add back our proportionate share of depreciation and amortization expense (including write-downs related to cancelled projects) of unconsolidated entities.

Adjusted Net Income Per Common Unit (in millions, except per unit data)⁽¹⁾⁽²⁾

Basic Adjusted Net Income Per Common Unit

	2022		2021				2020					2019
	Q1	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Net income/(loss) attributable to PAA	\$ 187	\$ 422	\$ (220)	\$ (59)	\$ 450	\$ 593	\$ (2,847)	\$ 142	\$ 143	\$ (28)	\$ (2,590)	\$ 2,171
Selected items impacting comparability - Adjusted net income attributable to PAA ⁽³⁾	79	(190)	433	267	(219)	291	3,303	91	239	289	3,921	(108)
Adjusted net income attributable to PAA	\$ 266	\$ 232	\$ 213	\$ 208	\$ 231	\$ 884	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 2,063
Distributions to Series A preferred unitholders ⁽⁴⁾	(37)	(37)	(37)	(37)	(37)	(149)	(37)	(37)	(37)	(37)	(149)	(149)
Distributions to Series B preferred unitholders ⁽⁴⁾	(12)	(12)	(12)	(12)	(12)	(49)	(12)	(12)	(12)	(12)	(49)	(49)
Other	(1)	(1)	(1)	(1)	(2)	(3)	(2)	(1)	(2)	(1)	(4)	(6)
Adjusted net income allocated to common unitholders	\$ 216	\$ 182	\$ 163	\$ 158	\$ 180	\$ 683	\$ 405	\$ 183	\$ 331	\$ 211	\$ 1,129	\$ 1,859
Basic weighted average common units outstanding	705	722	720	715	709	716	728	728	728	726	728	727
Basic adjusted net income per common unit	\$ 0.31	\$ 0.25	\$ 0.23	\$ 0.22	\$ 0.25	\$ 0.95	\$ 0.56	\$ 0.25	\$ 0.46	\$ 0.29	\$ 1.55	\$ 2.56

Diluted Adjusted Net Income Per Common Unit

	2022		2021				2020					2019
	Q1	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Net income/(loss) attributable to PAA	\$ 187	\$ 422	\$ (220)	\$ (59)	\$ 450	\$ 593	\$ (2,847)	\$ 142	\$ 143	\$ (28)	\$ (2,590)	\$ 2,171
Selected items impacting comparability - Adjusted net income attributable to PAA ⁽³⁾	79	(190)	433	267	(219)	291	3,303	91	239	289	3,921	(108)
Adjusted net income attributable to PAA	\$ 266	\$ 232	\$ 213	\$ 208	\$ 231	\$ 884	\$ 456	\$ 233	\$ 382	\$ 261	\$ 1,331	\$ 2,063
Distributions to Series A preferred unitholders ⁽⁴⁾	(37)	(37)	(37)	(37)	(37)	(149)	—	(37)	(37)	(37)	(149)	—
Distributions to Series B preferred unitholders ⁽⁴⁾	(12)	(12)	(12)	(12)	(12)	(49)	(12)	(12)	(12)	(12)	(49)	(49)
Other	(1)	(1)	(1)	(1)	(2)	(3)	(1)	(1)	(1)	(1)	(2)	(3)
Adjusted net income allocated to common unitholders	\$ 216	\$ 182	\$ 163	\$ 158	\$ 180	\$ 683	\$ 443	\$ 183	\$ 332	\$ 211	\$ 1,131	\$ 2,011
Basic weighted average common units outstanding	705	722	720	715	709	716	728	728	728	726	728	727
Effect of dilutive securities:												
Series A preferred units ⁽⁵⁾	—	—	—	—	—	—	71	—	—	—	—	71
Equity-indexed compensation plan awards ⁽⁶⁾	—	—	—	—	—	—	1	—	—	—	—	2
Diluted weighted average common units outstanding	705	722	720	715	709	716	800	728	728	726	728	800
Diluted adjusted net income per common unit	\$ 0.31	\$ 0.25	\$ 0.23	\$ 0.22	\$ 0.25	\$ 0.95	\$ 0.55	\$ 0.25	\$ 0.46	\$ 0.29	\$ 1.55	\$ 2.51

(1) Amounts may not recalculate due to rounding.

(2) We calculate adjusted net income allocated to common unitholders based on the distributions pertaining to the current period's net income (whether paid in cash or in-kind). After adjusting for the appropriate period's distributions, the remaining undistributed earnings or excess distributions over earnings, if any, are allocated to the common unitholders and participating securities in accordance with the contractual terms of our partnership agreement in effect for the period and as further prescribed under the two-class method.

(3) Certain of our non-GAAP financial measures may not be impacted by each of the selected items impacting comparability.

(4) Distributions pertaining to the period presented.

(5) For certain periods presented, the possible conversion of our Series A preferred units was excluded from the calculation of diluted adjusted net income per common unit as the effect was antidilutive or did not change the presentation of diluted adjusted net income per common unit.

(6) Our equity-indexed compensation plan awards that contemplate the issuance of common units are considered dilutive unless (i) they become vested only upon the satisfaction of a performance condition and (ii) that performance condition has yet to be satisfied. Equity-indexed compensation plan awards that are deemed to be dilutive are reduced by a hypothetical common unit repurchase based on the remaining unamortized fair value, as prescribed by the treasury stock method in guidance issued by the FASB. For certain periods presented, such equity-indexed compensation plan awards did not change the presentation of diluted weighted average common units outstanding or diluted adjusted net income per common unit.

Net Income/(Loss) Per Common Unit to Adjusted Net Income Per Common Unit Reconciliation ⁽¹⁾
Basic Adjusted Net Income Per Common Unit

	2022	2021					2020					2019
	Q1	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Basic net income/(loss) per common unit	\$ 0.19	\$ 0.51	\$ (0.37)	\$ (0.15)	\$ 0.56	\$ 0.55	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ (3.83)	\$ 2.70
Selected items impacting comparability per common unit ⁽²⁾	0.12	(0.26)	0.60	0.37	(0.31)	0.40	4.54	0.12	0.33	0.40	5.38	(0.14)
Basic adjusted net income per common unit	<u>\$ 0.31</u>	<u>\$ 0.25</u>	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.25</u>	<u>\$ 0.95</u>	<u>\$ 0.56</u>	<u>\$ 0.25</u>	<u>\$ 0.46</u>	<u>\$ 0.29</u>	<u>\$ 1.55</u>	<u>\$ 2.56</u>

Diluted Adjusted Net Income Per Common Unit

	2022	2021					2020					2019
	Q1	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	YTD
Diluted net income/(loss) per common unit	\$ 0.19	\$ 0.51	\$ (0.37)	\$ (0.15)	\$ 0.56	\$ 0.55	\$ (3.98)	\$ 0.13	\$ 0.13	\$ (0.11)	\$ (3.83)	\$ 2.65
Selected items impacting comparability per common unit ⁽²⁾	0.12	(0.26)	0.60	0.37	(0.31)	0.40	4.53	0.12	0.33	0.40	5.38	(0.14)
Diluted adjusted net income per common unit	<u>\$ 0.31</u>	<u>\$ 0.25</u>	<u>\$ 0.23</u>	<u>\$ 0.22</u>	<u>\$ 0.25</u>	<u>\$ 0.95</u>	<u>\$ 0.55</u>	<u>\$ 0.25</u>	<u>\$ 0.46</u>	<u>\$ 0.29</u>	<u>\$ 1.55</u>	<u>\$ 2.51</u>

(1) Amounts may not recalculate due to rounding.

(2) For more information regarding our Selected Items Impacting Comparability, please refer to our most recently issued PAA & PAGP Earnings Release.

PAA Credit Metrics (in millions, except ratio amounts)⁽¹⁾

Debt Capitalization Ratios

	2022	2021				2020	2019
	As of March 31,	As of March 31,	As of June 30,	As of September 30,	As of December 31,	As of December 31,	
Short-term debt	\$ 900	\$ 254	\$ 1,456	\$ 808	\$ 822	\$ 831	\$ 504
Senior notes, net	7,931	9,073	8,326	8,327	8,329	9,071	8,939
Other long-term debt, net	55	265	63	61	69	311	248
Long-term debt	7,986	9,338	8,389	8,388	8,398	9,382	9,187
Total debt	<u>\$ 8,886</u>	<u>\$ 9,592</u>	<u>\$ 9,845</u>	<u>\$ 9,196</u>	<u>\$ 9,220</u>	<u>\$ 10,213</u>	<u>\$ 9,691</u>
Long-term debt	\$ 7,986	\$ 9,338	\$ 8,389	\$ 8,388	\$ 8,398	\$ 9,382	\$ 9,187
Partners' capital excluding noncontrolling interests	10,043	9,943	9,495	9,152	9,972	9,593	13,062
Total book capitalization excluding noncontrolling interests ("Total book capitalization")	<u>\$ 18,029</u>	<u>\$ 19,281</u>	<u>\$ 17,884</u>	<u>\$ 17,540</u>	<u>\$ 18,370</u>	<u>\$ 18,975</u>	<u>\$ 22,249</u>
Total book capitalization, including short-term debt	<u>\$ 18,929</u>	<u>\$ 19,535</u>	<u>\$ 19,340</u>	<u>\$ 18,348</u>	<u>\$ 19,192</u>	<u>\$ 19,806</u>	<u>\$ 22,753</u>
Long-term debt-to-total book capitalization	44 %	48 %	47 %	48 %	46 %	49 %	41 %
Total debt-to-total book capitalization, including short-term debt	47 %	49 %	51 %	50 %	48 %	52 %	43 %

(1) Amounts may not recalculate due to rounding.

Implied Distributable Cash Flow (in millions, except per unit and ratio data)⁽¹⁾

Implied Distributable Cash Flow Reconciliation

	Three Months Ended		Twelve Months Ended December 31,		
	Mar 31, 2022	Mar 31, 2021	2021	2020	2019
Adjusted EBITDA	\$ 690	\$ 546	\$ 2,290	\$ 2,560	\$ 3,237
Interest expense, net of certain non-cash items ⁽²⁾	(101)	(101)	(401)	(415)	(407)
Maintenance capital	(27)	(35)	(168)	(216)	(287)
Investment capital of noncontrolling interests ⁽³⁾	(15)	—	(9)	—	—
Current income tax expense	(19)	(1)	(50)	(51)	(112)
Distributions from unconsolidated entities in excess of/(less than) adjusted equity earnings ⁽⁴⁾	(31)	5	16	13	(49)
Distributions to noncontrolling interests ⁽⁵⁾	(59)	(6)	(14)	(10)	(6)
Implied DCF	\$ 438	\$ 408	\$ 1,664	\$ 1,881	\$ 2,376
Preferred unit distributions paid ⁽⁵⁾	(37)	(37)	(198)	(198)	(198)
Implied DCF available to common unitholders	<u>\$ 401</u>	<u>\$ 371</u>	<u>\$ 1,466</u>	<u>\$ 1,683</u>	<u>\$ 2,178</u>
Weighted average common units outstanding	705	722	716	728	727
Weighted average common units and common unit equivalents	776	793	787	799	798
Implied DCF per common unit ⁽⁶⁾	\$ 0.57	\$ 0.51	\$ 2.06	\$ 2.31	\$ 2.99
Implied DCF per common unit and common unit equivalent ⁽⁷⁾	\$ 0.56	\$ 0.51	\$ 2.06	\$ 2.29	\$ 2.91
Cash distribution paid per common unit	\$ 0.18	\$ 0.18	\$ 0.72	\$ 0.90	\$ 1.38
Common unit cash distributions ⁽⁵⁾	\$ 127	\$ 130	\$ 517	\$ 655	\$ 1,004
Common unit distribution coverage ratio	3.16x	2.85x	2.85x	2.57x	2.17x
Implied DCF excess	\$ 274	\$ 241	\$ 949	\$ 1,028	\$ 1,174

(1) Amounts may not recalculate due to rounding.

(2) Excludes certain non-cash items impacting interest expense such as amortization of debt issuance costs and terminated interest rate swaps.

(3) Investment capital expenditures attributable to noncontrolling interests that reduce Implied DCF available to PAA common unitholders.

(4) Comprised of cash distributions received from unconsolidated entities less equity earnings in unconsolidated entities (adjusted for our proportionate share of depreciation and amortization, including write-downs related to cancelled projects, gains and losses on significant asset sales by such entities and selected items impacting comparability of unconsolidated entities).

(5) Cash distributions paid during the period presented.

(6) Implied DCF Available to Common Unitholders for the period divided by the weighted average common units outstanding for the period.

(7) Implied DCF Available to Common Unitholders for the period, adjusted for Series A preferred unit cash distributions paid, divided by the weighted average common units and common unit equivalents outstanding for the period. Our Series A preferred units are convertible into common units, generally on a one-for-one basis and subject to customary anti-dilution adjustments, in whole or in part, subject to certain minimum conversion amounts.

Net Income/(Loss) Per Common Unit to Implied DCF Per Common Unit and Common Unit Equivalent Reconciliation ^{(1) (2)}

Implied DCF Per Common Unit

	Three Months Ended		Twelve Months Ended		
	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Basic net income/(loss) per common unit	\$ 0.19	\$ 0.51	\$ 0.55	\$ (3.83)	\$ 2.70
Reconciling items per common unit	0.38	—	1.51	6.14	0.29
Implied DCF per common unit	<u>\$ 0.57</u>	<u>\$ 0.51</u>	<u>\$ 2.06</u>	<u>\$ 2.31</u>	<u>\$ 2.99</u>

Implied DCF Per Common Unit and Common Unit Equivalent

	Three Months Ended		Twelve Months Ended		
	Mar 31, 2022	Mar 31, 2021	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Basic net income/(loss) per common unit	\$ 0.19	\$ 0.51	\$ 0.55	\$ (3.83)	\$ 2.70
Reconciling items per common unit and common unit equivalent	0.37	—	1.51	6.12	0.21
Implied DCF per common unit and common unit equivalent	<u>\$ 0.56</u>	<u>\$ 0.51</u>	<u>\$ 2.06</u>	<u>\$ 2.29</u>	<u>\$ 2.91</u>

(1) Amounts may not recalculate due to rounding.

(2) For information regarding our reconciliation of net income per common unit to Implied DCF per common unit and common unit equivalent, please refer to our latest issued PAA & PAGP Earnings Release.

Free Cash Flow (in millions): ⁽¹⁾
Free Cash Flow and Free Cash Flow after Distributions Reconciliation

	2022	2021					2020	2019
	Q1	Q1	Q2	Q3	Q4	YTD	YTD	YTD
Net cash provided by operating activities	\$ 340	\$ 791	\$ 235	\$ 336	\$ 635	\$ 1,996	\$ 1,514	\$ 2,504
Adjustments to reconcile net cash provided by operating activities to free cash flow:								
Net cash provided by/(used in) investing activities	(81)	(108)	(175)	761	(92)	386	(1,093)	(1,765)
Cash contributions from noncontrolling interests	—	1	—	—	—	1	12	—
Cash distributions paid to noncontrolling interests ⁽²⁾	(59)	(6)	—	(4)	(4)	(14)	(10)	(6)
Sale of noncontrolling interest in a subsidiary	—	—	—	—	—	—	—	128
Free Cash Flow	\$ 200	\$ 678	\$ 60	\$ 1,093	\$ 539	\$ 2,369	\$ 423	\$ 861
Cash distributions ⁽³⁾	(164)	(167)	(192)	(166)	(190)	(715)	(853)	(1,202)
Free Cash Flow after Distributions	\$ 36	\$ 511	\$ (132)	\$ 927	\$ 349	\$ 1,654	\$ (430)	\$ (341)

(1) Amounts may not recalculate due to rounding.

(2) Cash distributions paid during the period presented.

(3) Cash distributions paid to our preferred and common unitholders during the period presented.

Segment Information (dollars in millions) ^{(1) (2)}

Segment Adjusted EBITDA ⁽³⁾

	2022		2021				2020					2019				
	Q1	Q2	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4
Crude Oil Segment Adjusted EBITDA	\$ 453	\$ 474	\$ 553	\$ 459	\$ 423	\$ 1,909	\$ 638	\$ 472	\$ 639	\$ 465	\$ 2,216	\$ 659	\$ 727	\$ 681	\$ 684	\$ 2,753
NGL Segment Adjusted EBITDA	161	69	21	54	141	285	153	49	38	89	327	202	52	41	173	467
Segment Adjusted EBITDA	\$ 614	\$ 543	\$ 574	\$ 513	\$ 564	\$ 2,194	\$ 791	\$ 521	\$ 677	\$ 554	\$ 2,543	\$ 861	\$ 779	\$ 722	\$ 857	\$ 3,220
Adjusted other income/(expense), net ⁽⁴⁾	—	—	1	1	—	2	2	1	1	—	3	1	2	4	1	7
Adjusted EBITDA attributable to PAA ⁽⁵⁾	\$ 614	\$ 543	\$ 575	\$ 514	\$ 564	\$ 2,196	\$ 793	\$ 522	\$ 678	\$ 554	\$ 2,546	\$ 862	\$ 781	\$ 726	\$ 858	\$ 3,227

Segment Operational Information

	2022		2021				2020					2019				
	Q1	Q2	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4
Crude Oil Segment Volumes:																
Crude oil pipeline tariff volumes (average volumes in thousands of barrels per day) ⁽⁶⁾⁽⁷⁾	7,159	5,430	6,006	6,162	7,202	6,205	6,974	5,656	5,868	5,835	6,082	6,201	6,522	6,807	6,911	6,613
Commercial crude oil storage capacity (average monthly volumes in millions of barrels) ⁽⁷⁾⁽⁸⁾	72	73	73	73	72	73	78	79	81	76	79	75	76	77	77	76
Crude oil lease gathering purchases (average volumes in thousands of barrels per day) ⁽⁶⁾	1,361	1,174	1,352	1,372	1,419	1,330	1,318	1,077	1,147	1,155	1,174	1,128	1,102	1,146	1,271	1,162
NGL Segment Volumes:																
NGL fractionation (average volumes in thousands of barrels per day) ⁽⁶⁾	134	144	129	119	127	129	154	122	110	129	129	157	137	140	142	144
NGL pipeline tariff volumes (average volumes in thousands of barrels per day) ⁽⁶⁾	176	183	181	165	189	179	187	194	180	177	184	210	182	193	184	192
NGL sales (average volumes in thousands of barrels per day) ⁽⁶⁾	168	220	112	87	148	141	220	94	83	178	144	328	158	124	221	207

(1) Amounts may not recalculate due to rounding.

(2) During the fourth quarter of 2021, we reorganized our historical operating segments: Transportation, Facilities and Supply and Logistics into two operating segments: Crude Oil and Natural Gas Liquids (“NGL”). The change in our segments stems from several factors including, (i) a multi-year transition in the midstream energy industry driven by increased competition that has reduced the stand alone earnings opportunities of our supply and logistics activities such that those activities now function as a business development effort to help maximize the utilization of our Crude Oil and NGL assets and (ii) internal changes regarding the oversight and reporting of our assets and related results of operations. All segment data and related disclosures for earlier periods presented herein have been recast to reflect the new segment reporting structure.

(3) During the fourth quarter of 2021, we modified our definition of Segment Adjusted EBITDA to exclude amounts attributable to noncontrolling interests. In connection with the Plains Oryx Permian Basin joint venture formation in October 2021, our Chief Operating Decision Maker (“CODM”) determined this modification resulted in amounts that were more meaningful to evaluate segment performance. Amounts for prior periods have been recast to reflect this modification.

(4) Represents “Other income/(expense), net” as reported on our Condensed Consolidated Statements of Operations, adjusted for selected items impacting comparability. See the “Selected Items Impacting Comparability” table for additional information. Adjusted other income/(expense), net attributable to noncontrolling interests is less than \$1 million for each of the periods presented.

(5) See the “Net Income/(Loss) to Adjusted EBITDA attributable to PAA Reconciliation” table for reconciliation to Net Income/(Loss).

(6) Average daily volumes calculated as the total volumes (attributable to our interest for pipelines owned by unconsolidated entities or undivided joint interests) for the period divided by the number of days in the period. Volumes associated with acquisitions represent total volumes for the number of days we actually owned the assets divided by the number of days in the period.

(7) Includes volumes (attributable to our interest) from assets owned by unconsolidated entities.

(8) Average monthly capacity calculated as total volumes for the period divided by the number of months in the period.