

CONFIDENTIAL



*The following document was sent by Robert Phillips, Founder, Chairman and Chief Executive Officer of Crestwood Equity Partners LP (“Crestwood”), to Crestwood employees on August 16, 2023:*

## Employee FAQ

### General

#### 1. What was announced?

- We have entered into a definitive agreement to be acquired by Energy Transfer, in an all-equity transaction valued at \$7.1B.
- As part of Energy Transfer, we expect to benefit from significant scale, asset diversification, and cash flow mix to provide stability through commodity and industry cycles.
- The transaction is expected to close in late 2023, subject to customary closing conditions and regulatory requirements, including the approval of CEQP common and preferred unitholders (voting as a single class).

#### 2. Who is Energy Transfer?

- Energy Transfer owns and operates one of the largest and most diversified portfolios of midstream energy assets in the United States, with nearly 125,000 miles of pipeline and associated energy infrastructure spanning 41 states with assets in all of the major U.S. production basins.
- Together, we expect that Crestwood and Energy Transfer will have greater scale and assets stretching coast-to-coast and spanning the entire midstream value chain, including significant NGL fractionation, hydrocarbon export capabilities, long-haul intrastate and interstate crude oil, natural gas, NGL pipelines and LNG facilities.

#### 3. Why are Crestwood and Energy Transfer combining? Why does this transaction make sense?

- In reviewing this potential combination, the Crestwood Board of Directors and management team gave significant consideration to our growth potential as a standalone business as compared to our potential as part of a much larger organization within Energy Transfer, one of the largest and most diversified midstream energy companies in North America.
- This transaction was thoroughly evaluated and we believe it is the right path forward for Crestwood and its unitholders.
- With complementary assets and operating principles, we expect to leverage Crestwood and Energy Transfer’s significant combined industry expertise and benefit from additional scale and resources as part of a larger organization as we continue advancing our strategic objectives and delivering for customers and business partners nationwide.
- Together, we expect that Crestwood and Energy Transfer will have greater scale and assets stretching coast-to-coast and spanning the entire midstream value chain, including significant NGL fractionation, hydrocarbon export capabilities, long-haul intrastate and interstate crude oil, natural gas, NGL pipelines and LNG facilities.

#### 4. Why is this combination in the best interest of Crestwood unitholders?

- We believe this transaction represents a compelling financial opportunity for our unitholders, as we expect their Energy Transfer units will provide enhanced and de-risked distributions immediately upon closing with a target annual distribution per unit growth rate of 3-5%.



- In addition, we expect further growth to be driven by Energy Transfer's premier business model, strong balance sheet and backlog of growth opportunities.
- Furthermore, the all-equity consideration is not only tax-efficient, but Crestwood unitholders have the opportunity to capture additional upside through a potential valuation re-rate of Energy Transfer's units over time.

**5. What are the terms of the transaction?**

- The all-equity transaction is valued at approximately \$7.1 billion with Crestwood common unitholders receiving 2.07 Energy Transfer common units for each Crestwood common unit that they own.
- Following the close, Crestwood common unitholders will own approximately 7% of the combined partnership's common units.

**6. What does this mean for Crestwood?**

- The combined partnership is expected to benefit from significant scale, asset diversification, and cash flow mix to provide stability through commodity and industry cycles.
- This transaction allows Crestwood unitholders to participate in the significant value creation potential of the combined company.

**7. When will the transaction close? What happens between now and when the transaction closes?**

- The transaction is expected to close in late 2023, subject to customary closing conditions and regulatory requirements, including the majority approval of CEQP common and preferred unitholders (voting as a single class).
- Until that time, Crestwood and Energy Transfer will continue to operate as independent companies.
- It is business as usual at Crestwood and the most important thing you can do is remain focused on your day-to-day responsibilities.

**8. Can I speak to any Energy Transfer employees?**

- This announcement is only the first step as we work to complete the transaction, which we expect to occur in late 2023.
- Until that time, Crestwood and Energy Transfer will continue to operate as independent companies.

**9. How should I respond to customers or partners if they ask if their current contract terms are still in effect after the transaction closes?**

- Please let customers or partners know that it is business as usual at Crestwood and we are operating under normal terms. They should not expect any immediate changes to how we do business with them.
- This announcement is only the first step as we work to complete the transaction, which we expect to occur in late 2023.



- Until that time, Crestwood and Energy Transfer will continue to operate as independent companies.
- The announcement will likely lead to inquiries from the media and other third parties. Any media inquiries seeking Crestwood comment on the transaction are to be directed to Joanne Howard at 832-519-2211 or [joanne.howard@crestwoodlp.com](mailto:joanne.howard@crestwoodlp.com). Should your team receive inquiries from investors or analysts, please forward them to Andrew Thorington at 713-380-3028 or [andrew.thorington@crestwoodlp.com](mailto:andrew.thorington@crestwoodlp.com).

#### 10. Who can I contact if I have more questions?

- We will aim to keep you informed as we progress toward closing and there are important updates to share.
- If your team members have any additional questions, please direct them to Manasi Pandya at 832-519-2279 or [manasi.pandya@crestwoodlp.com](mailto:manasi.pandya@crestwoodlp.com).

#### Important Information about the Transaction and Where to Find It

In connection with the proposed transaction between Energy Transfer LP (“Energy Transfer”) and Crestwood Equity Partners LP (“Crestwood”), Energy Transfer and Crestwood will file relevant materials with the Securities and Exchange Commission (the “SEC”), including a registration statement on Form S-4 filed by Energy Transfer that will include a proxy statement of Crestwood that also constitutes a prospectus of Energy Transfer. A definitive proxy statement/prospectus will be mailed to unitholders of Crestwood. This communication is not a substitute for the registration statement, proxy statement or prospectus or any other document that Energy Transfer or Crestwood (as applicable) may file with the SEC in connection with the proposed transaction. BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS OF ENERGY TRANSFER AND CRESTWOOD ARE URGED TO READ THE REGISTRATION STATEMENT, THE PROXY STATEMENT/PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS THAT ARE FILED OR WILL BE FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain free copies of the registration statement and the proxy statement/prospectus (when they become available), as well as other filings containing important information about Energy Transfer or Crestwood, without charge at the SEC’s website, at <http://www.sec.gov>. Copies of the documents filed with the SEC by Energy Transfer will be available free of charge on Energy Transfer’s website at [www.energytransfer.com](http://www.energytransfer.com) under the tab “Investor Relations” and then under the tab “SEC Filings”



or by directing a request to Investor Relations, Energy Transfer LP, 8111 Westchester Drive, Suite 600, Dallas, TX 75225, Tel. No. (214) 981-0795 or to [investorrelations@energytransfer.com](mailto:investorrelations@energytransfer.com). Copies of the documents filed with the SEC by Crestwood will be available free of charge on Crestwood's website at [www.crestwoodlp.com](http://www.crestwoodlp.com) under the tab "Investors" and then under the tab "SEC Filings" or by directing a request to Investor Relations, Crestwood Equity Partners LP, 811 Main Street, Suite 3400, Houston, TX 77002, Tel. No. (832) 519-2200 or to [investorrelations@crestwoodlp.com](mailto:investorrelations@crestwoodlp.com). The information included on, or accessible through, Energy Transfer's or Crestwood's website is not incorporated by reference into this communication.

### **Participants in the Solicitation**

Energy Transfer, Crestwood and the directors and certain executive officers of their respective general partners may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information about the directors and executive officers of Crestwood's general partner is set forth in its proxy statement for its 2023 annual meeting of unitholders, which was filed with the SEC on March 31, 2023, and in its Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 27, 2023. Information about the directors and executive officers of Energy Transfer's general partner is set forth in its Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 17, 2023. Additional information regarding the participants in the proxy solicitations and a description of their direct or indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials filed with the SEC when they become available.

### **No Offer or Solicitation**

This communication is for informational purposes only and is not intended to, and shall not, constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any offer, issuance, exchange, transfer, solicitation or sale of securities in any jurisdiction in which such offer, issuance, exchange, transfer, solicitation or sale would be in contravention of applicable law. No offering of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended (the "Securities Act").

### **Forward-Looking Statements**

This communication contains "forward-looking statements" within the meaning of the federal securities laws, including Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. In this context, forward-looking statements often address future business and financial events, conditions, expectations, plans or ambitions, and often include, but are not limited to, words such as "believe," "expect," "may," "will," "should," "could," "would," "anticipate," "estimate," "intend," "plan," "seek," "see," "target" or similar expressions, or variations or negatives of these words, but not all forward-looking statements include such words. Forward-looking statements by their nature address matters that are, to different degrees, uncertain, such as statements about the consummation of the proposed transaction and the anticipated benefits thereof. All such forward-looking statements are based upon current plans, estimates, expectations and ambitions that are subject to risks, uncertainties and assumptions, many of which are beyond the



control of Energy Transfer and Crestwood, that could cause actual results to differ materially from those expressed in such forward-looking statements. Important risk factors that may cause such a difference include, but are not limited to: the completion of the proposed transaction on anticipated terms and timing, or at all, including obtaining regulatory approvals that may be required on anticipated terms and Crestwood unitholder approval; anticipated tax treatment, unforeseen liabilities, future capital expenditures, revenues, expenses, earnings, synergies, economic performance, indebtedness, financial condition, losses, future prospects, business and management strategies for the management, expansion and growth of the combined company's operations and other conditions to the completion of the merger, including the possibility that any of the anticipated benefits of the proposed transaction will not be realized or will not be realized within the expected time period; the ability of Energy Transfer and Crestwood to integrate the business successfully and to achieve anticipated synergies and value creation; potential litigation relating to the proposed transaction that could be instituted against Energy Transfer, Crestwood or the directors of their respective general partners; the risk that disruptions from the proposed transaction will harm Energy Transfer's or Crestwood's business, including current plans and operations and that management's time and attention will be diverted on transaction-related issues; potential adverse reactions or changes to business relationships, including with employees suppliers, customers, competitors or credit rating agencies, resulting from the announcement or completion of the proposed transaction; rating agency actions and Energy Transfer and Crestwood's ability to access short- and long-term debt markets on a timely and affordable basis; legislative, regulatory and economic developments, changes in local, national, or international laws, regulations, and policies affecting Energy Transfer and Crestwood; potential business uncertainty, including the outcome of commercial negotiations and changes to existing business relationships during the pendency of the proposed transaction that could affect Energy Transfer's and/or Crestwood's financial performance and operating results; certain restrictions during the pendency of the merger that may impact Crestwood's ability to pursue certain business opportunities or strategic transactions or otherwise operate its business; acts of terrorism or outbreak of war, hostilities, civil unrest, attacks against Energy Transfer or Crestwood, and other political or security disturbances; dilution caused by Energy Transfer's issuance of additional units representing limited partner interests in connection with the proposed transaction; the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the impacts of pandemics or other public health crises, including the effects of government responses on people and economies; changes in the supply, demand or price of oil, natural gas, and natural gas liquids; those risks described in Item 1A of Energy Transfer's Annual Report on Form 10-K, filed with the SEC on February 17, 2023, and its subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K; those risks described in Item 1A of Crestwood's Annual Report on Form 10-K, filed with the SEC on February 27, 2023, and its subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K; and those risks that will be more fully described in the registration statement on Form S-4 and accompanying proxy statement/prospectus that will be filed with the SEC in connection with the proposed transaction.



While the list of factors presented here is, and the list of factors to be presented in the registration statement and the proxy statement/prospectus will be, considered representative, no such list should be considered to be a complete statement of all potential risks and uncertainties. Unlisted factors may present significant additional obstacles to the realization of forward-looking statements. Energy Transfer and Crestwood caution you not to place undue reliance on any of these forward-looking statements as they are not guarantees of future performance or outcomes and that actual performance and outcomes, including, without limitation, our actual results of operations, financial condition and liquidity, and the development of new markets or market segments in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this communication. Neither Energy Transfer nor Crestwood assumes any obligation to publicly provide revisions or updates to any forward-looking statements, whether as a result of new information, future developments or otherwise, should circumstances change, except as otherwise required by securities and other applicable laws. Neither future distribution of this communication nor the continued availability of this communication in archive form on Energy Transfer's or Crestwood's website should be deemed to constitute an update or re-affirmation of these statements as of any future date.