ALTAGAS REPORTS STRONG FIRST QUARTER 2025 RESULTS

Reiterating 2025 Guidance and Robust Long-term Growth Outlook

Calgary, Alberta (May 1, 2025)

AltaGas Ltd. ("AltaGas" or the "Company") (TSX: ALA) reported first quarter 2025 financial results and provided an update on its operations, projects and other corporate developments.

FIRST QUARTER HIGHLIGHTS

(all financial figures are unaudited and in Canadian dollars unless otherwise noted)

FINANCIAL RESULTS

- Normalized EPS[1] was $1.15 in the first quarter of 2025 compared to $1.14 in the first quarter of 2024, while GAAP EPS[2] was $1.31 in the first quarter of 2025 compared to $1.38 in the first quarter of 2024.
- Normalized EBITDA[1] was $689 million in the first quarter of 2025 compared to $660 million in the first quarter of 2024, while income before income taxes was $513 million in the first quarter of 2025 compared to $541 million in the first quarter of 2024. The four percent year-over-year growth in normalized EBITDA was driven by strong Utilities performance that offset lower Midstream contribution.
- The Utilities segment reported normalized EBITDA of $501 million in the first quarter of 2025 compared to $437 million in the first quarter of 2024, while income before taxes was $446 million in the first quarter of 2025 compared to $384 million in the first quarter of 2024. The 15 percent year-over-year growth in normalized Utilities EBITDA was principally driven by strong performance from WGL's retail business, colder weather in Michigan and D.C., active cost management, contributions from Utilities modernization investments and asset optimization activities.
- The Midstream segment reported normalized EBITDA of $197 million in the first quarter of 2025 compared to $247 million in the first quarter of 2024, while income before taxes was $204 million in the first quarter of 2025 compared to $297 million in the first quarter of 2024. Strong operational execution across the Midstream segment was impacted by lower global export margins due to reduced merchant spreads and higher tolling volumes, the absence of two favourable one-time items that were present in the first quarter of 2024, and lower contribution from the Mountain Valley Pipeline ("MVP") due to recording equity earnings post the pipeline going into service compared to the Allowance for Funds Used During Construction ("AFUDC") last year.

OPERATIONAL AND BUSINESS HIGHLIGHTS

- AltaGas posted record first quarter global export volumes of 119,241 Bbl/d of liquified petroleum gases ("LPGs") to Asia. The four percent year-over-year increase included shipments from 12 very large gas carriers ("VLGCs") from the Ridley Island Propane Export Terminal ("RIPET") and seven VLGCs from the Ferndale Terminal ("Ferndale").
- Volumes across the balance of AltaGas' Midstream value chain were strong, including gas processing volumes increasing 11 percent year-over-year, led by AltaGas' Montney footprint, where volumes were up 16 percent year-over-year largely due to the Townsend and Blair Creek facilities.
- AltaGas' focus on operational excellence at the Utilities continued to be demonstrated in the first quarter of 2025 where Washington Gas' operating and maintenance ("O&M") costs were down 11 percent year-over-year. This reduction was achieved despite colder weather on a year-over-year basis across all of the Company's Utilities jurisdictions, which normally drives higher costs due to increased asset usage and overtime costs.

(1) Non-GAAP measure; see discussion and reconciliation to US GAAP financial measures in the advisories of this news release or in AltaGas' Management's Discussion and Analysis (MD&A) as at and for the period ended March 31, 2025, which is available on www.sedarplus.ca. (2) GAAP EPS is equivalent to Net income applicable to common shares divided by shares outstanding. (3) GAAP FFO per share is equivalent to cash from operations divided by shares outstanding.

- AltaGas continued to execute long-term contracting across its global exports' platform. AltaGas entered into a 15-year tolling agreement with Keyera for 12,500 Bbl/d of LPG export capacity at REEF and a long-term agreement with one of the world's leading global chemicals companies for 8,000 Bbl/d of butane export capacity at REEF. AltaGas has now exceeded its 2027 tolling target across its global exports portfolio and will continue to evaluate additional long-term contracts.
- MVP performed well during the first quarter of 2025, exceeding expectations due to optimization activities and flowing interruptible volumes at premium rates during demand peaks. Despite this strong performance, MVP contribution was down year-over-year as AltaGas began recording equity earnings once the pipeline was brought into service compared to AFUDC recorded in the same quarter of 2024. The 2.0 Bcf/d pipeline is backed by 20-year contracts with investment grade counterparties. MVP is expandable by 475 MMcf/d through additional compression and extendable into North Carolina through the Southgate project. Both projects are advancing towards final investment decisions ("FID"). AltaGas continues to evaluate a potential monetization of its interest in MVP with proceeds to be used for leverage reduction.
- In February 2025, the Public Service Commission of D.C. ("PSC of D.C.") ordered an additional extension of PROJECTpipes 2 from May 1, 2025 through December 31, 2025 with an additional US$34 million of modernization capital being added to the pre-approved program. This will ensure uninterrupted pipeline modernization work continues while the PSC of D.C. continues to review Washington Gas' proposed new modernization program – the District Strategic Accelerated Facility Enhancement ("SAFE").

PROJECT UPDATES

- Construction of the Ridley Island Energy Export Facility ("REEF") remains on budget and schedule to achieve its 2026 year-end in-service date ("ISD"). Uplands work continues with overburden removal finished and rock blasting nearing completion, while offsite equipment fabrication is progressing according to the execution plan. Progress on the jetty has accelerated and is recovering from winter weather delays. Approximately 60 percent of total project costs are now incurred or committed, further de-risking the project's capital budget.
- Construction of the Pipestone II deep cut facility continues to be on track for a late 2025 ISD. Facility construction is 76 percent complete with the project fully contracted under long term take-or-pay agreements and principally all capital costs are incurred or committed under fixed price agreements. Pipestone II will provide critical gas processing and liquids handling capacity to the Pipestone region in the Alberta Montney.
- AltaGas has reached a positive FID on the RIPET methanol removal project. This project will allow RIPET cargos to reach all Asian markets, while ensuring fungible propane between RIPET and REEF. Capital cost for the project is estimated to be $55 million; an approximate five times capex-to-EBITDA build multiple. The project is targeted to be online by 2026 year-end.
- AltaGas continues to advance growth projects across the Utilities segment. In addition to continued new meter growth and execution of existing asset modernization programs, SEMCO is in late stages of getting regulatory approval for the Keweenaw Pipeline Connector, which has a capital cost of approximately US$120 million and a 2027 ISD. Washington Gas continues to work with a number of developers that are seeking natural gas for new data centers in Northern Virginia. These business development initiatives will complement AltaGas' already robust Utilities growth outlook.
- AltaGas continues to advance regulatory, engineering and commercial work for growth projects. This includes Pipestone III, North Pine, the Dimsdale natural gas storage expansion project, and additional capacity at REEF, once operational. These organic opportunities will further extend AltaGas' Midstream growth outlook towards the end of the decade.

OUTLOOK AND OTHER HIGHLIGHTS

- Following AltaGas' strong first quarter of 2025, the Company is reiterating its 2025 full year guidance, including normalized EBITDA of $1,775 million to $1,875 million and normalized EPS of $2.10 to $2.30. AltaGas is also reiterating its expectation of five to seven percent compounded annual growth rate ("CAGR") guidance on dividends to 2029.

- On April 1, 2025, Washington Gas issued the remaining US$100 million in private placement notes with a 4.84 percent coupon, due on April 1, 2035, as part of the note purchase agreement executed on October 1, 2024.

CEO MESSAGE

“We are pleased with our strong start to 2025” said Vern Yu, President and Chief Executive Officer of AltaGas. “Our first quarter results reflect progress on our strategic priorities where we have de-risked our business, optimized our assets, and continued to pursue growth opportunities that will deliver long-term value for our stakeholders.

“Our diversified business and strong contract profile allowed AltaGas to drive steady returns, despite the significant market volatility in the first quarter. Over the past five years, we have cut our commodity price exposure in half where today approximately 85 percent of AltaGas' normalized EBITDA is now comprised of cost-of-service, take-or-pay and fee-for-service contracts.

“Our Utilities delivered a strong first quarter. The combination of strong retail performance, colder temperatures relative to 2024, further cost management, significant investments in pipeline modernization programs, and asset optimization activities all contributed to this performance. We continue to focus on delivering the best outcomes for all stakeholders by delivering the lowest possible cost to our customers.

“Our Midstream business produced another quarter of strong operational execution with record first quarter global export volumes to Asia, ensuring more Canadian production realizes premium global prices. Our gas processing volumes were up 11 percent year-over-year, led by our Montney and Northeastern B.C. footprint. While the recent commodity price volatility has created some uncertainty for select upstream development, we believe our assets will continue to realize strong forward growth through this market volatility.

"Strong commercial success for the first phase of REEF has allowed us to accelerate the regulatory and engineering work for its next phases. Demand for capacity at REEF highlights the importance of building energy infrastructure that connects Canadian energy to premium global markets.

"Our long-term strategy of having a diversified business mix provides steady and ratable earnings growth for our shareholders. Our unique ability to connect Western Canada's growing energy supply to premium demand markets in Asia will increase in value over time. We are excited for the future as we continue to leverage our strategic asset base and compound long-term value across our enterprise."

RESULTS BY SEGMENT

Normalized EBITDA [(1)]	Three Months Ended March 31	
($ millions)	**2025**	2024
Utilities	**$ 501**	$ 437
Midstream	**197**	247
Corporate/Other	**(9)**	(24)
Normalized EBITDA [(1)]	**$ 689**	$ 660

(1) Non-GAAP financial measure; see discussion in Non-GAAP Financial Measures section of this news release.

Income (Loss) Before Income Taxes	Three Months Ended March 31	
($ millions)	**2025**	2024
Utilities	**$ 446**	$ 384
Midstream	**204**	297
Corporate/Other	**(137)**	(140)
Income (Loss) Before Income Taxes	**$ 513**	$ 541

BUSINESS PERFORMANCE

Midstream

The Midstream segment reported normalized EBITDA of $197 million in the first quarter of 2025 compared to $247 million in the first quarter of 2024, while income before income taxes was $204 million in the first quarter of 2025 compared to $297 million in the first quarter of 2024. Strong operational execution across the Midstream segment was impacted by lower export margins due to reduced merchant spreads and higher tolled volumes relative to last year. The segment also saw increased operating and administrative expenses and lower contribution from MVP as AltaGas moved to recording equity earnings, once the pipeline was placed into service, relative to AFUDC last year. Year-over-year performance was also negatively impacted by the absence of two one-time items that had positively impacted AltaGas' results in the first quarter of 2024. This included the monetization of certain hedges to avoid an imbalance of financial and physical merchant barrels over 2024 and a positive asset retirement obligation ("ARO") adjustment related to the reclamation of AltaGas' Alton facility.

AltaGas exported 119,241 Bbl/d of LPGs to Asia in the first quarter of 2025, including 12 VLGCs at RIPET and seven VLGCs at Ferndale. This represented another first quarter record with volumes up four percent year-over-year. This strong operating performance came despite certain interruptions related to cold weather delays experienced by CN in February. AltaGas continues to focus on operational execution that will position the Company to deliver continued year-over-year export volume growth over the balance of 2025.

The importance of market diversification and the strategic advantage of AltaGas' global exports platform is being reinforced in the current market with U.S. and global tariffs. AltaGas provides its customers the opportunity for protection against U.S. tariff impacts and ensures access to the highest priced global markets. As Canadian production continues to grow, we believe it is critical to connect more of Canada's vital energy products to premium global markets for the benefit of all Canadians. AltaGas is positioned to benefit from the long-term fundamentals of growing Canadian natural gas and NGL production, strong Asian demand and the Company's structural shipping advantage from the west coast.

Performance across the balance of the Midstream platform was largely in line with the Company’s expectations for the first quarter of 2025. Highlights include 16 percent year-over-year growth in Montney gas processing volumes, led by Townsend and Blair Creek. While the recent commodity price volatility has created some uncertainty for select upstream development, we believe AltaGas' assets will continue to realize strong forward growth through this market volatility.

Consistent with the Company's de-risking focus, AltaGas' Midstream operations are well-hedged for 2025 with approximately 89 percent of the remaining 2025 expected global export volumes tolled or financially hedged. Merchant volumes are hedged at an average Far East Index ("FEI") to North American financial hedge price of US$20.96/Bbl while tolling volumes are in line with historical rates. Approximately 85 percent of the Company's 2025 expected frac exposed volumes are hedged at US$26.32/Bbl, prior to transportation costs. AltaGas continues to actively manage risk across the Midstream platform through commercial contracting and a systematic hedging program to manage its commodity price exposure. For the remainder of 2025, AltaGas has materially hedged all of its expected Baltic freight exposure through time charters, financial hedges, and tolled volumes.

Midstream Hedge Program	Q2 2025	Q3 2025	Q4 2025	Remainder of 2025
Global Exports volumes hedged (%) (1)	97	98	71	89
Average propane/butane FEI to North America hedge (US$/Bbl) (2) (3)	20.40	18.91	27.88	20.96
Fractionation volume hedged (%) (3)	76	86	94	85
Frac spread hedge rate - (US$/Bbl) (3)	26.27	26.27	26.42	26.32

(1) Approximate expected volumes hedged based on AltaGas' internally assumed export volumes. Hedged amounts include contracted tolling volumes and financial hedges. AltaGas is hedged at a higher percentage for firmly committed volumes.

(2) Does not include physical differential to FSK for C3 volumes. Butane is hedged as a percentage of WTI.

(3) Approximate average for the period.

Utilities

Utilities reported normalized EBITDA of $501 million in the first quarter of 2025 compared to $437 million in the first quarter of 2024, while income before income taxes was $446 million in the first quarter of 2025 compared to $384 million in the first quarter of 2024. Strong year-over-year growth was principally driven by strong performance at WGL's retail business, colder weather in Michigan and D.C., active cost management, contributions from asset modernization investments, and asset optimization activities.

During the first quarter of 2025, AltaGas continued to focus efforts on ensuring long-term operating costs are aligned with existing rate structures and its allowed costs in each jurisdiction. In the first quarter, Washington Gas' regulated O&M costs were 11 percent lower year-over-year. These cost savings came despite colder weather, which typically drives higher operating expenses due to increased asset usage and overtime costs. This continued focus on cost controls will provide Washington Gas with room to make additional rate base investments to expand and modernize its network while minimizing increases to customer bills.

AltaGas continued to actively invest in its Utilities business during the first quarter of 2025 with $127 million of capital deployed across the Company's Utilities network. This included investing approximately $52 million in the quarter toward the Company's asset modernization programs. These investments improve the safety and reliability of the system while connecting customers to the critical energy they rely on everyday. AltaGas remains committed to making these investments, while balancing the need for ongoing customer affordability.

Washington Gas continues to work with the PSC of D.C. on the August 2024 rate case where requested rates are designed to collect an incremental US$34 million in annual revenue, net of US$12 million in Accelerated Replacement Program ("ARP") surcharge. Included in the filing was a proposed weather normalization adjustment that seeks to remove fluctuations in weather-related usage. Given the anticipated timelines, new rates are not expected to impact AltaGas' 2025 financial performance. Washington Gas also has a US$215 million asset modernization extension application under review in D.C. through its District SAFE plan. In February 2025, the PSC of D.C. ordered an additional extension of the existing PROJECTpipes 2 from May 1, 2025 through December 31, 2025 with an additional US$34 million of modernization capital being added for this period to ensure uninterrupted pipeline modernization work continues while District SAFE is being reviewed.

Corporate/Other

The Corporate/Other segment reported normalized EBITDA for the first quarter of 2025 of a loss of $9 million, compared to a loss of $24 million in the same quarter of 2024. Loss before income taxes in the Corporate/Other segment was $137 million in the first quarter of 2025, compared to $140 million in the same quarter of 2024. The year-over-year normalized EBITDA loss narrowed due to higher contribution from Blythe, which had limited operations in the first quarter of 2024 due to downtime related to planned maintenance.

CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended March 31	
($ millions)	**2025**	2024
Normalized EBITDA [1]	**$ 689**	$ 660
Add (deduct):		
Depreciation and amortization	**(128)**	(116)
Interest expense	**(115)**	(107)
Normalized income tax expense	**(98)**	(100)
Preferred share dividends	**(5)**	(4)
Other [2]	**(1)**	5
Normalized net income [1]	**$ 342**	$ 338
Net income applicable to common shares	**$ 392**	$ 408
Normalized funds from operations [1]	**$ 551**	$ 510
($ per share, except shares outstanding)		
Shares outstanding - basic (millions)		
During the period [3]	**298**	295
End of period	**299**	296
Normalized net income - basic [1]	**1.15**	1.14
Normalized net income - diluted [1]	**1.14**	1.14
Net income per common share - basic	**1.31**	1.38
Net income per common share - diluted	**1.31**	1.37

(1) Non-GAAP financial measure; see discussion in *Non-GAAP Financial Measures* section at the end of this news release.
(2) "Other" includes accretion expense, net income applicable to non-controlling interests, foreign exchange gains (losses), and unrealized foreign exchange losses on intercompany balances.
(3) Weighted average.

Normalized EBITDA for the first quarter of 2025 was $689 million compared to $660 million for the same quarter in 2024. The largest factors contributing to the year-over-year increase are described in the Business Performance sections above.

Income before income taxes was $513 million for the first quarter of 2025 compared to $541 million for the same quarter in 2024. The decrease was mainly due to lower unrealized gains on risk management contracts, higher depreciation and amortization expense, higher interest expense, and foreign exchange losses compared to foreign exchange gains in the same quarter of 2024, partially offset by the same previously referenced factors impacting normalized EBITDA and lower transaction costs related to acquisitions and dispositions. Please refer to the *"Three Months Ended March 31"* section of the Q1 2025 Management's Discussion and Analysis ("MD&A") for further details on the variance in income before income taxes and net income applicable to common shareholders.

Normalized net income was $342 million or $1.15 per share for the first quarter of 2025, compared to $338 million or $1.14 per share reported for the same quarter of 2024.

Normalized FFO was $551 million or $1.85 per share for the first quarter of 2025, compared to $510 million or $1.73 per share for the same quarter in 2024. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA, the impact of non-cash items included in normalized EBITDA, and higher distributions from equity investments, partially offset by higher normalized current income tax expense, higher interest expense, and foreign exchange losses compared to foreign exchange gains in the first quarter of 2024.

Interest expense for the first quarter of 2025 was $115 million, compared to $107 million for the same quarter in 2024. The increase was mainly due to the issuance of additional subordinated hybrid notes in the third quarter of 2024 as well as a higher average Canadian/U.S. dollar exchange rate, partially offset by a decrease in average debt balances, higher capitalized interest, and lower average interest rates. Interest expense recorded on the subordinated hybrid notes in the first quarter of 2025 was $34 million, compared to $13 million in the third quarter of 2023.

Income tax expense was $113 million for the first quarter of 2025, compared to an income tax expense of $125 million for the same quarter of 2024. The decrease in income tax expense was mainly due to lower income before income taxes.

FORWARD FOCUS, GUIDANCE AND FUNDING

AltaGas continues to focus on executing its corporate strategy of building a diversified platform that operates long-life energy infrastructure assets that connect customers and markets and are positioned to provide resilient and growing value for the Company's stakeholders.

Following a strong first quarter of 2025, AltaGas is reiterating its previously disclosed 2025 guidance as follows:

- 2025 Normalized EPS guidance of $2.10–$2.30, compared to normalized EPS of $2.18 and GAAP EPS of $1.95 in 2024; and
- 2025 Normalized EBITDA guidance of $1,775 million–$1,875 million, compared to actual normalized EBITDA of $1.77 billion and income before taxes of $746 million in 2024.

AltaGas is focused on delivering resilient and growing normalized EPS and normalized FFO per share while targeting lower financial leverage ratios. This strategy is designed to support steady dividend growth and provide the opportunity for ongoing capital appreciation for long-term shareholders.

AltaGas is maintaining a disciplined, self-funded 2025 capital program of approximately $1.4 billion, excluding ARO. The Company is allocating approximately 51 percent of its consolidated 2025 capital to its Utilities business, approximately 45 percent to the Midstream business and the balance to the Corporate/Other segment.

QUARTERLY COMMON SHARE DIVIDEND AND PREFERRED SHARE DIVIDENDS

The Board of Directors approved the following schedule of Dividends:

Type [1]	Dividend (per share)	Period	Payment Date	Record
Common Shares	$0.315	n.a.	30-Jun-25	16-Jun-25
Series A Preferred Shares	$0.19125	31-Mar-25 to 29-Jun-25	30-Jun-25	16-Jun-25
Series B Preferred Shares	$0.34268	31-Mar-25 to 29-Jun-25	30-Jun-25	16-Jun-25
Series G Preferred Shares	$0.376063	31-Mar-25 to 29-Jun-25	30-Jun-25	16-Jun-25

(1) Dividends on common shares and preferred shares are eligible dividends for Canadian income tax purposes.

CONFERENCE CALL AND WEBCAST

AltaGas will hold a conference call today, May 1, 2025, at 9:00 a.m. MT (11:00 a.m. ET) to discuss first quarter of 2025 results and other corporate developments.

Date:	Thursday, May 1, 2025
Time:	9:00 a.m. MT (11:00 a.m. ET)
Webcast:	https://app.webinar.net/ZjpMOZP8I5A
Dial-in (Audio only):	+1 437 900 0527 or toll free at +1 888 510 2154

Shortly after the conclusion of the call a replay will be available on the Company's website or by dialing +1 289 819 1450 or toll free +1 888 660 6345. Passcode 06300 #.

AltaGas' Consolidated Financial Statements and accompanying notes for the first quarter of 2025, as well as its related MD&A, are now available online at www.altagas.ca. All documents will be filed with the Canadian securities regulatory authorities and will be posted under AltaGas' SEDAR+ profile at www.sedarplus.ca.

NON-GAAP MEASURES

This news release contains references to certain financial measures that do not have a standardized meaning prescribed by U.S. GAAP and may not be comparable to similar measures presented by other entities. The non-GAAP measures and their reconciliation to U.S. GAAP financial measures are shown below and within AltaGas' Management's Discussion and Analysis (MD&A) as at and for the period ended March 31, 2025. These non-GAAP measures provide additional information that Management believes is meaningful regarding AltaGas' operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with U.S. GAAP.

Normalized EBITDA

	Three Months Ended March 31	
($ millions)	**2025**	2024
Income before income taxes (GAAP financial measure)	**$ 513**	$ 541
Add:		
Depreciation and amortization	**128**	116
Interest expense	**115**	107
EBITDA	**$ 756**	$ 764
Add (deduct):		
Transaction costs related to acquisitions and dispositions (1)	**—**	5
Unrealized gains on risk management contracts (2)	**(85)**	(117)
Losses (gains) on sale of assets (3)	**2**	(1)
Transition and restructuring costs (4)	**11**	13
Provisions on assets	**2**	—
Accretion expenses	**1**	1
Foreign exchange losses (gains) (5)	**2**	(5)
Normalized EBITDA	**$ 689**	$ 660

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. These costs are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, that are directly attributable to the acquisition or disposition.

(2) Included in the “revenue”, “cost of sales”, and "foreign exchange gains (losses)" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for further details regarding AltaGas’ risk management activities.

(3) Included in the “other income” line item on the Consolidated Statements of Income.

(4) Comprised of transition and restructuring costs (including CEO transition). These costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.

(5) Excludes unrealized losses (gains) on foreign exchange forward contracts that have been entered into for the purpose of cash management. These losses (gains) are included above in the line "unrealized gains on risk management contracts".

EBITDA is a measure of AltaGas' operating profitability prior to how business activities are financed, assets are amortized, or earnings are taxed. EBITDA is calculated from the Consolidated Statements of Income using income before income taxes adjusted for pre-tax depreciation and amortization and interest expense.

AltaGas presents normalized EBITDA as a supplemental measure. Normalized EBITDA is used by Management to enhance the understanding of AltaGas' earnings over periods, as well as for budgeting and compensation related purposes. The metric is frequently used by analysts and investors in the evaluation of entities within the industry as it excludes items that can vary substantially between entities depending on the accounting policies chosen, the book value of assets, and the capital structure.

Normalized Net Income

	Three Months Ended March 31	
($ millions)	**2025**	2024
Net income applicable to common shares (GAAP financial measure)	**$ 392**	$ 408
Add (deduct) after-tax:		
Transaction costs related to acquisitions and dispositions (1)	**—**	4
Unrealized gains on risk management contracts (2)	**(65)**	(89)
Losses on sale of assets (3)	**1**	2
Provisions on assets	**1**	—
Transition and restructuring costs (4)	**9**	9
Unrealized foreign exchange losses on intercompany balances (5)	**4**	4
Normalized net income	**$ 342**	$ 338

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. The pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.

(2) The pre-tax amounts are included in the “revenue”, “cost of sales”, and "foreign exchange gains (losses)" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for further details regarding AltaGas’ risk management activities.

(3) The pre-tax amounts are included in the “other income” line item on the Consolidated Statements of Income.

(4) Comprised of transition and restructuring costs (including CEO transition). These pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.

(5) Relates to unrealized foreign exchange losses on intercompany accounts receivable and accounts payable balances between a U.S. subsidiary and a Canadian entity, where the impact to the U.S. subsidiary is recorded through accumulated other comprehensive income as a gain (loss) on foreign currency translation, and the impact to the Canadian entity is recorded through the "foreign exchange gains (losses)" line item on the Consolidated Statements of Income.

Normalized net income and normalized net income per share are used by Management to enhance the comparability of AltaGas’ earnings, as these metrics reflect the underlying performance of AltaGas’ business activities.

Normalized Funds from Operations

	Three Months Ended March 31	
($ millions)	**2025**	2024
Cash from operations (GAAP financial measure)	**$ 627**	$ 557
Deduct:		
Net change in operating assets and liabilities	**(87)**	(71)
Funds from operations	**$ 540**	$ 486
Add (deduct):		
Transaction costs related to acquisitions and dispositions (1)	**—**	5
Transition and restructuring costs (2)	**11**	13
Current tax expense on asset sales (3)	**—**	6
Normalized funds from operations	**$ 551**	$ 510

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. These costs exclude non-cash amounts and are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.

(2) Comprised of transition and restructuring costs (including CEO transition). These pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.

(3) Included in the "current income tax expense" line item on the Consolidated Statements of Income.

Normalized funds from operations and funds from operations are used to assist Management and investors in analyzing the liquidity of the Corporation. Management uses these measures to understand the ability to generate funds for capital investments, debt repayment, dividend payments, and other investing activities.

Funds from operations and normalized funds from operations as presented should not be viewed as an alternative to cash from operations or other cash flow measures calculated in accordance with GAAP.

Invested Capital and Net Invested Capital

	Three Months Ended March 31	
($ millions)	**2025**	2024
Cash used in investing activities (GAAP financial measure)	**$ 352**	$ 275
Add (deduct):		
Net change in non-cash capital expenditures [1]	**(30)**	(14)
AFUDC [2]	**—**	1
Contributions from non-controlling interests [3]	**(70)**	(6)
Net invested capital	**$ 252**	$ 256
Asset dispositions	**—**	1
Invested capital	**$ 252**	$ 257

(1) Comprised of non-cash capital expenditures included in the "accounts payable and accrued liabilities" line item on the Consolidated Balance Sheets. Please refer to Note 18 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for further details.

(2) AFUDC is the amount that a rate-regulated enterprise is allowed to recover for its cost of financing assets under construction, and excludes any AFUDC within investments accounted for by the equity method. AFUDC is included in the "property, plant and equipment" line item on the Consolidated Balance Sheets.

(3) Excludes cash received from advance cash calls related to forecasted capital spend.

Invested capital is a measure of AltaGas' use of funds for capital expenditure activities. It includes expenditures relating to property, plant, and equipment and intangible assets, capital contributed to long term investments, and contributions from non-controlling interests. Net invested capital is invested capital presented net of cash paid for business acquisitions and proceeds from disposals of assets and equity investments in the period. Net invested capital is calculated based on the investing activities section in the Consolidated Statements of Cash Flows, adjusted for items such as non-cash capital expenditures, AFUDC, and contributions from non-controlling interests. Invested capital and net invested capital are used by Management, investors, and analysts to enhance the understanding of AltaGas' capital expenditures from period to period and provide additional detail on the Company's use of capital.

CONSOLIDATED FINANCIAL REVIEW

	Three Months Ended March 31	
($ millions, except effective income tax rates)	**2025**	2024
Revenue	**3,969**	3,655
Normalized EBITDA [1]	**689**	660
Income before income taxes	**513**	541
Net income applicable to common shares	**392**	408
Normalized net income [1]	**342**	338
Total assets	**26,164**	23,901
Total long-term liabilities	**13,729**	12,666
Invested capital [1]	**252**	257
Cash used in investing activities	**(352)**	(275)
Dividends declared [2]	**94**	88
Cash from operations	**627**	557
Normalized funds from operations [1]	**551**	510
Normalized effective income tax rate (%) [1]	**21.9**	22.4
Effective income tax rate (%)	**22.1**	23.1

	Three Months Ended March 31	
($ per share, except shares outstanding)	**2025**	2024
Net income per common share - basic	**1.31**	1.38
Net income per common share - diluted	**1.31**	1.37
Normalized net income - basic [1]	**1.15**	1.14
Normalized net income - diluted [1]	**1.14**	1.14
Dividends declared [2]	**0.32**	0.30
Cash from operations	**2.10**	1.89
Normalized funds from operations [1]	**1.85**	1.73
Shares outstanding - basic (millions)		
During the period [3]	**298**	295
End of period	**299**	296

(1) Non-GAAP financial measure or non-GAAP financial ratio; see discussion in *Non-GAAP Financial Measures* section of the MD&A.
(2) Dividends declared per common share per quarter: $0.2975 per share beginning March 2024, increased to $0.315 per share effective March 2025.
(3) Weighted average.

ABOUT ALTAGAS

AltaGas is a leading North American infrastructure company that connects customers and markets to affordable and reliable sources of energy. The Company operates a diversified, lower-risk, high-growth Utilities and Midstream business that is focused on delivering resilient and durable value for its stakeholders.

For more information visit www.altagas.ca or reach out to one of the following:

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FORWARD-LOOKING INFORMATION

This news release contains forward-looking information (forward-looking statements). Words such as "may", "can", "would", "could", "should", "likely", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "future", "commit", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "potential", "target", "guarantee", "potential", "objective", "continue", "outlook", "guidance", "growth", "long-term", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to the Company or any affiliate of the Company, are intended to identify forward-looking statements. In particular, this news release contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: AltaGas' commitment to evaluating additional long-term tolling contracts; the belief that the MVP expansion and Southgate expansion are advancing towards FID; the potential monetization of AltaGas' interest in MVP and the use of proceeds therefrom; the potential District SAFE modernization program and the anticipated benefits therefrom; the expectation that REEF will remain on budget and on schedule to achieve its 2026 year-end in-service-date; the expectation that construction of Pipestone II will remain on schedule for a late 2025 in-service-date; anticipated benefits of Pipestone II; projected capital cost for the RIPET methanol removal project, AltaGas' ability to meet the project's targeted online date of 2026 year-end, and the anticipated benefits of the project; AltaGas' commitment to advancing growth projects across the Utilities segment including new meter growth and execution for existing asset monetization programs; progress on the Keweenaw Pipeline Connector project, projected capital cost of the project, the anticipated benefits therefrom and timing for obtaining regulatory approval and the estimated 2027 in-service-date; advancement of preliminary work with data center developers and their effect on the Utilities growth outlook; AltaGas' commitment to advancing Midstream growth projects including Pipestone III, North Pine, the Dimsdale natural gas storage expansion project and REEF optimization and their effect on the Midstream growth outlook; the Company's 2025 guidance including normalized EBITDA of $1,775 million to $1,875 million and normalized EPS of $2.10 to $2.30; the Company's expectation of five to seven percent CAGR guidance on dividends to 2029; anticipated benefits of AltaGas' cost management strategy; the belief that AltaGas' assets will continue to realize strong forward growth through market volatility; the importance of building energy infrastructure that connects Canadian energy to global markets; AltaGas' long-term strategy of having a diversified business to provide steady and ratable earnings growth for shareholders; the anticipated benefits of AltaGas' ability to connect Western Canadian energy supply to premium demand markets in Asia; the

Company’s focus on operational execution and its ability to deliver continued year-over-year export volume growth through 2025; the strategic advantage of AltaGas’ global exports platform and the belief that AltaGas can provide its customers the opportunity for protection against U.S. tariff impacts and ensure access to the highest priced global markets; the belief that AltaGas is positioned to benefit from the long-term fundamentals of growing Canadian natural gas and NGL production, strong Asian demand and the Company’s structural shipping advantage from the west coast; the Company’s hedging program and AltaGas’ 2025 Midstream Hedge Program quarterly estimates; AltaGas’ commitment to investing in its Utilities business while balancing the need for customer affordability; the expectation that new rates for Washington Gas from the PSC of D.C. will not impact AltaGas’ 2025 financial performance; anticipated approval of Washington Gas’ asset modernization programs; AltaGas’ ability to execute its corporate strategy including; the Company’s focus on growing normalized EPS and normalized FFO per share while targeting lower leverage ratios to support steady dividend growth and provide ongoing capital appreciation for long-term shareholders; AltaGas’ commitment to maintaining an disciplined, self-funded 2025 capital program of approximately $1.4 billion, excluding ARO; the allocation of consolidated 2025 capital to the Company's Utilities, Midstream and Corporate/Other segments; and AltaGas’ dividend policy.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, and achievements to differ materially from those expressed or implied by such statements. Such statements reflect AltaGas’ current expectations, estimates, and projections based on certain material factors and assumptions at the time the statement was made. Material assumptions include: effective tax rates; U.S./Canadian dollar exchange rates; inflation; interest rates, credit ratings, regulatory approvals and policies; expected commodity supply, demand and pricing; volumes and rates; propane price differentials; degree day variance from normal; pension discount rate; financing initiatives; the performance of the businesses underlying each sector; impacts of the hedging program; weather; frac spread; access to capital; future operating and capital costs; timing and receipt of regulatory approvals; seasonality; planned and unplanned plant outages; timing of in-service dates of new projects and acquisition and divestiture activities; taxes; operational expenses; returns on investments; dividend levels; and transaction costs.

AltaGas’ forward-looking statements are subject to certain risks and uncertainties which could cause results or events to differ from current expectations, including, without limitation: health and safety risks; operating risks; infrastructure; natural gas supply risks; volume throughput; service interruptions; transportation of petroleum products; market risk; inflation; general economic conditions; cybersecurity, information, and control systems; climate-related risks; environmental regulation risks; regulatory risks; litigation; changes in law; Indigenous and treaty rights; dependence on certain partners; political uncertainty and civil unrest; risks related to conflict, including the conflicts in Eastern Europe and the Middle East; decommissioning, abandonment and reclamation costs; reputation risk; weather data; capital market and liquidity risks; interest rates; internal credit risk; foreign exchange risk; debt financing, refinancing, and debt service risk; counterparty and supplier risk; technical systems and processes incidents; growth strategy risk; construction and development; underinsured and uninsured losses; impact of competition in AltaGas' businesses; counterparty credit risk; composition risk; collateral; rep agreements; market value of the common shares and other securities; variability of dividends; potential sales of additional shares; labor relations; key personnel; risk management costs and limitations; commitments associated with regulatory approvals for the acquisition of WGL; cost of providing retirement plan benefits; failure of service providers; risks related to pandemics, epidemics or disease outbreaks; and the other factors discussed under the heading "Risk Factors" in the Corporation’s Annual Information Form for the year ended December 31, 2024 ("AIF") and set out in AltaGas’ other continuous disclosure documents.

Many factors could cause AltaGas' or any particular business segment's actual results, performance or achievements to vary from those described in this press release, including, without limitation, those listed above and the assumptions upon which they are based proving incorrect. These factors should not be construed as exhaustive. Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this news release as intended, planned, anticipated, believed, sought, proposed, estimated, forecasted, expected, projected or targeted and such forward-looking statements included in this news release, should not be unduly relied upon. The impact of any one assumption, risk, uncertainty, or other factor on a particular forward-looking statement cannot be determined with certainty because they are interdependent and AltaGas’ future decisions and actions will depend on management’s assessment of all information at the relevant time. Such statements speak only as of the date of this news release. AltaGas does not intend, and does not assume any obligation, to update these forward-looking statements except as required by law. The forward-looking statements contained in this news release are expressly qualified by these cautionary statements.

Financial outlook information contained in this news release about prospective financial performance, financial position, or cash flows is based on assumptions about future events, including economic conditions and proposed courses of action, based on AltaGas management's assessment of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this news release should not be used for purposes other than for which it is disclosed herein.

Additional information relating to AltaGas, including its quarterly and annual MD&A and Consolidated Financial Statements, AIF, and press releases are available through AltaGas' website at www.altagas.ca or through SEDAR+ at www.sedarplus.ca.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION AND STATEMENTS

This Management's Discussion and Analysis ("MD&A") dated April 29, 2025 is provided to enable readers to assess the results of operations, liquidity, and capital resources of AltaGas Ltd. ("AltaGas", the "Company" or the "Corporation") as at and for the three months ended March 31, 2025. This MD&A should be read in conjunction with the accompanying unaudited condensed interim Consolidated Financial Statements and notes thereto of AltaGas as at and for the three months ended March 31, 2025 and the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2024.

The Consolidated Financial Statements and comparative information have been prepared in accordance with United States ("U.S.") generally accepted accounting principles ("U.S. GAAP") and in Canadian dollars, unless otherwise indicated. Throughout this MD&A, references to GAAP refer to U.S. GAAP and dollars refer to Canadian dollars, unless otherwise indicated.

Abbreviations, acronyms, and capitalized terms used in this MD&A without express definition shall have the same meanings given to those terms in the MD&A as at and for the year ended December 31, 2024 or the Annual Information Form for the year ended December 31, 2024.

This MD&A contains forward-looking information ("forward-looking statements"). Words such as "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to the Corporation or any affiliate of the Corporation, are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: AltaGas' belief in the role and importance of global resource exports; AltaGas' commitment to evaluating additional long-term tolling contracts; the belief that the MVP expansion and Southgate expansion are advancing towards FID; AltaGas' intention to divest its equity stake in MVP and the Southgate expansion, the intended use of proceeds and anticipated benefits therefrom; the potential District SAFE modernization program and the anticipated benefits therefrom; the expectation that REEF will remain on budget and on schedule to achieve its 2026 year-end in-service date; the expectation that construction of Pipestone II will remain on track for a late 2025 in-service date; projected capital costs for the RIPET methanol removal project, AltaGas' ability to meet the project's targeted online date of 2026 year-end, and the anticipated benefits of the project; AltaGas' commitment to advancing growth projects across the Utilities segment including new meter growth and execution of existing asset modernization programs; organic opportunities arising in the Midstream sector and the expectation that these will extend the growth outlook for AltaGas' Midstream business; progress on the Keweenaw Connector Pipeline project, projected capital costs of the project, the anticipated benefits therefrom and timing for obtaining regulatory approval; AltaGas' commitment to advancing Midstream growth projects including Pipestone III, North Pine and the Dimsdale natural gas storage expansion project, and REEF optimization; advancement of preliminary work with data center developers, anticipated opportunities throughout 2025 and 2026 and the expectation that these opportunities will increase AltaGas' Utilities growth outlook; AltaGas' 2025 guidance including normalized earnings per share of $2.10 to $2.30 and normalized EBITDA of $1.775 to $1.875 billion; the expectation that the Utilities and Midstream segments will contribute approximately 55 percent and 45 percent of normalized EBITDA in 2025, respectively; expected growth drivers of normalized EBITDA in the Utilities segment; expected growth drivers in the Midstream segment; expected growth drivers of 2025 normalized earnings per share; AltaGas' focus on de-risking its business and managing direct commodity price exposure and the anticipated benefits therefrom; the Company's intention to maintain an active hedging program and the anticipated outcomes therefrom; AltaGas' 2025 Midstream Hedge Program quarterly estimates; estimated impact of changes in commodity prices, exchange rates, and weather on normalized annual results for 2025; AltaGas' *commitment to maintaining a disciplined, self-funded capital program; expected invested capital expenditures of approximately $1.4 billion in 2025; anticipated segment allocation and focus of capital expenditures in 2025; the expectation that AltaGas' 2025 committed capital program will be funded through internally-generated cash flows, the investment capacity associated with higher normalized EBITDA across the enterprise and ongoing capital recycling through the planned divestiture of the Company's equity interest in MVP; asset sales being considered on an opportunistic basis and the anticipated use of proceeds therefrom; the estimated cost, status and expected in-service dates for growth capital projects in the Midstream and Utilities businesses; expected in-service date of Pipestone Phase II and the anticipated benefits therefrom; expected in-service date of REEF and the anticipated benefits therefrom; anticipated in-service date and cost of MVP Southgate including AltaGas' portion thereof; AltaGas' belief that MVP Southgate will become operational and its ongoing support of the project; Washington Gas' ARP replacement programs and the expected benefits therefrom; SEMCO Energy's MRP and IRIP programs; expected filing, procedure and decision dates for rate cases in the Utilities business; timing of material regulatory filings, proceedings and decisions in the Utilities business; AltaGas' belief that it has achieved full compliance with Term No. 5 Commitment and its ability to reach an agreement with the parties and the PSC of DC on scope of documentation required to demonstrate its full compliance; the expectation that the restrictions on Washington Gas' ability to pay dividends to AltaGas as a result of certain commitments in respect of the WGL Acquisition will not have an impact on AltaGas' ability to meet its obligations; AltaGas' objective for managing capital and the anticipated benefits therefrom; and AltaGas' dividend policy.*

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events and achievements to differ materially from those expressed or implied by such statements. Such statements reflect AltaGas' current expectations, estimates, and projections based on certain material factors and assumptions at the time the statement was made. Material assumptions include: effective tax rates; U.S./Canadian dollar exchange rates; inflation; interest rates, credit ratings, regulatory approvals and policies; expected commodity supply, demand and pricing; volumes and rates; propane price differentials; degree day variance from normal; pension discount rate; financing initiatives; the performance of the businesses underlying each sector; impacts of the hedging program; weather; frac spread; access to capital; future operating and capital costs; timing and receipt of regulatory approvals; seasonality; planned and unplanned plant outages; timing of in-service dates of new projects and acquisition and divestiture activities; taxes; operational expenses; returns on investments; dividend levels; and transaction costs.

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ALTAGAS BUSINESS OVERVIEW AND ORGANIZATION

AltaGas is a leading North American energy infrastructure company that connects customers and markets to affordable and reliable sources of energy. The Company operates a diversified, lower-risk, high-growth energy infrastructure business focused on delivering resilient and durable value for its stakeholders. AltaGas has three reporting segments - Utilities, Midstream, and Corporate/Other.

Utilities Segment

AltaGas' Utilities segment owns and operates franchised, cost-of-service, rate-regulated natural gas distribution and storage utilities that are focused on providing safe, reliable, and affordable energy to its customers. AltaGas' Utilities provided energy to approximately 1.6 million residential and commercial customers in the first quarter of 2025 with an average rate base of approximately US$5.4 billion.

The Utilities segment includes two utilities that deliver essential energy across four major U.S. jurisdictions:

- Washington Gas Light Company ("Washington Gas"), is the Company's largest operating utility that serves approximately 1.2 million customers across Maryland, Virginia, and the District of Columbia ("D.C."); and
- SEMCO Energy, Inc. ("SEMCO Energy"), serves approximately 331,000 customers in Southern Michigan and Michigan's Upper Peninsula.

The Utilities segment also includes other storage facilities and contracts for interstate natural gas transportation and storage services, as well as WGL Energy Services, Inc. ("WGL Energy Services"), an affiliated retail energy marketing business, which sells natural gas and electricity directly to residential, commercial, and industrial customers across Maryland, Virginia, Delaware, Pennsylvania, Ohio, New Jersey, and D.C.

Midstream Segment

AltaGas’ Midstream segment is a leading North American platform that connects customers and markets to critical forms of energy. From wellhead to tidewater, the Company is focused on providing its customers with safe and reliable service and connectivity across the Midstream value chain that facilitates the best outcomes for their businesses. This includes global market access for North American Liquified Petroleum Gases ("LPGs"), which provides North American producers and aggregators with attractive netbacks for propane and butane while delivering diversity of supply and supporting stronger energy security in Asia to AltaGas' downstream customers.

AltaGas’ Midstream platform is heavily focused on the Montney and Deep Basin resource plays and centers around global exports, which is where the Company believes the market is headed for Canadian resource development over the long-term. AltaGas also operates a broader set of midstream infrastructure assets across the Western Canadian Sedimentary Basin ("WCSB") and select regions in the U.S., which are all focused on connecting customers and markets in the most efficient manner possible.

There are three core pillars to AltaGas’ Midstream platform that are integral to each other and facilitate the Company’s wellhead to tidewater and beyond value chain. These include:

- **Global Exports**, which includes AltaGas’ two operational LPG export terminals where the Company has nameplate capacity to export up to 150,000 Bbl/d of propane and butane to key markets in Asia;
- **Natural Gas Gathering, Processing and Extraction**, which includes 1.2 Bcf/d of extraction processing capacity and approximately 1.2 Bcf/d of raw field gas processing capacity, which is heavily focused on the Montney and Deep Basin; and
- **Fractionation and Liquids Handling**, which includes 70 MBbl/d of fractionation capacity and a sizable liquids handling footprint.

The Midstream segment also consists of natural gas and natural gas liquids ("NGLs") marketing businesses, domestic logistics, trucking and rail terminals, liquids storage with approximately 3.2 million barrels of capacity through a network of underground salt caverns through the Company’s Strathcona Storage JV with ATCO Energy Solutions Ltd., 15 Bcf of natural gas storage through the Dimsdale natural gas storage facility ("Dimsdale"), as well as AltaGas’ 10 percent equity interest in the Mountain Valley Pipeline ("MVP"), which is a 2.0 Bcf/d transportation pipeline that transports natural gas from the Marcellus region across Virginia and West Virginia to key downstream demand markets.

Corporate/Other Segment

AltaGas’ Corporate/Other segment consists of the Company’s corporate activities and a small portfolio of gas-fired power generation and distribution assets capable of generating 508 MW of power, primarily in California.

FIRST QUARTER HIGHLIGHTS

(Normalized EBITDA, normalized funds from operations, and normalized net income are non-GAAP financial measures. Normalized funds from operations per share and normalized net income per share are non-GAAP ratios. Please see Non-GAAP Financial Measures section of this MD&A.)

Financial Results

- Normalized earnings per share ("EPS") was $1.15 in the first quarter of 2025 compared to $1.14 in the same quarter of 2024, while GAAP EPS was $1.31 in the first quarter of 2025 compared to $1.38 in the same quarter of 2024.
- Normalized EBITDA was $689 million in the first quarter of 2025 compared to $660 million in the same quarter of 2024, while income before income taxes was $513 million in the first quarter of 2025 compared to $541 million in the same quarter of 2024. The four percent year-over-year growth in normalized EBITDA was driven by strong Utilities performance that offset lower Midstream contribution.
- The Utilities segment reported normalized EBITDA of $501 million in the first quarter of 2025 compared to $437 million in the same quarter of 2024, while income before income taxes was $446 million in the first quarter of 2025 compared to $384 million in the same quarter of 2024. The 15 percent year-over-year growth in normalized Utilities EBITDA was principally driven by strong performance from WGL's retail business, colder weather in Michigan and D.C., active cost management, contributions from Utilities modernization investments and asset optimization activities.
- The Midstream segment reported normalized EBITDA of $197 million in the first quarter of 2025 compared to $247 million in the same quarter of 2024, while income before income taxes was $204 million in the first quarter of 2025 compared to $297 million in the same quarter of 2024. Strong operational execution across the Midstream segment was impacted by lower global export margins due to reduced merchant spreads and higher tolling volumes, the absence of two favourable one-time items that were present in the first quarter of 2024, and lower contribution from MVP due to recording equity earnings post the pipeline going into service compared to the Allowance for Funds Used During Construction ("AFUDC") last year.

Operational and Business Highlights

- AltaGas posted record first quarter global export volumes of 119,241 Bbl/d of LPGs to Asia. The four percent year-over-year increase included shipments from 12 very large gas carriers ("VLGCs") from the Ridley Island Propane Export Terminal ("RIPET") and seven VLGCs from the Ferndale Terminal ("Ferndale").
- Volumes across the balance of AltaGas' Midstream value chain were strong, including gas processing volumes increasing 11 percent year-over-year, led by AltaGas' Montney footprint, where volumes were up 16 percent year-over-year largely due to the Townsend and Blair Creek facilities.
- AltaGas' focus on operational excellence at the Utilities continued to be demonstrated in the first quarter of 2025 where Washington Gas' operating and maintenance ("O&M") costs were down 11 percent year-over-year. This reduction was achieved despite colder weather on a year-over-year basis across all of the Company's Utilities jurisdictions, which normally drives higher costs due to increased asset usage and overtime costs.
- AltaGas continued to execute long-term contracting across its global exports' platform. AltaGas entered into a 15-year tolling agreement with Keyera for 12,500 Bbl/d of LPG export capacity at REEF and a long-term agreement with one of the world's leading global chemicals companies for 8,000 Bbl/d of butane export capacity at REEF. AltaGas has now exceeded its 2027 tolling target across its global exports portfolio and will continue to evaluate additional long-term contracts.
- MVP performed well during the first quarter of 2025, exceeding expectations due to optimization activities and flowing interruptible volumes at premium rates during demand peaks. Despite this strong performance, MVP contribution was down year-over-year as AltaGas began recording equity earnings once the pipeline was brought into service compared to AFUDC recorded in the same quarter of 2024. The 2.0 Bcf/d pipeline is backed by 20-year contracts with investment grade counterparties. MVP is

expandable by 475 MMcf/d through additional compression and extendable into North Carolina through the Southgate project. Both projects are advancing towards final investment decisions ("FID"). AltaGas continues to evaluate a potential monetization of its interest in MVP with proceeds to be used for leverage reduction.

- In February 2025, the Public Service Commission of D.C. ("PSC of D.C.") ordered an additional extension of PROJECTpipes 2 from May 1, 2025 through December 31, 2025 with an additional US$34 million of modernization capital being added to the pre-approved program. This will ensure uninterrupted pipeline modernization work continues while the PSC of D.C. continues to review Washington Gas' proposed new modernization program – the District Strategic Accelerated Facility Enhancement ("SAFE").

Project Updates

- Construction of the Ridley Island Energy Export Facility ("REEF") remains on budget and schedule to achieve its 2026 year-end in-service date ("ISD"). Uplands work continues with overburden removal finished and rock blasting nearing completion, while offsite equipment fabrication is progressing according to the execution plan. Progress on the jetty has accelerated and is recovering from winter weather delays. Approximately 60 percent of total project costs are now incurred or committed, further de-risking the project's capital budget.
- Construction of the Pipestone II deep cut facility continues to be on track for a late 2025 ISD. Facility construction is 76 percent complete with the project fully contracted under long term take-or-pay agreements and principally all capital costs are incurred or committed under fixed price agreements. Pipestone II will provide critical gas processing and liquids handling capacity to the Pipestone region in the Alberta Montney.
- AltaGas has reached a positive FID on the RIPET methanol removal project. This project will allow RIPET cargos to reach all Asian markets, while ensuring fungible propane between RIPET and REEF. Capital cost for the project is estimated to be $55 million; an approximate five times capex-to-EBITDA build multiple. The project is targeted to be online by 2026 year-end.
- AltaGas continues to advance growth projects across the Utilities segment. In addition to continued new meter growth and execution of existing asset modernization programs, SEMCO is in late stages of getting regulatory approval for the Keweenaw Pipeline Connector, which has a capital cost of approximately US$120 million and a 2027 ISD. Washington Gas continues to work with a number of developers that are seeking natural gas for new data centers in Northern Virginia. These business development initiatives will complement AltaGas' already robust Utilities growth outlook.
- AltaGas continues to advance regulatory, engineering and commercial work for growth projects. This includes Pipestone III, North Pine, the Dimsdale natural gas storage expansion project, and additional capacity at REEF, once operational. These organic opportunities will further extend AltaGas' Midstream growth outlook towards the end of the decade.

Outlook and Other Highlights

- Following AltaGas' strong first quarter of 2025, the Company is reiterating its 2025 full year guidance, including normalized EBITDA of $1,775 million to $1,875 million and normalized EPS of $2.10 to $2.30.
- On April 1, 2025, Washington Gas issued the remaining US$100 million in private placement notes with a 4.84 percent coupon, due on April 1, 2035, as part of the note purchase agreement executed on October 1, 2024.

CONSOLIDATED FINANCIAL REVIEW

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Cash from operations	**627**	557
Normalized funds from operations (1)	**551**	510
Normalized effective income tax rate (%) (1)	**21.9**	22.4
Effective income tax rate (%)	**22.1**	23.1

	Three Months Ended March 31	
($ per share, except shares outstanding)	**2025**	2024
Net income per common share - basic	**1.31**	1.38
Net income per common share - diluted	**1.31**	1.37
Normalized net income - basic (1)	**1.15**	1.14
Normalized net income - diluted (1)	**1.14**	1.14
Dividends declared (2)	**0.32**	0.30
Cash from operations	**2.10**	1.89
Normalized funds from operations (1)	**1.85**	1.73
Shares outstanding - basic (millions)		
During the period (3)	**298**	295
End of period	**299**	296

(1) Non-GAAP financial measure or non-GAAP financial ratio; see discussion in the *Non-GAAP Financial Measures* section of this MD&A.

(2) Dividends declared per common share per quarter: $0.2975 per share beginning March 2024, increased to $0.315 per share effective March 2025.

(3) Weighted average.

RESULTS OF OPERATIONS BY REPORTING SEGMENT

Normalized EBITDA [1]		Three Months Ended March 31		
($ millions)		**2025**		2024
Utilities	**$**	**501**	$	437
Midstream		**197**		247
Sub-total: Operating Segments	**$**	**698**	$	684
Corporate/Other		**(9)**		(24)
	$	**689**	$	660

(1) Non-GAAP financial measure; see discussion in the Non-GAAP Financial Measures section of this MD&A.

Income (Loss) Before Income Taxes		Three Months Ended March 31		
($ millions)		**2025**		2024
Utilities	**$**	**446**	$	384
Midstream		**204**		297
Sub-total: Operating Segments	**$**	**650**	$	681
Corporate/Other		**(137)**		(140)
	$	**513**	$	541

Revenue		Three Months Ended March 31		
($ millions)		**2025**		2024
Utilities	**$**	**1,870**	$	1,570
Midstream		**2,084**		2,073
Sub-total: Operating Segments	**$**	**3,954**	$	3,643
Corporate/Other		**15**		12
	$	**3,969**	$	3,655

THREE MONTHS ENDED MARCH 31

Normalized EBITDA for the first quarter of 2025 was $689 million, compared to $660 million for the same quarter of 2024. The increase was largely driven by strong results from the Utilities segment.

In the Utilities segment, normalized EBITDA was mainly impacted by higher contributions from WGL's retail marketing business, colder weather in Michigan and D.C. where AltaGas does not have weather normalization, lower operating and administrative expenses, higher revenue from Accelerated Replacement Program ("ARP") spend, and higher asset optimization activities at Washington Gas. Please refer to the *Utilities Segment* section of this MD&A for more details on the factors impacting Utilities results.

In the Midstream segment, normalized EBITDA was mainly impacted by strong contributions from the fractionation and liquids handling business, which was more than offset by lower margins from the global exports business and higher operating and administrative expenses. Please refer to the *Midstream Segment* section of this MD&A for more details on the factors impacting Midstream results.

In the Corporate/Other segment, normalized EBITDA was mainly impacted by higher contributions from Blythe. Please refer to the *Corporate/Other Segment* section of this MD&A for more details on the factors impacting Corporate/Other results.

Income before income taxes for the first quarter of 2025 was $513 million, compared to $541 million for the same quarter of 2024. The decrease was mainly due to lower unrealized gains on risk management contracts, higher depreciation and amortization expense, higher interest expense, and foreign exchange losses compared to foreign exchange gains in the same quarter of 2024, partially offset by the same previously referenced factors impacting normalized EBITDA and lower transaction costs related to acquisitions and dispositions. Net income applicable to common shares for the first quarter of 2025 was $392 million ($1.31 per share), compared to $408 million ($1.38 per share) for the same quarter of 2024. The decrease was mainly due to the same previously referenced factors impacting income before income taxes, partially offset by lower income tax expense.

Normalized funds from operations for the first quarter of 2025 was $551 million ($1.85 per share), compared to $510 million ($1.73 per share) for the same quarter of 2024. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA, the impact of non-cash items included in normalized EBITDA, and higher distributions from equity investments, partially offset by higher normalized current income tax expense, higher interest expense, and foreign exchange losses compared to foreign exchange gains in the first quarter of 2024.

Cash from operations in the first quarter of 2025 was $627 million ($2.10 per share), compared to $557 million ($1.89 per share) for the same quarter of 2024. The increase was mainly due to higher net income after taxes (after adjusting for non-cash items), higher distributions from equity investments, and favourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes. Please refer to the *Liquidity* section of this MD&A for further details on the variance in cash from operations.

Interest expense for the first quarter of 2025 was $115 million, compared to $107 million for the same quarter of 2024. The increase was mainly due to the issuance of additional subordinated hybrid notes in the third quarter of 2024 as well as a higher average Canadian/U.S. dollar exchange rate, partially offset by a decrease in average debt balances, higher capitalized interest, and lower average interest rates. Interest expense recorded on the subordinated hybrid notes in the first quarter of 2025 was $34 million, compared to $13 million for the same quarter of 2024.

AltaGas recorded an income tax expense of $113 million for the first quarter of 2025, compared to $125 million for the same quarter of 2024. The decrease in income tax expense was mainly due to lower income before income taxes.

Normalized net income was $342 million ($1.15 per share) for the first quarter of 2025, compared to $338 million ($1.14 per share) for the same quarter of 2024. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and lower normalized income tax expense, partially offset by higher depreciation expense, higher interest expense, and lower foreign exchange gains after foreign exchange related normalizations. Please refer to the *Non-GAAP Financial Measures* section of this MD&A for further details on normalization adjustments.

2025 OUTLOOK

In 2025, AltaGas expects to achieve normalized EBITDA of approximately $1.775 to $1.875 billion, compared to actual normalized EBITDA of $1.769 billion in 2024, and normalized earnings per share of approximately $2.10 to $2.30 compared to actual normalized earnings per share of $2.18 and GAAP net income per share of $1.95 in 2024. For the year ended December 31, 2024, income before income taxes was $746 million while net income applicable to common shares was $578 million.

The Utilities segment is expected to contribute approximately 55 percent of normalized EBITDA in 2025, with year-over-year expected growth primarily driven by continued rate base growth through ongoing capital investments in asset modernization programs on behalf of AltaGas' customers, normal 2025 weather, positive contribution from new customer growth, and increased asset optimization activities at Washington Gas. The Midstream segment is expected to contribute approximately 45 percent of normalized EBITDA, with year-over-year expected growth driven primarily by strong expected global export volumes, higher natural gas and NGL marketing margins, and higher utilization at the Company's Montney facilities, including the Townsend complex, North Pine, and Pipestone I, partially offset by lower expected equity earnings from MVP, including an assumed divestiture mid-year, and lower co-generation revenue at the Harmattan gas processing facility and extraction plant ("Harmattan") due to lower forward power prices.

The variance in expected normalized earnings per share from $2.18 in 2024 to approximately $2.10 to $2.30 in 2025 is anticipated to be primarily due to the same above factors impacting normalized EBITDA, partially offset by higher depreciation and amortization expense and higher normalized income tax expense.

The forecasted normalized EBITDA and earnings per share include assumptions around the Canadian/U.S. dollar exchange rate and the currency hedges that AltaGas currently has in place. Within each segment, the performance of the underlying businesses has the potential to vary. Any variance from AltaGas’ current assumptions could impact the forecasted normalized EBITDA and normalized earnings per share. For further discussion of the risks impacting AltaGas please refer to the *Risk Factors* section of AltaGas' 2024 Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

AltaGas continues to focus on de-risking its business and managing direct commodity price exposure to drive predictable and durable results. While the Company has exposure, it maintains an active hedging program that proactively hedges commodity price and spread risk to mitigate the impact of fluctuations in margins and cash flows. For the remainder of 2025, AltaGas has hedged materially all of its expected Baltic freight exposure through time charters, financial hedges, and tolled volumes, in addition to the hedges in the following table:

Midstream Hedge Program	Q2 2025	Q3 2025	Q4 2025	Remainder of 2025
Global Exports volumes hedged (%) (1)	97	98	71	89
Average propane/butane Far East Index ("FEI") to North America hedge (US$/Bbl) (2) (3)	20.40	18.91	27.88	20.96
Fractionation volumes hedged (%) (3)	76	86	94	85
Frac spread hedge rate (US$/Bbl) (3)	26.27	26.27	26.42	26.32

(1) Approximate expected volumes hedged based on AltaGas' internally assumed export volumes. Hedged amounts include contracted tolling volumes and financial hedges. AltaGas is hedged at a higher percentage for firmly committed volumes.

(2) Does not include physical differential to FSK for C3 volumes. Butane is hedged as a percentage of WTI.

(3) Approximate average for the period.

SENSITIVITY ANALYSIS

AltaGas' financial performance is affected by factors such as changes in commodity prices, exchange rates, and weather. The following table illustrates the approximate effect of these key variables on AltaGas' expected normalized annual results for 2025:

Factor	Increase or decrease	Approximate impact on normalized annual results *($ millions)*
Degree day variance from normal - Utilities (1) (2)	5 percent	9
Change in Canadian dollar per U.S. dollar exchange rate (3) (4)	0.05	1
Propane and butane FEI to North America spreads (1) (5)	US$1/Bbl	9

(1) Represents impact on annual normalized EBITDA.

(2) Degree days – Utilities relate to SEMCO Energy Gas Company ("SEMCO") and D.C. service areas. Degree days are a measure of coldness determined daily as the numbers of degrees the average temperature during the day in question is below 65 degrees Fahrenheit. Degree days for a particular period are the average of degree days during the prior 15 years for SEMCO and during the prior 30 years for Washington Gas.

(3) Represents impact on annual normalized net income in the Utilities segment.

(4) The sensitivity is net of hedges on U.S. denominated earnings currently in place. Refer to the *Risk Management* section of this MD&A for more details.

(5) The sensitivity is calculated on merchant barrels net of hedges currently in place for the remainder of the year. The impact on normalized EBITDA due to changes in the spread will vary and is being managed through an active hedging program.

CAPITAL EXPENDITURES

AltaGas is maintaining a disciplined capital program, and currently expects to deploy the following amount of invested capital in 2025:

	2025 Estimated	2024 Actuals
Invested Capital	**$1.4 billion**	$1.3 billion
Split by segment:		
Utilities	**51 %**	54 %
Midstream	**45 %**	41 %
Corporate	**4 %**	5 %

In 2025, AltaGas' capital expenditures for the Utilities segment are expected to focus primarily on safety and reliability programs, including system betterment, asset modernization and pipeline replacement programs, and new customer additions. In the Midstream segment, capital expenditures are anticipated to primarily relate to new project development, including REEF and Pipestone Phase II, maintenance and administrative capital, and other optimization capital for existing assets. The Corporation continues to focus on capital efficient organic growth and disciplined capital allocation while improving balance sheet strength and flexibility.

AltaGas' 2025 committed capital program is expected to be funded through a combination of internally generated cash flows, the investment capacity associated with higher normalized EBITDA across the enterprise, and ongoing capital recycling through the planned divestiture of the Company's equity interest in MVP. Additional asset sales will be considered on an opportunistic basis, with any potential proceeds to be used to strengthen the balance sheet and increase financial flexibility.

Please refer to the *Net Invested Capital* and *Non-GAAP Financial Measures* sections of this MD&A for additional information on the components of AltaGas' invested capital.

Growth Capital Project Updates

The following table summarizes the status of AltaGas' significant growth projects:

Project	AltaGas' Ownership Interest	Estimated Cost (1)	Project Description and Status	Expected In-Service Date
Midstream Projects				
Pipestone Phase II	100%	$425 million - $450 million	Pipestone Phase II is a 100 MMcf/d sour deep-cut natural gas processing facility with 20,000 Bbls/d of liquids handling capabilities. The project reached a positive FID in December 2023 and is 100 percent contracted under long-term take-or-pay agreements. The project is adjacent to Pipestone Phase I, which AltaGas acquired in December 2023, and is being constructed on a fixed price turnkey basis for the majority of the capital costs. Construction continues to be on track for a late 2025 ISD. Facility construction is 76 percent complete with the project fully contracted under long term take-or-pay agreements and principally all capital costs are incurred or committed under fixed price agreements. Pipestone II will provide critical gas processing and liquids handling capacity to the Pipestone region in the Alberta Montney.	2025 Year-end
REEF	50%	$675 million	REEF is a large-scale LPG and bulk liquids export terminal with supporting marine infrastructure that is under construction on Ridley Island, British Columbia. The project is being developed by AltaGas and Vopak Development Canada Holdings Inc. ("Vopak") and is located adjacent to RIPET. On May 29, 2024, a positive FID for Phase 1 was announced on the project. Construction remains on budget and schedule to achieve its year-end 2026 ISD. Uplands work continues with overburden removal finished and rock blasting nearing completion, while offsite equipment fabrication is progressing according to the execution plan. Progress on the jetty has accelerated and is recovering from winter weather delays. Approximately 60 percent of total project costs are now incurred or committed, further de-risking the project's capital budget.	2026 Year-end

Project	AltaGas' Ownership Interest	Estimated Cost (1)	Project Description and Status	Expected In-Service Date
Midstream Projects, continued				
MVP Southgate Project	5%	US$19 million	The MVP Southgate Project is an interstate natural gas pipeline that will extend MVP from southern Virginia into central North Carolina. The project is owned by a consortium with AltaGas owning a 5.1 percent equity stake. In December 2023, MVP announced it entered into precedent agreements with two counterparties to collectively provide 550,000 Dth per day of firm capacity commitments for 20-year terms with two potential five-year extensions. The precedent agreements contemplate a redesigned project, which would extend 31-miles from the terminus of MVP in Pittsylvania County, Virginia to planned new delivery points in Rockingham County, North Carolina using a 30-inch diameter pipe, substantially fewer water crossings, and would not require a new compressor station. On February 3, 2025, MVP filed with the FERC requesting amendment to the existing "Certificate of Public Convenience and Necessity" for the redesigned MVP Southgate Project. The redesigned MVP Southgate Project is expected to cost approximately US$370 million, of which approximately US$19 million will be AltaGas' portion. In the fourth quarter of 2021, AltaGas impaired its equity investment in the MVP Southgate project to a carrying value of $nil as a result of legal and regulatory challenges the project had encountered. AltaGas has a high degree of confidence in MVP Southgate becoming operational and remains committed to supporting the MVP Southgate project and connecting downstream customers to this critical transportation capacity.	June 2028 with majority of the spend expected in 2027.

Project	AltaGas' Ownership Interest	Estimated Cost [(1)]	Project Description and Status	Expected In-Service Date
Utilities Projects [(2)]				
Accelerated Utility Pipe Replacement Programs – ***Washington Gas – D.C.***	100%	Estimated US$93 million for the period March 2024 to December 2025. Previous three years totaled US$150 million.	The second phase of Washington Gas' ARP in D.C. was scheduled to end in December 2023. On December 22, 2022, Washington Gas filed an application with the PSC of DC for PROJECTpipes 3, seeking approval of approximately US$672 million for the five-year period from January 1, 2024 to December 31, 2028. The PSC of DC has issued orders extending PROJECTpipes 2 through December 2025 with an additional approved spending limit of approximately US$93 million. On June 12, 2024, the PSC of DC issued an order dismissing Washington Gas' PROJECTpipes 3 application, and concurrently opened a new docket and directed Washington Gas to file a new and restructured application that comports with DC's climate goals. On September 27, 2024, Washington Gas filed its restructured plan, District SAFE, requesting US$215 million for the period from March 1, 2025 through December 31, 2027. The procedural schedule in the District SAFE matter has been extended to allow additional discovery on Washington Gas' rebuttal testimony, and the PSC of DC directed the parties to file a Joint List of Material Facts in dispute on May 30, 2025. The PSC of DC will determine if evidentiary hearings are needed after review of the Joint List of Material facts in dispute. A final order in the District SAFE case is expected in the second half of 2025.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Accelerated Utility Pipe Replacement Programs – **Washington Gas – Maryland**	100%	Estimated US$330 million over the five year period from January 2024 to December 2028, plus additional expenditures for subsequent phases upon approval.	On December 13, 2023, the Public Service Commission of Maryland ("PSC of MD") affirmed a public law judge's proposed order for the third phase of Washington Gas' ARP ("STRIDE 3") in Maryland, with a total five-year spending cap of approximately US$330 million.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.

Project	AltaGas' Ownership Interest	Estimated Cost [1]	Project Description and Status	Expected In-Service Date
Utilities Projects, continued [2]				
Accelerated Utility Pipe Replacement Programs – ***Washington Gas – Virginia***	100%	Estimated US$878 million over the five year period from January 2023 to December 2027, plus additional expenditures for subsequent phases upon approval.	On May 26, 2022, the Commonwealth of Virginia State Corporation Commission ("SCC of VA") approved Washington Gas' proposed amendment for the 2023 to 2027 SAVE Plan with a total five-year spending cap of approximately US$878 million, which may be exceeded by up to 5 percent.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Accelerated Mains Replacement and Infrastructure Reliability Improvement Programs – ***SEMCO ENERGY – Michigan***	100%	Estimated US$115 million over five year period from 2021 to 2025, as well as incremental expenditures of US$99 million from 2025 to 2027, plus additional expenditures for subsequent phases upon approval.	A MRP was agreed to in SEMCO's last rate case settled in December 2019. The five-year MRP program began in 2021 with a total spend of approximately US$60 million. In addition to the MRP program, SEMCO was granted an IRIP, which is also a five-year program with a total spend of approximately US$55 million beginning in 2021. In September 2024, the Michigan Public Service Commission ("MPSC") approved the extension of SEMCO's MRP and IRIP programs for approximately US$46 million and US$68 million, respectively, for the period from 2025 to 2027, which includes approximately US$15 million of spend for 2025 approved through the previous program.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.

(1) These amounts are estimates and are subject to change based on various factors. Where appropriate, the amounts reflect AltaGas' share of the various projects.
(2) The utility accelerated replacement programs are long-term projects with multiple phases for which expenditures are approved by the regulators and managed in multi-year increments.

NON-GAAP FINANCIAL MEASURES

This MD&A contains references to certain financial measures used by AltaGas that do not have a standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other entities. Readers are cautioned that these non-GAAP measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP. The non-GAAP measures and their reconciliation to GAAP financial measures are shown below. These non-GAAP measures provide additional information that management of AltaGas ("Management") believes is meaningful in describing AltaGas' operational performance, liquidity and capacity to fund dividends, capital expenditures, and other investing activities. The specific rationale for, and incremental information associated with, each non-GAAP measure is discussed below.

References to normalized EBITDA, normalized net income, normalized funds from operations, normalized income tax expense, normalized effective income tax rate, net debt, adjusted net debt, adjusted net debt to normalized EBITDA, invested capital, and net invested capital throughout this MD&A have the meanings as set out in this section.

Normalized EBITDA

		Three Months Ended March 31		
($ millions)		**2025**		2024
Income before income taxes (GAAP financial measure)	**$**	**513**	$	541
Add:				
Depreciation and amortization		**128**		116
Interest expense		**115**		107
EBITDA	**$**	**756**	$	764
Add (deduct):				
Transaction costs related to acquisitions and dispositions [(1)]		**—**		5
Unrealized gains on risk management contracts [(2)]		**(85)**		(117)
Losses (gains) on sale of assets [(3)]		**2**		(1)
Transition and restructuring costs [(4)]		**11**		13
Provisions on assets		**2**		—
Accretion expenses		**1**		1
Foreign exchange losses (gains) [(5)]		**2**		(5)
Normalized EBITDA	**$**	**689**	$	660

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. These costs are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.

(2) Included in the “revenue”, “cost of sales”, and "foreign exchange gains (losses)" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for further details regarding AltaGas’ risk management activities.

(3) Included in the “other income” line item on the Consolidated Statements of Income.

(4) Comprised of transition and restructuring costs (including CEO transition). These costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.

(5) Excludes unrealized losses (gains) on foreign exchange forward contracts that have been entered into for the purpose of cash management. These losses (gains) are included above in the line "unrealized gains on risk management contracts".

EBITDA is a measure of AltaGas' operating profitability prior to how business activities are financed, assets are amortized, or earnings are taxed. EBITDA is calculated from the Consolidated Statements of Income using income before income taxes adjusted for pre-tax depreciation and amortization, and interest expense.

AltaGas presents normalized EBITDA as a supplemental measure. Normalized EBITDA is used by Management to enhance the understanding of AltaGas' earnings over periods, as well as for budgeting and compensation related purposes. The metric is frequently used by analysts and investors in the evaluation of entities within the industry as it excludes items that can vary substantially between entities depending on the accounting policies chosen, the book value of assets, and the capital structure.

Normalized Net Income

	Three Months Ended March 31	
($ millions)	**2025**	2024
Net income applicable to common shares (GAAP financial measure)	**$ 392**	$ 408
Add (deduct) after-tax:		
Transaction costs related to acquisitions and dispositions (1)	**—**	4
Unrealized gains on risk management contracts (2)	**(65)**	(89)
Losses on sale of assets (3)	**1**	2
Provisions on assets	**1**	—
Transition and restructuring costs (4)	**9**	9
Unrealized foreign exchange losses on intercompany balances (5)	**4**	4
Normalized net income	**$ 342**	$ 338

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. The pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.

(2) The pre-tax amounts are included in the “revenue”, “cost of sales”, and "foreign exchange gains (losses)" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for further details regarding AltaGas’ risk management activities.

(3) The pre-tax amounts are included in the “other income” line item on the Consolidated Statements of Income.

(4) Comprised of transition and restructuring costs (including CEO transition). These pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.

(5) Relates to unrealized foreign exchange losses on intercompany accounts receivable and accounts payable balances between a U.S. subsidiary and a Canadian entity, where the impact to the U.S. subsidiary is recorded through accumulated other comprehensive income as a gain (loss) on foreign currency translation, and the impact to the Canadian entity is recorded through the "foreign exchange gains (losses)" line item on the Consolidated Statements of Income.

Normalized net income and normalized net income per share are used by Management to enhance the comparability of AltaGas’ earnings, as these metrics reflect the underlying performance of AltaGas’ business activities.

Normalized Funds from Operations

	Three Months Ended March 31	
($ millions)	**2025**	2024
Cash from operations (GAAP financial measure)	**$ 627**	$ 557
Deduct:		
Net change in operating assets and liabilities	**(87)**	(71)
Funds from operations	**$ 540**	$ 486
Add (deduct):		
Transaction costs related to acquisitions and dispositions (1)	**—**	5
Transition and restructuring costs (2)	**11**	13
Current tax expense on asset sales (3)	**—**	6
Normalized funds from operations	**$ 551**	$ 510

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. These costs exclude non-cash amounts and are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.

(2) Comprised of transition and restructuring costs (including CEO transition). These pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.

(3) Included in the "current income tax expense" line item on the Consolidated Statements of Income.

Normalized funds from operations and funds from operations are used to assist Management and investors in analyzing the liquidity of the Corporation. Management uses these measures to understand the ability to generate funds for capital investments, debt repayment, dividend payments, and other investing activities.

Funds from operations and normalized funds from operations as presented should not be viewed as an alternative to cash from operations or other cash flow measures calculated in accordance with GAAP.

Normalized Income Tax Expense

		Three Months Ended March 31		
($ millions)		**2025**		2024
Income tax expense (GAAP financial measure)	**$**	**113**	$	125
Add (deduct) tax impact of:				
Transaction costs related to acquisitions and dispositions		**—**		1
Unrealized gains on risk management contracts		**(20)**		(28)
Losses (gains) on sale of assets		**1**		(3)
Provisions on assets		**1**		—
Transition and restructuring costs		**2**		4
Unrealized foreign exchange losses on intercompany balances		**1**		1
Normalized income tax expense	**$**	**98**	$	100

The above table provides a reconciliation of normalized income tax expense from the GAAP financial measure, income tax expense. The reconciling items are comprised of the income tax impacts of normalizing items present in the calculation of normalized net income. For more information on the individual normalizing items, please refer to the normalized net income reconciliation above.

Normalized income tax expense is used by Management to enhance the comparability of the impact of income tax on AltaGas' earnings, as it reflects the underlying performance of AltaGas' business activities, and is presented to provide this perspective to analysts and investors.

Net Debt, Adjusted Net Debt, and Adjusted Net Debt to Normalized EBITDA

Net debt, adjusted net debt, and adjusted net debt to normalized EBITDA are used by the Corporation to monitor its capital structure and assess its capital structure relative to earnings. It is also used as a measure of the Corporation's overall financial strength and is presented to provide this perspective to analysts and investors. Net debt is defined as short-term debt, plus current and long-term portions of long-term debt, current and long-term portions of finance lease liabilities, and subordinated hybrid notes, less cash and cash equivalents. Adjusted net debt is defined as net debt adjusted for current and long-term portions of finance lease liabilities, and subordinated hybrid notes. Adjusted net debt to normalized EBITDA is calculated by dividing adjusted net debt as defined above by normalized EBITDA for the preceding twelve month period.

($ millions, except adjusted net debt to normalized EBITDA)	March 31, 2025	December 31, 2024
Short-term debt	$ —	$ 10
Current portion of long-term debt [1]	**558**	858
Current portion of finance lease liabilities	**24**	23
Long-term debt [2]	**7,141**	6,992
Finance lease liabilities	**127**	126
Subordinated hybrid notes [3]	**2,021**	2,022
Total debt	**9,871**	10,031
Less: cash and cash equivalents	**(197)**	(85)
Net debt	**$ 9,674**	$ 9,946
Current portion of finance lease liabilities	**(24)**	(23)
Finance lease liabilities	**(127)**	(126)
Subordinated hybrid notes [3]	**(2,021)**	(2,022)
Adjusted net debt	**$ 7,502**	$ 7,775
Adjusted net debt to normalized EBITDA [4]	**4.2**	4.4

(1) Net of debt issuance costs, unamortized premiums, and unamortized discounts of less than $1 million as at March 31, 2025 (December 31, 2024 - less than $1 million).
(2) Net of debt issuance costs, unamortized premiums, and unamortized discounts of $29 million as at March 31, 2025 (December 31, 2024 - $29 million).
(3) Net of debt issuance costs of $23 million as at March 31, 2025 (December 31, 2024 - $23 million).
(4) Calculated as adjusted net debt at the balance sheet date, divided by normalized EBITDA for the preceding twelve month period.

Invested Capital and Net Invested Capital

	Three Months Ended March 31	
($ millions)	**2025**	2024
Cash used in investing activities (GAAP financial measure)	**$ 352**	$ 275
Add (deduct):		
Net change in non-cash capital expenditures [1]	**(30)**	(14)
AFUDC [2]	**—**	1
Contributions from non-controlling interests [3]	**(70)**	(6)
Net invested capital	**$ 252**	$ 256
Asset dispositions	**—**	1
Invested capital	**$ 252**	$ 257

(1) Comprised of non-cash capital expenditures included in the "accounts payable and accrued liabilities" line item on the Consolidated Balance Sheets. Please refer to Note 18 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for further details.
(2) AFUDC is the amount that a rate-regulated enterprise is allowed to recover for its cost of financing assets under construction, and excludes any AFUDC within investments accounted for by the equity method. AFUDC is included in the "property, plant and equipment" line item on the Consolidated Balance Sheets.
(3) Excludes cash received from advance cash calls related to forecasted capital spend.

Invested capital is a measure of AltaGas' use of funds for capital expenditure activities. It includes expenditures relating to property, plant, and equipment and intangible assets, capital contributed to long term investments, and contributions from non-controlling interests. Net invested capital is invested capital presented net of cash paid for business acquisitions and proceeds from disposals of assets and equity investments in the period. Net invested capital is calculated based on the investing activities section in the Consolidated Statements of Cash Flows, adjusted for items such as non-cash capital expenditures, AFUDC, and contributions from non-controlling interests. Invested capital and net invested capital are used by Management, investors, and analysts to enhance the understanding of AltaGas' capital expenditures from period to period and provide additional detail on the Company's use of capital.

Supplemental Calculations

Reconciliation of Normalized EBITDA to Normalized Net Income

The below table provides a supplemental reconciliation of normalized EBITDA to normalized net income. Both of these non-GAAP measures have been previously reconciled to the relevant GAAP financial measures in the section above. This supplemental information is provided as additional information to assist analysts and investors in comparing normalized EBITDA to normalized net income and is not intended as a substitute for the reconciliations to the nearest comparable GAAP measures. Readers should not place undue reliance on this supplemental reconciliation.

	Three Months Ended March 31	
($ millions)	**2025**	2024
Normalized EBITDA	**$ 689**	$ 660
Add (deduct):		
Depreciation and amortization	**(128)**	(116)
Interest expense	**(115)**	(107)
Income tax expense	**(113)**	(125)
Normalizing items impacting income taxes [1]	**15**	25
Accretion expenses	**(1)**	(1)
Foreign exchange gains (losses)	**(2)**	5
Unrealized foreign exchange losses on intercompany balances	**5**	5
Net income applicable to non-controlling interests	**(3)**	(4)
Preferred share dividends	**(5)**	(4)
Normalized net income	**$ 342**	$ 338

(1) Represents the income tax impact related to the normalizing items included in the calculation of normalized EBITDA.

Calculation of Normalized Effective Income Tax Rate

The below table provides a calculation of normalized effective income tax rate from normalized net income and normalized income tax expense. Both of these non-GAAP measures have been previously reconciled to the relevant GAAP measures in the section above. This supplemental calculation is provided as additional information to assist analysts and investors in comparing normalized income tax expense to normalized net income and is not intended as a substitute for the reconciliations to the nearest comparable GAAP measures. Readers should not place undue reliance on this supplemental calculation.

	Three Months Ended March 31	
($ millions, except normalized effective income tax rate)	**2025**	2024
Normalized net income	**$ 342**	$ 338
Add (deduct):		
Normalized income tax expense [1]	**98**	100
Net income applicable to non-controlling interests	**3**	4
Preferred share dividends	**5**	4
Normalized net income before taxes	**$ 448**	$ 446
Normalized effective income tax rate (%) [2]	**21.9**	22.4

(1) Calculated in the section above.
(2) Calculated as normalized income tax expense divided by normalized net income before taxes.

UTILITIES

Operating Statistics

	Three Months Ended March 31	
	2025	2024
Natural gas deliveries - end-use (Bcf) (1)	**73.5**	54.5
Natural gas deliveries - transportation (Bcf) (1)	**44.5**	35.1
Service sites (thousands) (2)	**1,571**	1,562
Degree day variance from normal - SEMCO (Michigan) (%) (3)	**(0.3)**	(13.8)
Degree day variance from normal - Washington Gas (D.C.) (%) (3) (4)	**(5.2)**	(15.6)
Retail energy marketing - gas sales volumes (Mmcf)	**22,505**	23,810
Retail energy marketing - electricity sales volumes (GWh)	**3,689**	3,542

(1) Bcf is one billion cubic feet.

(2) Service sites reflect all of the service sites of the utilities, including transportation and non-regulated business lines.

(3) A degree day is a measure of coldness determined daily as the number of degrees the average temperature during the day in question is below 65 degrees Fahrenheit. Degree days for a particular period are determined by adding the degree days incurred during each day of the period. Normal degree days for a particular period are the average of degree days during the prior 15 years for SEMCO and during the prior 30 years for Washington Gas. A positive number indicates that weather is colder than normal and a negative number indicates that weather is warmer than normal.

(4) In certain of Washington Gas' jurisdictions (Virginia and Maryland) there are billing mechanisms in place which are designed to eliminate the effects of variance in customer usage caused by weather and other factors such as conservation. In D.C., there is no weather normalization billing mechanism nor does Washington Gas hedge to offset the effects of weather. As a result, colder or warmer weather will result in variances to financial results.

Three Months Ended March 31

Normalized EBITDA in the Utilities segment was $501 million in the first quarter of 2025, compared to $437 million in the same quarter of 2024. The increase in normalized EBITDA was mainly due to higher contributions from WGL's retail marketing business, colder weather in Michigan and D.C. where AltaGas does not have weather normalization, lower operating and administrative expenses, higher revenue from ARP spend, the impact of the higher average Canadian/U.S. dollar exchange rate, increased asset optimization activities at Washington Gas, and continued customer additions through new meter growth.

The Utilities segment income before income taxes was $446 million in the first quarter of 2025, compared to $384 million in the same quarter of 2024. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and higher unrealized gains on risk management contracts, partially offset by higher depreciation expense.

UTILITIES REGULATORY UPDATES

Utility/ Jurisdiction	Date Filed	Request	Status	Expected Timing of Decision
Washington Gas - D.C.	August 2024	US$46 million increase in base rates, including US$12 million currently collected through the PROJECTpipes surcharge. Therefore, the incremental amount of the base rate increase requested was approximately US$34 million.	On August 5, 2024, Washington Gas filed an application for authority to increase existing rates and charges for gas service in D.C. The requested rates are designed to collect approximately US$257 million in total revenues, which represents an increase in Washington Gas' weather-normalized annual revenues of approximately US$46 million. Of the requested revenue increase, approximately US$12 million represents costs currently collected through the PROJECTpipes surcharge and approximately US$34 million represents an incremental increase in new base rate revenues. Intervenor testimony was received on January 24, 2025 and Washington Gas rebuttal testimony was filed on March 25, 2025. The hearing dates for this case have not yet been determined. Washington Gas expects to receive a final order from the PSC of DC in the fourth quarter of 2025.	Final order expected in the fourth quarter of 2025.

Other Regulatory Updates

Merger Commitments - D.C.

On August 9, 2023, the PSC of DC determined that AltaGas had failed to fulfill Term No. 5 Commitment of the PSC of DC’s merger approval order related to the June 2018 merger of AltaGas, WGL, and Washington Gas. On reconsideration, the PSC of DC confirmed, in relevant part, that it had credited AltaGas with causing the development of 2.4 MW of Tier one renewable resources by the July 6, 2023 deadline, and that the Company had breached its Term No. 5 Commitment only for the remaining 7.6 MW. As directed by the PSC of DC, AltaGas, the D.C. Government ("DCG"), and the D.C. Office of People’s Counsel ("DC OPC") conducted negotiations in good faith to reach agreement on a penalty but were unable to reach agreement. Thereafter, AltaGas confirmed that it will specifically perform its Term No. 5 obligations by continuing to cause the development of the remaining 7.6 MW of solar renewable energy. On March 8, 2024, the PSC of DC issued an order to show cause why the penalty amount should not be the maximum allowed under D.C. Code §34-708 (US$5,000/day). On June 14, 2024, AltaGas and DCG jointly requested that the PSC of DC allow sixty (60) days for the parties to negotiate a settlement in the form of a consent decree or, if no agreement is reached, to file a report on the status of the negotiations. AltaGas and DCG have kept the PSC of DC appraised of the status of the negotiations and, on October 8, 2024, filed a Proposed Consent Decree for PSC of DC approval. On November 6, 2024, the PSC of DC approved the Consent Decree, without modification, as complete resolution of the issues in dispute concerning Merger Commitment No. 5. On January 5, 2025, AltaGas paid the civil penalty of approximately US$2.1 million. In accordance with the terms of the PSC of DC approved Consent Decree, AltaGas continues to report on its progress that the Company is making in causing the development of the remaining megawatts of renewable resources in D.C. AltaGas believes that it has recently achieved full compliance with Term No. 5 by causing the development of the renewable solar projects needed to reach the 10 MW commitment and is working with the parties and the PSC of DC to reach agreement on the scope of documentation needed to demonstrate its full compliance to the PSC of DC’s satisfaction.

Climate Regulation

In D.C., DC Law 24-177 requires the Mayor to issue final regulations by December 31, 2026 that requires all new construction or substantial improvements of commercial buildings (buildings with more than three stories) to be constructed to a net-zero-energy standard, which is defined to prohibit on-site fuel combustion. On October 17, 2024, Washington Gas, joined by co-plaintiffs, filed suit in the U.S. District Court for the District of Columbia challenging the legality of this law.

In Montgomery County, Maryland, Bill 13-22 will require regulations that establish all-electric building standards for all new construction (with limited exceptions) by December 31, 2026. On October 17, 2024, Washington Gas, joined by co-plaintiffs, filed suit in the U.S. District Court for the District of Maryland challenging the legality of this bill.

In the State of Maryland, the Maryland Department of Environment promulgated final Building Energy Performance Standards ("BEPS") regulations that will impose carbon dioxide reduction requirements (that will eventually reach zero) for certain covered buildings, effective December 23, 2024. On January 17, 2025, Washington Gas and co-plaintiffs filed suit in the U.S. District Court for the District of Maryland challenging the legality of the regulations.

On February 25, 2025, Montgomery County adopted BEPS that restrict and penalize gas appliances in new and existing buildings through a series of declining site energy use intensity limits for covered buildings. On March 27, 2025, Washington Gas and co-plaintiffs filed suit in the U.S. District Court for the District of Maryland challenging the legality of the regulations.

MIDSTREAM

Operating Statistics

	Three Months Ended March 31	
	2025	2024
LPG export volumes (Bbls/d) [(1)]	**119,241**	115,108
Total inlet gas processed (Mmcf/d) [(1)]	**1,552**	1,401
Extracted ethane volumes (Bbls/d) [(1)]	**33,051**	20,369
Extracted NGL volumes (Bbls/d) [(1) (2) (3)]	**49,051**	48,272
Fractionation volumes (Bbls/d) [(1) (4)]	**42,415**	41,072
Frac spread - realized ($/Bbl) [(1) (5)]	**27.77**	25.25
Frac spread - average spot price ($/Bbl) [(1) (6)]	**32.13**	25.45
Propane FEI to Mont Belvieu spread (US$/Bbl) [(1) (7)]	**12.17**	14.06
Butane FEI to Mont Belvieu spread (US$/Bbl) [(1) (8)]	**12.41**	13.87

(1) Average for the period.
(2) NGL volumes refer to propane, butane, and condensate.
(3) Volumes for the three months ended March 31, 2024 include revised volumes of 48,272 Bbls/d for the first quarter of 2024.
(4) Fractionation volumes include NGL mix volumes processed.
(5) Realized frac spread or NGL margin, expressed in dollars per barrel of NGL, is derived from sales recorded by the segment during the period for frac spread exposed volumes plus the settlement value of frac hedges settled in the period less extraction premiums, divided by the total frac exposed volumes produced during the period.
(6) Average spot frac spread or NGL margin, expressed in dollars per barrel of NGL, is indicative of the average sales price that AltaGas receives for propane, butane, and condensate less extraction premiums, before accounting for hedges, divided by the respective frac spread exposed volumes for the period.
(7) Average propane price spread between FEI and Mont Belvieu TET commercial index.
(8) Average butane price spread between FEI and Mont Belvieu TET commercial index.

Three Months Ended March 31

The Midstream segment reported normalized EBITDA of $197 million in the first quarter of 2025 compared to $247 million in the same quarter of 2024. The decrease in normalized EBITDA included lower margins from the global exports business, partially due to a higher proportion of tolled volumes and the absence of the impact of the monetization of certain hedges in the first quarter of 2024. The Midstream segment was also impacted by higher operating and administrative expenses, the absence of the gain on settlement of an asset retirement obligation recorded in the first quarter of 2024, lower power revenue primarily due to lower power prices, and lower equity earnings from MVP as the recognition of earnings from MVP's operations which commenced in June 2024 was lower than AFUDC recorded in the first quarter of 2024. These factors were partially offset by higher contributions from the fractionation and liquids handling business and higher earnings at the extraction facilities due to increased ethane volumes and higher realized frac spreads.

Income before income taxes in the Midstream segment was $204 million in the first quarter of 2025, compared to $297 million in the same quarter of 2024. The decrease was mainly due to the same previously referenced factors impacting normalized EBITDA, lower unrealized gains on risk management contracts, and higher depreciation expense.

Midstream Hedges

	Three Months Ended March 31	
	2025	2024
Frac spread exposed volumes (Bbls/d)	**11,416**	11,228
NGL volumes hedged (Bbls/d)	**9,069**	8,000
Average price of NGL volumes hedged ($/Bbl) (1)	**40**	37
Average FEI to North American NGL price spread for volumes hedged (US$/Bbl)	**15**	19

(1) Excludes basis differential.

CORPORATE/OTHER

Three Months Ended March 31

In the Corporate/Other segment, normalized EBITDA for the first quarter of 2025 was a loss of $9 million, compared to a loss of $24 million in the same quarter of 2024. The lower loss was mainly due to higher contributions from Blythe due to the absence of a planned turnaround in the first quarter of 2024 as well as lower corporate operating and administrative expenses.

Loss before income taxes in the Corporate/Other segment was $137 million in the first quarter of 2025, compared to $140 million in the same quarter of 2024. The lower loss was mainly due to the same previously referenced factors impacting normalized EBITDA, lower transaction costs related to acquisitions and dispositions, and lower transition and restructuring costs, partially offset by higher interest expense and foreign exchange losses compared to foreign exchange gains in the same quarter of 2024.

NET INVESTED CAPITAL

Invested capital and net invested capital are non-GAAP financial measures. Please refer to the *Non-GAAP Financial Measures* section of this MD&A for further discussion.

	Three Months Ended March 31, 2025							
($ millions)		**Utilities**		**Midstream**		**Corporate/ Other**		**Total**
Invested capital:								
Property, plant and equipment	**$**	**127**	**$**	**112**	**$**	**9**	**$**	**248**
Intangible assets		**—**		**—**		**3**		**3**
Long-term investments		**—**		**1**		**—**		**1**
Invested capital and net invested capital	**$**	**127**	**$**	**113**	**$**	**12**	**$**	**252**

	Three Months Ended March 31, 2024							
($ millions)		Utilities		Midstream		Corporate/ Other		Total
Invested capital:								
Property, plant and equipment	$	179	$	46	$	31	$	256
Intangible assets		—		1		—		1
Invested Capital	$	179	$	47	$	31	$	257
Disposals:								
Asset dispositions		—		(1)		—		(1)
Net invested capital	$	179	$	46	$	31	$	256

During the first quarter of 2025, AltaGas' invested capital was $252 million, compared to $257 million in the same quarter of 2024. The decrease in invested capital was primarily due to lower ARP and system betterment spend at Washington Gas, as well as lower planned maintenance capital in the Corporate/Other segment, partially offset by higher additions to property, plant, and equipment in the Midstream segment as a result of higher growth capital spend, primarily related to REEF.

Invested capital in the first quarter of 2025 included maintenance capital of $4 million (2024 - $7 million) in the Midstream segment and $1 million (2024 - $31 million) related to Blythe in the Corporate/Other segment. The decrease in maintenance capital for the Midstream segment was primarily related to the absence of routine maintenance at Harmattan and several NEBC facilities in the first quarter of 2024, while the decrease in maintenance capital for the Corporate/Other segment was due to the absence of a planned turnaround at Blythe in the first quarter of 2024.

During the first quarter of 2025, AltaGas' cash flow used in investing activities was an outflow of $352 million compared to $275 million in the same quarter of 2024. Please refer to the *Non-GAAP Financial Measures* and *Liquidity* sections of this MD&A for further information on AltaGas' cash flow from investing activities.

LIQUIDITY

As a result of certain commitments made to the PSC of DC, the PSC of MD, and the SCC of VA in respect of the acquisition of WGL Holdings, Inc. (the "WGL Acquisition"), Washington Gas is subject to certain restrictions when paying dividends to AltaGas. However, AltaGas does not expect that this will have an impact on AltaGas' ability to meet its obligations.

In addition, Wrangler SPE LLC and Washington Gas made certain ring fencing commitments to the PSC of DC, the PSC of MD, and the SCC of VA with the intention of removing Washington Gas from the bankruptcy estate of AltaGas and its affiliates, other than Washington Gas and Wrangler SPE LLC (together, the "Ring Fenced Entities"). Because of these ring fencing measures, none of the assets of the Ring Fenced Entities would be available to satisfy the debt or contractual obligations of AltaGas or any non-Ring Fenced Entity Affiliate, including any indebtedness or other contractual obligations of AltaGas, and the Ring Fenced Entities do not bear any liability for indebtedness or other contractual obligations of any non-Ring Fenced Entity, and vice versa.

	Three Months Ended March 31	
($ millions)	**2025**	2024
Cash from operations	**$ 627**	$ 557
Investing activities	**(352)**	(275)
Financing activities	**(164)**	(277)
Increase in cash, cash equivalents, and restricted cash	**$ 111**	$ 5

Cash From Operations

Cash from operations increased by $70 million for the three months ended March 31, 2025 compared to the same quarter of 2024, primarily due to higher net income after taxes (after adjusting for non-cash items), higher distributions from equity investments, and favourable variances in the net change in operating assets and liabilities. The majority of the variance in net change in operating assets and liabilities was due to lower cash outflows from accounts payable and regulatory assets due to fluctuations in commodity prices, partially offset by lower cash inflows from inventory and accounts receivable due to fluctuations in sales volumes and commodity prices as well as weather impacts.

Working Capital

($ millions, except working capital ratio)	**March 31, 2025**	December 31, 2024
Current assets	**$ 2,818**	$ 2,819
Current liabilities	**2,961**	3,500
Working deficiency	**$ (143)**	$ (681)
Working capital ratio [(1)]	**0.95**	0.81

(1) Calculated as current assets divided by current liabilities.

The increase in the working capital ratio was primarily due to decreases in the current portion of long-term debt, accounts payable and accrued liabilities, and other current liabilities, as well as increases in cash and cash equivalents, risk management assets, prepaid expenses and other current assets, and accounts receivable. This was partially offset by decreases in inventory and regulatory assets. AltaGas' working capital will fluctuate in the normal course of business.

Investing Activities

Cash used in investing activities for the three months ended March 31, 2025 was $352 million, compared to $275 million in the same quarter of 2024. Investing activities for the three months ended March 31, 2025 included expenditures of approximately $351 million for property, plant and equipment and intangible assets, as well as approximately $1 million of contributions to equity investments. Investing activities for the three months ended March 31, 2024 included expenditures of approximately $276 million for property, plant and equipment and intangible assets, partially offset by proceeds of approximately $1 million from the disposition of assets.

Financing Activities

Cash used in financing activities for the three months ended March 31, 2025 was $164 million, compared to $277 million in the same quarter of 2024. Financing activities for the three months ended March 31, 2025 were primarily comprised of the repayment of long-term debt and finance lease liabilities of approximately $308 million, dividends of approximately $99 million, and distributions to non-controlling interests of approximately $4 million, partially offset by net borrowings under credit facilities of approximately $142 million, contributions from non-controlling interests of approximately $87 million, and net proceeds from common shares issued on the exercise of options granted pursuant to AltaGas' share option plan ("Share Options") of approximately $18 million. Financing activities for the three months ended March 31, 2024 were primarily comprised of net repayments under credit facilities of approximately $633 million, repayment of long-term debt and finance lease liabilities of approximately $558 million, dividends of approximately $92 million, a payment of approximately $9 million related to the settlement of derivative instruments, and distributions to non-controlling interests of approximately $4 million, partially offset by long-term debt issuances (net of debt issuance costs) of approximately $996 million, net proceeds from common shares issued on the exercise of Share Options of approximately $17 million, and contributions from non-controlling interests of approximately $6 million.

CAPITAL RESOURCES

AltaGas' objective for managing capital is to maintain its investment grade credit ratings, ensure adequate liquidity, optimize the profitability of its existing assets and grow its energy infrastructure to create long-term value and enhance returns for its investors. AltaGas' capital structure is comprised of shareholders' equity (including non-controlling interests), short-term and long-term debt (including the current portion), finance lease liabilities (including the current portion), and subordinated hybrid notes, less cash and cash equivalents.

The use of debt or equity funding is based on AltaGas' capital structure, which is determined by considering the norms and risks associated with operations and cash flow stability and sustainability.

As at March 31, 2025, AltaGas' total debt primarily consisted of outstanding medium term notes ("MTNs") of $3.4 billion (December 31, 2024 - $3.7 billion), WGL and Washington Gas MTNs and private placement notes of $3.3 billion (December 31, 2024 - $3.4 billion), reflecting fair value adjustments on acquisition, SEMCO First Mortgage Bonds of $427 million (December 31, 2024 - $427 million), $2.0 billion of subordinated hybrid notes (December 31, 2024 - $2.0 billion), $534 million drawn under the bank credit facilities (December 31, 2024 - $104 million), and commercial paper outstanding of $11 million for WGL and Washington Gas (December 31, 2024 – $263 million). In addition, AltaGas had $230 million of letters of credit outstanding (December 31, 2024 - $251 million).

As at March 31, 2025, AltaGas' total market capitalization was approximately $12 billion based on approximately 299 million common shares outstanding and a closing trading price of $39.47 per common share.

AltaGas' earnings interest coverage for the rolling twelve months ended March 31, 2025 was 2.3 times (twelve months ended March 31, 2024 - 2.9 times).

Credit Facilities *($ millions)*	Borrowing capacity	**Drawn at March 31, 2025**	Drawn at December 31, 2024
AltaGas demand credit facilities [(1) (2)]	$ 70	**$ 35**	$ —
AltaGas revolving credit facilities [(1) (2)]	2,300	**470**	—
SEMCO Energy US$150 million credit facilities [(1) (2)]	216	**29**	104
WGL US$300 million revolving credit facility [(1) (2) (3)]	431	**11**	109
Washington Gas US$450 million revolving credit facility [(1) (2) (3)]	647	**—**	154
	$ 3,664	**$ 545**	$ 367

(1) Amount drawn at March 31, 2025 converted at the month-end rate of 1 U.S. dollar = 1.4376 Canadian dollar (December 31, 2024 - 1 U.S. dollar = 1.4389 Canadian dollar).

(2) All US$ borrowing capacity was converted at the March 31, 2025 Canadian/U.S. dollar month-end exchange rate.

(3) Amounts drawn include commercial paper that is supported by the long term facilities. WGL and Washington Gas have the right to request additional borrowings of up to US$100 million with the bank's approval, for a total of US$400 million and US$550 million on their respective facilities.

In addition to the facilities listed above, AltaGas has demand letter of credit facilities of $463 million (December 31, 2024 - $463 million). As at March 31, 2025, there were letters of credit for $229 million (December 31, 2024 - $251 million) issued on these facilities and less than $1 million (December 31, 2024 - less than $1 million) issued on the Company's revolving credit facilities.

WGL and Washington Gas use short-term debt in the form of commercial paper or unsecured short-term bank loans to fund seasonal cash requirements. Revolving committed credit facilities are maintained in an amount equal to or greater than the expected maximum commercial paper position.

All of the borrowing facilities have covenants customary for these types of facilities, which must be met at each quarter end. AltaGas and its subsidiaries have been in compliance with all financial covenants each quarter since the establishment of the facilities. AltaGas and its subsidiaries are also in compliance with trust indenture requirements for its MTNs as at March 31, 2025 and December 31, 2024.

The following table summarizes the Corporation's primary financial covenants as defined by the credit facility agreements:

Ratios	Debt covenant requirements	**As at March 31, 2025**
Bank debt-to-capitalization [(1) (2)]	not greater than 65%	less than 42%
Bank EBITDA-to-interest expense [(1) (2)]	not less than 2.5x	greater than 4.1x
Bank debt-to-capitalization (SEMCO Energy) [(2) (3)]	not greater than 60%	less than 40%
Bank EBITDA-to-interest expense (SEMCO Energy) [(2) (3)]	not less than 2.25x	greater than 8.0x
Bank debt-to-capitalization (WGL) [(2) (4)]	not greater than 65%	less than 48%
Bank debt-to-capitalization (Washington Gas) [(2) (4)]	not greater than 65%	less than 47%

(1) Calculated in accordance with the Corporation's $2.3 billion credit facility agreement, which is available on SEDAR+ at www.sedarplus.ca. The covenants are equivalent and applicable to all the Corporation's committed credit facilities.

(2) Estimated, subject to final adjustments.

(3) Bank EBITDA-to-interest expense (SEMCO Energy) and Bank debt-to-capitalization (SEMCO Energy) are calculated based on SEMCO Energy's consolidated financial statements and are calculated similarly to bank debt-to-capitalization and bank EBITDA-to-interest expense.

(4) WGL's bank debt-to-capitalization ratio is calculated based on WGL's consolidated financial statements.

On March 12, 2025, a short form base shelf prospectus for the issuance of certain types of future public debt and/or equity issuances was filed to replace the short form base shelf prospectus dated March 31, 2023. This enables AltaGas to access the Canadian capital markets on a timely basis during the 25-month period that the short form base shelf prospectus remains effective.

RELATED PARTY TRANSACTIONS

In the normal course of business, AltaGas transacts with its subsidiaries, affiliates, and joint ventures. There were no significant changes in the nature of the related party transactions described in Note 29 of the 2024 Annual Consolidated Financial Statements.

Subsidiary Entities

The businesses of AltaGas are operated by the Company and a number of its subsidiaries including, without limitation, AltaGas Services (U.S.) Inc., AltaGas Utility Holdings (U.S.) Inc., WGL Holdings, Inc., Wrangler 1 LLC, Wrangler SPE LLC, Washington Gas Resources Corp., WGL Energy Services, Inc, and SEMCO Holding Corporation; in regard to the Utilities business, Washington Gas Light Company, Hampshire Gas Company, and SEMCO Energy, Inc.; and in regard to the Midstream business, AltaGas Extraction and Transmission Limited Partnership, AltaGas Pipeline Partnership, AltaGas Northwest Processing Limited Partnership, Harmattan Gas Processing Limited Partnership, Ridley Island LPG Export Limited Partnership, AltaGas LPG Limited Partnership, Petrogas Energy Partnership, and Petrogas, Inc. In the Corporate/Other segment the main subsidiary is AltaGas Power Holdings (U.S.) Inc. SEMCO Energy, Inc. conducts its Michigan natural gas distribution business under the name SEMCO Energy Gas Company.

RISK MANAGEMENT

AltaGas is subject to a variety of risks which could have a material impact on the financial results and operations of the Company. Shareholders and prospective investors should carefully evaluate risk factors noted by the Company before investing in the Company's securities, as each of these risks may negatively affect the trading price of the Company's securities, the amount of dividends paid to shareholders and the ability of the Company to fund its debt obligations, including debt obligations under its outstanding notes and any other debt securities that the Company may issue from time to time. For discussion of the risks and trends that could materially affect the Company's performance please refer to AltaGas' 2024 Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

Risk Management Contracts

AltaGas is exposed to various market risks in the normal course of operations that could impact earnings and cash flows. AltaGas enters into physical and financial derivative contracts to manage exposure to fluctuations in commodity prices, foreign exchange rates, and interest rates, as well as to optimize certain owned and managed natural gas assets. These contracts do not eliminate AltaGas' exposure to risk associated with fluctuations in commodity prices, foreign exchange rates, or interest rates. The Board of Directors of AltaGas has established a risk management policy for the Corporation establishing AltaGas' risk management control framework. Derivative instruments are governed under, and subject to, this policy. As at March 31, 2025 and December 31, 2024, the fair values of the Corporation's derivatives were as follows:

($ millions)		March 31, 2025	December 31, 2024
Natural gas	$	(41) $	(30)
Energy exports		9	(27)
NGL frac spread		(5)	(4)
Power		(45)	(63)
Crude oil and NGLs		—	(5)
Foreign exchange		(57)	(93)
Net derivative liability	$	(139) $	(222)

AltaGas strives to continuously and systematically de-risk the business in order to drive predictable and durable returns and maximize long-term value for stakeholders. For Midstream, this includes striving to match financial hedges with physical volumes, and for Utilities, this includes purchasing physical gas throughout the year to help shield customers from major cost spikes during peak winter demand. AltaGas may also enter into foreign exchange forward derivatives and cross-currency swaps to manage the risk associated with variations in foreign exchange rates.

Commodity Price Contracts

The average indicative spot NGL frac spread for the three months ended March 31, 2025 was approximately $32/Bbl (2024 - $25/Bbl), inclusive of basis differentials. The average NGL frac spread realized by AltaGas (based on average spot price and realized hedge price inclusive of basis differentials) for the three months ended March 31, 2025 was approximately $28/Bbl inclusive of basis differentials (2024 - $25/Bbl).

AltaGas continues to focus on de-risking its business and managing direct commodity price exposure to drive predictable and durable results. While the Company has exposure, it maintains an active hedging program that proactively hedges commodity price and spread risk to mitigate the impact of fluctuations in margins and cash flows. For the remainder of 2025, AltaGas has hedged:

- Approximately 89 percent of its remaining 2025 expected global export volumes through a combination of tolls and financial hedges, with the average FEI to North American financial hedge price of approximately US$21/Bbl for non-tolled propane and butane volumes.
- Approximately 85 percent of its 2025 expected frac exposed volumes hedged at approximately US$26/Bbl, prior to transportation costs.
- Materially all of AltaGas' expected Baltic freight exposure is protected through time charters, financial hedges, and tolled volumes in 2025.

Foreign Exchange Contracts

The following foreign exchange related contracts were outstanding as at March 31, 2025:

	Duration		Fair Value ($ millions)
Foreign exchange forward contracts			
Forward USD sales (non-deliverable)	Less than 1 year	$	(34)
Forward USD sales (non-deliverable)	1 - 5 years	$	(24)
Cross-currency swaps			
Fixed-to-fixed cross-currency swaps	10 years	$	1

The following foreign exchange related contracts were outstanding as at December 31, 2024:

Foreign exchange forward contract	Duration		Fair Value ($ millions)
Forward USD sales (non-deliverable)	Less than 1 year	$	(50)
Forward USD sales (non-deliverable)	1 - 3 years	$	(27)
Cross-currency swaps			
Fixed-to-fixed cross-currency swaps	10 years	$	(16)

The following is a summary of losses on foreign exchange forward contracts recognized in net income:

		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
Objective of foreign exchange forward contract		**Losses**		Losses
Cash management [1]	**$**	**—**	$	(2)
Income statement risk management [2]	**$**	**(6)**	$	(13)

(1) Recorded in the Consolidated Statements of Income under the line item "foreign exchange gains (losses)".
(2) Recorded in the Consolidated Statements of Income under the line item "revenue".

For the three months ended March 31, 2025, after-tax gains of approximately $17 million related to the cross-currency swaps were recorded in AOCI.

The Effects of Derivative Instruments on the Consolidated Statements of Income

The following table presents the unrealized gains (losses) on derivative instruments as recorded in the Corporation's Consolidated Statements of Income:

	Three Months Ended March 31			
($ millions)		**2025**		2024
Natural gas	**$**	**2**	$	28
Energy exports		**41**		100
Crude oil and NGLs		**5**		2
NGL frac spread		**(1)**		(12)
Power		**19**		17
Foreign exchange		**19**		(18)
	$	**85**	$	117

Please refer to Note 22 of the 2024 Annual Consolidated Financial Statements and Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for further details regarding AltaGas' risk management activities.

DIVIDENDS

AltaGas declares and pays a quarterly dividend to its common shareholders. Dividends on preferred shares are also paid quarterly. Dividends are at the discretion of the Board of Directors and dividend levels are reviewed periodically, giving consideration to the ongoing sustainable cash flow from operating activities, maintenance and growth capital expenditures, and debt repayment requirements of AltaGas.

The following tables summarize AltaGas' dividend declaration history as of March 31, 2025:

Common Share Dividends

Year ended December 31				
($ per common share)		**2025**		2024
First quarter	**$**	**0.315000**	$	0.297500
Second quarter		—		0.297500
Third quarter		—		0.297500
Fourth quarter		—		0.297500
Total	**$**	**0.315000**	$	1.190000

Series A Preferred Share Dividends

Year ended December 31				
($ per preferred share)		**2025**		2024
First quarter	**$**	**0.191250**	$	0.191250
Second quarter		—		0.191250
Third quarter		—		0.191250
Fourth quarter		—		0.191250
Total	**$**	**0.191250**	$	0.765000

Series B Preferred Share Dividends

Year ended December 31				
($ per preferred share)		**2025**		2024
First quarter	**$**	**0.378550**	$	0.478740
Second quarter		—		0.474950
Third quarter		—		0.473320
Fourth quarter		—		0.431410
Total	**$**	**0.378550**	$	1.858420

Series G Preferred Share Dividends

Year ended December 31				
($ per preferred share)		**2025**		2024
First quarter	**$**	**0.376063**	$	0.265125
Second quarter		—		0.265125
Third quarter		—		0.265125
Fourth quarter		—		0.376063
Total	**$**	**0.376063**	$	1.171438

Series H Preferred Share Dividends [(1)]

Year ended December 31		
($ per preferred share)	**2025**	2024
First quarter	**$ —**	$ 0.503610
Second quarter	**—**	0.499820
Third quarter	**—**	0.498460
Fourth quarter	**—**	—
Total	**$ —**	$ 1.501890

(1) On September 30, 2024, AltaGas converted all of its outstanding Series H Preferred Shares to Series G Preferred Shares.

CRITICAL ACCOUNTING ESTIMATES

Since a determination of the value of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of AltaGas' Consolidated Financial Statements requires the use of estimates and assumptions that have been made using careful judgment. AltaGas' significant accounting policies have remained unchanged and are contained in the notes to the 2024 Annual Consolidated Financial Statements. Certain of these policies involve critical accounting estimates as a result of the requirement to make particularly subjective or complex judgments about matters that are inherently uncertain, and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. For a full discussion of AltaGas' critical accounting estimates and judgements, refer to Note 2 of the 2024 Annual Consolidated Financial Statements. There have been no material changes to AltaGas' critical estimates and judgements during the three months ended March 31, 2025.

Refer to Note 2 of the unaudited condensed interim Consolidated Financial Statements as at and for the three months ended March 31, 2025 for discussion of the adoption of new accounting standards and future changes in accounting principles.

OFF-BALANCE SHEET ARRANGEMENTS

AltaGas did not enter into any material off-balance sheet arrangements during the three months ended March 31, 2025. Reference should be made to the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2024 for further information on off-balance sheet arrangements.

DISCLOSURE CONTROLS AND PROCEDURES ("DCP") AND INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining DCP and ICFR, as those terms are defined in National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings". The objective of this instrument is to improve the quality, reliability, and transparency of information that is filed or submitted under securities legislation.

Management, including the Chief Executive Officer and the Chief Financial Officer, has designed, or caused to be designed under their supervision, DCP and ICFR to provide reasonable assurance that information required to be disclosed by AltaGas in its annual filings, interim filings, or other reports to be filed or submitted by it under securities legislation is made known to them, is reported on a timely basis, financial reporting is reliable, and financial statements prepared for external purposes are in accordance with U.S. GAAP.

The ICFR have been designed based on the framework established in the 2013 Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management has designed the existing framework to result in both a complete and accurate consolidation of related information. During the period covered by this MD&A, there were no changes made to AltaGas' ICFR that materially affected, or are reasonably likely to materially affect, its ICFR or DCP.

It should be noted that a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. The design of any system of controls is also based in part on certain assumptions about the likelihood of future events, and there can be no assurances that any design will succeed in achieving its stated goals under all potential conditions.

SHARE INFORMATION

	As at April 25, 2025
Issued and outstanding	
Common shares	299,055,296
Preferred Shares	
Series A	6,746,679
Series B	1,253,321
Series G	8,000,000
Issued	
Share Options	1,394,732
Share Options exercisable	1,394,732

SUMMARY OF CONSOLIDATED RESULTS FOR THE EIGHT MOST RECENT QUARTERS [(1)]

($ millions)	**Q1-25**	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Total revenue	**3,969**	3,259	2,759	2,775	3,655	3,288	3,030	2,631
Normalized EBITDA	**689**	520	294	295	660	502	252	239
Net income (loss) applicable to common shares	**392**	203	9	(42)	408	113	(50)	133
($ per share)	**Q1-25**	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23	Q3-23	Q2-23
Net income (loss) per common share								
Basic	**1.31**	0.68	0.03	(0.14)	1.38	0.40	(0.18)	0.47
Diluted	**1.31**	0.68	0.03	(0.14)	1.37	0.40	(0.18)	0.47
Dividends declared	**0.32**	0.30	0.30	0.30	0.30	0.28	0.28	0.28

(1) Amounts may not add due to rounding.

AltaGas' quarter-over-quarter financial results are impacted by various factors including seasonality, fluctuations in commodity prices, weather, the Canadian/U.S. dollar exchange rate, planned and unplanned plant outages, timing of in-service dates of new projects, and acquisition and divestiture activities.

Revenue for the Utilities is generally the highest in the first and fourth quarters of any given year as the majority of natural gas demand occurs during the winter heating season, which typically extends from November to March.

Other significant items that impacted quarter-over-quarter revenue during the periods noted include:

- The impact of the AltaGas' acquisition of natural gas processing and storage infrastructure assets in the Pipestone Area of the Alberta Montney (the "Pipestone Acquisition" or "Pipestone Assets") in the fourth quarter of 2023.

Net income (loss) applicable to common shares is also affected by non-cash items such as deferred income tax, depreciation and amortization expense, accretion expense, provisions on assets, and gains or losses on the sale of assets. In addition, net income (loss) applicable to common shares is also impacted by preferred share dividends and gains or losses on the redemption of preferred shares. For these reasons, the net income (loss) may not necessarily reflect the same trends as revenue. Net income (loss) applicable to common shares during the periods noted was impacted by:

- After-tax transaction costs related to acquisitions and dispositions of approximately $9 million and $16 million incurred throughout 2024 and the last three quarters of 2023, respectively, primarily due to asset sales and the Pipestone Acquisition;
- After-tax transition and restructuring costs of approximately $9 million, $52 million, and $17 million incurred in the first quarter of 2025, throughout 2024, and last three quarters of 2023, respectively;
- Favourable resolution of certain acquisition related commercial disputes and contingencies in the second quarter of 2023;
- The loss on the redemption of the Series E Preferred Shares in the fourth quarter of 2023;
- The gain on partial settlement of WGL's post-retirement benefit pension plan in the third quarter of 2024;
- The gain on sale of assets related to the Meade escrow proceeds in the third quarter of 2024; and
- Provisions on assets recorded in the fourth quarter of 2024 related to the Edmonton Ethane Extraction Plant ("EEEP") and certain non-operational equipment in the Corporate/Other segment.

CONSOLIDATED BALANCE SHEETS

(condensed and unaudited)

As at *($ millions)*		**March 31, 2025**		December 31, 2024
ASSETS				
Current assets				
Cash and cash equivalents *(note 18)*	**$**	**197**	$	85
Accounts receivable *(net of credit losses of $39 million) (note 12)*		**1,786**		1,766
Inventory *(note 3)*		**517**		676
Regulatory assets		**61**		92
Risk management assets *(note 12)*		**71**		25
Prepaid expenses and other current assets *(note 18)*		**186**		175
		2,818		2,819
Property, plant and equipment		**14,863**		14,654
Intangible assets		**102**		107
Operating right of use assets		**473**		490
Goodwill *(note 4)*		**5,686**		5,691
Regulatory assets		**319**		430
Risk management assets *(note 12)*		**67**		63
Prepaid post-retirement benefits		**824**		814
Long-term investments and other assets *(net of credit losses of $1 million) (notes 5, 12, and 18)*		**246**		255
Investments accounted for by the equity method *(note 7)*		**766**		769
	$	**26,164**	$	26,092
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**1,938**	$	2,089
Short-term debt		**—**		10
Current portion of long-term debt *(notes 8 and 12)*		**558**		858
Customer deposits		**63**		98
Regulatory liabilities		**77**		79
Risk management liabilities *(note 12)*		**143**		150
Current portion of finance lease liabilities *(note 12)*		**24**		23
Current portion of operating lease liabilities		**131**		124
Other current liabilities *(note 12)*		**27**		69
		2,961		3,500
Long-term debt *(notes 8 and 12)*		**7,141**		6,992
Asset retirement obligations		**479**		482
Unamortized investment tax credits		**1**		2
Deferred income taxes		**1,880**		1,794
Subordinated hybrid notes *(notes 9 and 12)*		**2,021**		2,022
Regulatory liabilities		**1,401**		1,380
Risk management liabilities *(note 12)*		**134**		160
Finance lease liabilities *(note 12)*		**127**		126
Operating lease liabilities		**396**		412
Other long-term liabilities		**102**		127
Future employee obligations		**47**		49
	$	**16,690**	$	17,046

As at *($ millions)*		**March 31, 2025**		December 31, 2024
Shareholders' equity				
Common shares, no par values, unlimited shares authorized; 2025 - 298.9 million and 2024 - 297.9 million issued and outstanding *(note 14)*	**$**	**7,201**	$	7,180
Preferred shares *(note 14)*		**391**		391
Contributed surplus		**615**		618
Accumulated deficit		**(294)**		(592)
Accumulated other comprehensive income ("AOCI") *(note 10)*		**1,181**		1,155
Total shareholders' equity		**9,094**		8,752
Non-controlling interests		**380**		294
Total equity	**$**	**9,474**	$	9,046
	$	**26,164**	$	26,092

Variable interest entities (note 6)
Commitments, guarantees, and contingencies (note 16)
Seasonality (note 19)
Segmented information (note 20)
Subsequent events (note 21)

See accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF INCOME

(condensed and unaudited)

	Three Months Ended March 31	
($ millions except per share amounts)	**2025**	2024
REVENUE *(note 11)*	**$ 3,969**	$ 3,655
EXPENSES		
Cost of sales, exclusive of items shown separately	**2,764**	2,477
Operating and administrative	**481**	467
Accretion expenses	**1**	1
Depreciation and amortization	**128**	116
Provisions on assets	**2**	—
	3,376	3,061
Income from equity investments *(note 7)*	**16**	21
Other income	**21**	28
Foreign exchange gains (losses)	**(2)**	5
Interest expense	**(115)**	(107)
Income before income taxes	**513**	541
Income tax expense		
Current	**34**	27
Deferred	**79**	98
Net income after taxes	**400**	416
Net income applicable to non-controlling interests	**3**	4
Net income applicable to controlling interests	**397**	412
Preferred share dividends	**(5)**	(4)
Net income applicable to common shares	**$ 392**	$ 408
Net income per common share *(note 15)*		
Basic	**$ 1.31**	$ 1.38
Diluted	**$ 1.31**	$ 1.37
Weighted average number of common shares outstanding (millions) *(note 15)*		
Basic	**298.1**	295.3
Diluted	**299.2**	297.1

See accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(condensed and unaudited)

	Three Months Ended March 31	
($ millions)	**2025**	2024
Net income after taxes	**$ 400**	$ 416
Other comprehensive income ("OCI"), net of taxes		
Gains (losses) on foreign currency translation	**(12)**	250
Unrealized gains (losses) on net investment hedge *(note 12)*	**1**	(20)
Gains (losses) on cash flow hedges *(note 12)*	**36**	(11)
Reclassification of losses on cash flow hedges *(note 12)*	**1**	3
Total OCI, net of taxes	**$ 26**	$ 222
Comprehensive income attributable to controlling interests and non-controlling interests, net of taxes	**$ 426**	$ 638
Comprehensive income attributable to:		
Non-controlling interests	**$ 3**	$ 4
Controlling interests	**423**	634
	$ 426	$ 638

See accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF EQUITY

(condensed and unaudited)

	Three Months Ended March 31	
($ millions)	**2025**	2024
Common shares *(note 14)*		
Balance, beginning of period	**$ 7,180**	$ 7,120
Shares issued for cash on exercise of options	**21**	18
Balance, end of period	**$ 7,201**	$ 7,138
Preferred shares *(note 14)*		
Balance, beginning of period	**$ 391**	$ 391
Balance, end of period	**$ 391**	$ 391
Contributed surplus		
Balance, beginning of period	**$ 618**	$ 624
Exercise of share options	**(3)**	(2)
Balance, end of period	**$ 615**	$ 622
Accumulated deficit		
Balance, beginning of period	**$ (592)**	$ (817)
Net income applicable to controlling interests	**397**	412
Common share dividends	**(94)**	(88)
Preferred share dividends	**(5)**	(4)
Balance, end of period	**$ (294)**	$ (497)
AOCI *(note 10)*		
Balance, beginning of period	**$ 1,155**	$ 395
Other comprehensive income	**26**	222
Balance, end of period	**$ 1,181**	$ 617
Total shareholders' equity	**$ 9,094**	$ 8,271
Non-controlling interests		
Balance, beginning of period	**$ 294**	$ 150
Net income applicable to non-controlling interests	**3**	4
Contributions from non-controlling interests to subsidiaries	**87**	9
Distributions by subsidiaries to non-controlling interests	**(4)**	(4)
Balance, end of period	**$ 380**	$ 159
Total equity	**$ 9,474**	$ 8,430

See accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(condensed and unaudited)

	Three Months Ended March 31	
($ millions)	**2025**	2024
Cash from operations		
Net income after taxes	**$ 400**	$ 416
Items not involving cash:		
Depreciation and amortization	**128**	116
Provisions on assets	**2**	—
Accretion expenses	**1**	1
Deferred income tax expense	**79**	98
Losses (gains) on sale of assets	**2**	(1)
Income from equity investments *(note 7)*	**(16)**	(21)
Unrealized gains on risk management contracts *(note 12)*	**(85)**	(117)
Amortization of deferred financing costs	**1**	2
Allowance for credit losses *(note 12)*	**14**	10
Change in pension and other post-retirement benefits	**(17)**	(14)
Other	**11**	(7)
Distributions from equity investments	**20**	3
Changes in operating assets and liabilities *(note 18)*	**87**	71
	$ 627	$ 557
Investing activities		
Capital expenditures - property, plant and equipment	**(348)**	(275)
Capital expenditures - intangible assets	**(3)**	(1)
Contributions to equity investments	**(1)**	—
Proceeds from disposition of assets, net of transaction costs	**—**	1
	$ (352)	$ (275)
Financing activities		
Issuance of long-term debt, net of debt issuance costs	**—**	996
Repayment of long-term debt and finance lease liabilities	**(308)**	(558)
Net borrowing (repayment) under credit facilities	**142**	(633)
Dividends - common shares	**(94)**	(88)
Dividends - preferred shares	**(5)**	(4)
Distributions to non-controlling interests	**(4)**	(4)
Contributions from non-controlling interests	**87**	6
Net proceeds from shares issued on exercise of options *(note 14)*	**18**	17
Settlement of derivative instruments	**—**	(9)
	$ (164)	$ (277)
Change in cash, cash equivalents, and restricted cash	**111**	5
Cash, cash equivalents, and restricted cash, beginning of period	**92**	104
Cash, cash equivalents, and restricted cash, end of period *(note 18)*	**$ 203**	$ 109

See accompanying notes to the Consolidated Financial Statements.

(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars unless otherwise indicated.)

1. ORGANIZATION AND OVERVIEW OF THE BUSINESS

The businesses of AltaGas are operated by the Company and a number of its subsidiaries including, without limitation, AltaGas Services (U.S.) Inc., AltaGas Utility Holdings (U.S.) Inc., WGL Holdings, Inc. ("WGL"), Wrangler 1 LLC, Wrangler SPE LLC, Washington Gas Resources Corp., WGL Energy Services, Inc. ("WGL Energy Services"), and SEMCO Holding Corporation; in regard to the Utilities business, Washington Gas Light Company ("Washington Gas"), Hampshire Gas Company, and SEMCO Energy, Inc.; and in regard to the Midstream business, AltaGas Extraction and Transmission Limited Partnership, AltaGas Pipeline Partnership, AltaGas Northwest Processing Limited Partnership, Harmattan Gas Processing Limited Partnership, Ridley Island LPG Export Limited Partnership, AltaGas LPG Limited Partnership, Petrogas Energy Partnership, and Petrogas, Inc. In the Corporate/Other segment the main subsidiary is AltaGas Power Holdings (U.S.) Inc. SEMCO Energy conducts its Michigan natural gas distribution business under the name SEMCO Energy Gas Company ("SEMCO").

AltaGas is a leading North American energy infrastructure company that connects customers and markets to affordable and reliable sources of energy. The Company operates a diversified, lower-risk, high-growth energy infrastructure business focused on delivering resilient and durable value for its stakeholders.

AltaGas' operating segments include the following:

- Utilities, which owns and operates franchised, cost-of-service, rate regulated natural gas distribution and storage utilities that focus on providing safe, reliable, affordable energy to approximately 1.6 million residential and commercial customers. This includes operating two utilities that deliver essential energy across four major U.S. jurisdictions with a rate base of approximately US$5.4 billion. The Utilities business also includes storage facilities and contracts for interstate natural gas transportation and storage services, as well as WGL Energy Services, an affiliated retail energy marketing business, which sells natural gas and electricity directly to residential, commercial, and industrial customers that operate across Maryland, Virginia, Delaware, Pennsylvania, Ohio, New Jersey, and the District of Columbia ("D.C."); and
- Midstream, which is a leading North American platform that connects customers and markets to critical forms of energy from wellhead to tidewater. The three pillars of the Midstream business include: 1) global exports, which includes AltaGas' two operational Liquified Petroleum Gas ("LPG") export terminals and one prospective development terminal; 2) natural gas gathering, processing and extraction; and 3) fractionation and liquids handling. AltaGas' Midstream segment also includes its natural gas and natural gas liquids ("NGLs") marketing business, domestic logistics, trucking and rail terminals, and liquid and natural gas storage capability.

The Corporate/Other segment consists of AltaGas' corporate activities and a small portfolio of gas-fired power generation and distribution assets capable of generating 508 MW of power primarily in the state of California.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

These unaudited condensed interim Consolidated Financial Statements have been prepared by Management in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"). As a result, these unaudited condensed interim Consolidated Financial Statements do not include all of the information and disclosures required in the annual Consolidated Financial Statements and should be read in conjunction with the Corporation's 2024 annual audited Consolidated Financial Statements prepared in accordance with U.S. GAAP. In Management's opinion, these unaudited condensed interim Consolidated Financial Statements include all adjustments that are of a recurring nature and necessary to present fairly the financial position of the Corporation.

Pursuant to National Instrument 52-107, "Acceptable Accounting Principles and Auditing Standards" ("NI 52-107"), U.S. GAAP reporting is generally permitted by Canadian securities laws for companies subject to reporting obligations under U.S. securities laws. On March 28, 2023, AltaGas filed Form 15 with the Securities and Exchange Commission ("SEC") and as such, is no longer an SEC issuer and can no longer rely on the provisions of NI 52-107. Therefore, AltaGas sought and obtained exemptive relief by the securities regulators in Alberta and Ontario to permit it to prepare its financial statements in accordance with U.S. GAAP. The Alberta Securities Commission exemption will terminate on or after the earlier of January 1, 2027, the date to which AltaGas ceases to have activities subject to rate regulation, or the first day of AltaGas' fiscal year that commences on or following the latter of: a) the effective date prescribed by the IASB for a mandatory rate regulated standard; or b) two years after the IASB publishes the final version of a mandatory rate regulated standard.

PRINCIPLES OF CONSOLIDATION

These unaudited condensed interim Consolidated Financial Statements of AltaGas include the accounts of the Corporation, its subsidiaries, variable interest entities ("VIEs") for which the Corporation is the primary beneficiary, and its interest in various partnerships and joint ventures where AltaGas has an undivided interest in the assets and liabilities. Investments in unconsolidated companies that AltaGas has significant influence, but not control, over are accounted for using the equity method.

All intercompany balances and transactions are eliminated on consolidation. Where there is a party with a non-controlling interest in a subsidiary that AltaGas controls, that non-controlling interest is reflected as “non-controlling interests” in the Consolidated Financial Statements. The non-controlling interests in net income (or loss) of consolidated subsidiaries are shown as an allocation of the consolidated net income and are presented separately in "net income applicable to non-controlling interests".

USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY

The preparation of Consolidated Financial Statements in accordance with U.S. GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the period. Critical estimates and judgements used in the preparation of these condensed interim Consolidated Financial Statements are described in Note 2 of the Corporation's 2024 annual audited Consolidated Financial Statements. There have been no material changes to AltaGas' critical estimates and judgements during the three months ended March 31, 2025.

SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed interim Consolidated Financial Statements have been prepared following the same accounting policies and methods as those used in preparing the Corporation's 2024 annual audited Consolidated Financial Statements.

ADOPTION OF NEW ACCOUNTING STANDARDS

Effective January 1, 2025, AltaGas adopted the following Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU"):

- In March 2024, FASB issued ASU No. 2024-01 "Compensation - Stock Compensation (Topic 718)". The amendments in this ASU provide an illustrative example to assist entities that account for profits interest awards as compensation to employees or non-employees to reduce (1) complexity in determining whether a profits interest award is subject to the guidance in Topic 718, and (2) existing diversity in practice. The adoption of this ASU did not have a material impact on AltaGas' consolidated financial statements.

FUTURE CHANGES IN ACCOUNTING PRINCIPLES

In October 2023, FASB issued ASU No. 2023-06 "Disclosure Improvements". The amendments in this ASU modify the disclosure or presentation requirements of a variety of topics in the codification as a result of FASB's decision to incorporate disclosures referred to in SEC Release No. 33-10532, which sought to simplify SEC disclosure requirements. The amendments in this ASU allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the SEC's requirements. This ASU is only effective upon the removal of the related disclosure from SEC regulations with an expiration of June 30, 2027. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements at this time, but may have an impact in future periods as AltaGas is subject to the scope of this ASU.

In December 2023, FASB issued ASU No. 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". The amendments in this ASU require that public business entities on an annual basis: (1) disclose additional categories about federal, state, and foreign income taxes in the rate reconciliation table and (2) provide additional information for reconciling items that meet a quantitative threshold. Additionally, entities are required to annually disclose disaggregated income from continuing operations, income tax expense, and income taxes paid (net of refunds received) by certain tax authorities and jurisdictions. This ASU is effective for annual periods beginning after December 15, 2024. The adoption of this ASU will have an impact on AltaGas' income tax disclosures.

In November 2024, FASB issued ASU 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses". This ASU requires all public business entities to disclose additional information about specific expense categories on an annual and interim basis in the notes to financial statements. The amendments in this ASU do not change or remove existing expense disclosure requirements, including their presentation. However, it may affect where that information appears in the footnotes to the financial statements. This ASU is effective for annual reporting periods beginning after December 15, 2026, and for interim reporting period beginning after December 15, 2027. The adoption of this ASU will have an impact on AltaGas' disclosures.

In November 2024, FASB issued ASU 2024-04 "Debt – Debt With Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments". The amendments in this ASU clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. To account for a settlement of a convertible debt instrument as an induced conversion, an inducement offer is required to provide the debt holder with, at a minimum, the consideration issuable under the conversion privileges provided in the terms of the instrument. The amendments do not change the other criteria that are required to be satisfied to account for a settlement transaction as an induced conversion. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The amendments in this ASU permit an entity to apply the new guidance on either a prospective or a retrospective basis. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

3. INVENTORY

As at		March 31, 2025		December 31, 2024
Renewable energy credits and emission compliance instruments	**$**	**177**	$	165
Natural gas held in storage [(a)]		**95**		213
Natural gas liquids		**95**		122
Materials and supplies		**72**		70
Crude oil and condensate		**72**		98
Processed finished products		**6**		8
	$	**517**	$	676

(a) As at March 31, 2025, $89 million of the natural gas held in storage was held by rate-regulated utilities (December 31, 2024 - $186 million).

4. GOODWILL

As at		March 31, 2025		December 31, 2024
Balance, beginning of period	**$**	**5,691**	$	5,270
Adjustment to goodwill on business acquisition		**—**		7
Foreign exchange translation		**(5)**		414
Balance, end of period	**$**	**5,686**	$	5,691

5. LONG-TERM INVESTMENTS AND OTHER ASSETS

As at		March 31, 2025		December 31, 2024
Deferred lease receivable	**$**	**16**	$	16
Debt issuance costs associated with credit facilities		**4**		5
Refundable deposits		**10**		10
Prepayment on long-term service agreements		**62**		62
Deferred information technology costs		**44**		43
Cash calls from joint venture partners		**15**		16
Contract asset *(net of credit losses of $1 million) (notes 11 and 12)*		**3**		3
Rabbi trust *(notes 17 and 18)*		**4**		5
Capitalized contract costs		**4**		4
Financial transmission rights		**25**		31
Blend-and-extend contract		**28**		29
Other		**31**		31
	$	**246**	$	255

6. VARIABLE INTEREST ENTITIES

Consolidated VIEs

AltaGas consolidates a VIE where the Corporation is deemed the primary beneficiary. The primary beneficiary of a VIE has the power to direct the activities of the entity that most significantly impact its economic performance such as being the provider of construction, operating, and marketing services to the entity. In addition, the primary beneficiary of a VIE also has the obligation to absorb losses of the entity or the right to receive benefits that could potentially be significant to the VIE. AltaGas determined that it is the primary beneficiary of the following VIEs:

Ridley Island LPG Export Limited Partnership

On May 5, 2017, AltaGas LPG Limited Partnership ("AltaGas LPG"), a wholly-owned subsidiary of AltaGas, and Vopak Development Canada Inc. ("Vopak"), a wholly-owned subsidiary of Koninklijke Vopak N.V. ("Royal Vopak"), a public company incorporated under the laws of the Netherlands, formed the Ridley Island LPG Export Limited Partnership ("RILE LP") to develop, own, and operate the Ridley Island Propane Export Terminal ("RIPET"). AltaGas' subsidiaries hold a 70 percent interest while Vopak holds a 30 percent interest in RILE LP. The construction cost of RIPET was funded by AltaGas LPG and Vopak in proportion to their respective interests in RILE LP. As part of the arrangements, AltaGas entered into a long-term agreement for the capacity of RIPET with RILE LP, and AltaGas and certain of its subsidiaries provide operating services to RILE LP.

AltaGas has determined that RILE LP is a VIE in which it holds variable interests and is the primary beneficiary. In the determination that AltaGas is the primary beneficiary of the VIE, AltaGas noted that it has the power to direct the activities that most significantly impact the VIE's economic performance through the operating and marketing services provided to RILE LP. In addition, AltaGas has the obligation to absorb the losses and the right to receive the benefits that could potentially be significant to RILE LP through the long-term agreement for the capacity of RIPET. As such, AltaGas has consolidated RILE LP.

The assets of RILE LP are the property of RILE LP and are not available to AltaGas for any other purpose. RILE LP's asset balances can only be used to settle its own obligations. The liabilities of RILE LP do not represent additional claims against AltaGas' general assets. AltaGas' exposure to loss as a result of its interest as a limited partner is its net investment. The terms of the long-term capacity agreement between AltaGas LPG and RILE LP provide for a return on and of capital and reimbursement of RIPET's operating costs by AltaGas LPG in accordance with the terms set out in the agreement.

The following table represents amounts included in the Consolidated Balance Sheets attributable to RILE LP:

As at	March 31, 2025	December 31, 2024
Current assets	**$ 16**	$ 9
Property, plant and equipment	**342**	343
Long-term investments and other assets	**38**	39
Current liabilities	**(21)**	(18)
Asset retirement obligations	**(5)**	(5)
Net assets	**$ 370**	$ 368

Ridley Island Energy Export Facility Limited Partnership

On April 4, 2023, AltaGas LPG and Vopak formed the Ridley Island Energy Export Facility Limited Partnership ("REEF LP") to develop, own, and operate the Ridley Island Energy Export Facility ("REEF"). AltaGas' subsidiaries and Vopak each hold a 50 percent interest in REEF LP. The construction cost of REEF is being funded by AltaGas LPG and Vopak in proportion to their respective interests in REEF LP. As part of the project definitive agreements, AltaGas entered into a long-term agreement for 100 percent of the capacity of REEF with REEF LP. Additionally, AltaGas and certain of its subsidiaries have been contracted to provide operating and project development services to REEF LP.

AltaGas has determined that REEF LP is a VIE in which it holds variable interests and is the primary beneficiary. In the determination that AltaGas is the primary beneficiary of the VIE, AltaGas noted that it has the power to direct the activities that most significantly impact the VIE's economic performance through its control of all operational and commercial aspects of the project. In addition, AltaGas has the obligation to absorb the losses and the right to receive the benefits that could potentially be significant to REEF LP through the long-term agreement for the capacity of REEF. As such, AltaGas has consolidated REEF LP.

The assets of REEF LP are the property of REEF LP and are not available to AltaGas for any purpose other than as described in the long-term capacity agreement. REEF LP's asset balances can only be used to settle its own obligations and the liabilities of REEF LP do not represent additional claims against AltaGas' general assets. AltaGas' exposure to loss as a result of its interest as a limited partner is its net investment. AltaGas and Royal Vopak have provided limited guarantees for the obligations of their respective subsidiaries for the construction cost of REEF. With the commencement of commercial operations at REEF, the terms of the long-term capacity agreement between AltaGas LPG and REEF LP provide for a return on and of capital and reimbursement of REEF's operating costs by AltaGas LPG in accordance with the terms set out in the agreement.

The following table represents amounts included in the Consolidated Balance Sheets attributable to REEF LP:

As at		**March 31, 2025**		December 31, 2024
Current assets	**$**	**80**	$	59
Property, plant and equipment		**453**		312
Operating right of use assets		**56**		56
Current portion of operating lease liabilities		**(3)**		(3)
Operating lease liabilities		**(55)**		(55)
Other long-term liabilities		**(1)**		(1)
Net assets	**$**	**530**	$	368

AltaGas Hybrid Trust

On January 11, 2022, AltaGas closed its offering of $300 million of 5.25 percent Fixed-to-Fixed Rate Subordinated Notes, Series 1 (Note 9). In conjunction with the debt offering, AltaGas issued $300 million in Preferred Shares, Series 2022-A, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as trustee. The Preferred Shares were issued to satisfy the obligations under the indenture governing the associated Series 1 Subordinated Notes. Following the occurrence of certain bankruptcy or insolvency events in respect of AltaGas, subject to certain exceptions, the Series 2022-A Preferred Shares would be delivered to the holders of the Series 1 Subordinated Notes. Upon delivery of the Series 2022-A Preferred Shares, the Series 1 Subordinated Notes would be immediately and automatically surrendered and cancelled and all rights of any Series 1 Subordinated Notes will automatically cease.

On August 17, 2022, AltaGas closed its offering of $250 million of 7.35 percent Fixed-to-Fixed Subordinated Notes, Series 2 (Note 9). In conjunction with the debt offering, AltaGas issued $250 million in Preferred Shares, Series

2022-B, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as trustee. The Preferred Shares were issued to satisfy the obligations under the indenture governing the associated Series 2 Subordinated Notes. Following the occurrence of certain bankruptcy or insolvency events in respect of AltaGas, subject to certain exceptions, the Series 2022-B Preferred Shares would be delivered to the holders of the Series 2 Subordinated Notes. Upon delivery of the Series 2022-B Preferred Shares, the Series 2 Subordinated Notes would be immediately and automatically surrendered and cancelled and all rights of any Series 2 Subordinated Notes will automatically cease.

On November 10, 2023, AltaGas closed its offering of $200 million of 8.90 percent Fixed-to-Fixed Subordinated Notes, Series 3 (Note 9). In conjunction with the debt offering, AltaGas issued $200 million in Preferred Shares, Series 2023-A, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as trustee. The Preferred Shares were issued to satisfy the obligations under the indenture governing the associated Series 3 Subordinated Notes. Following the occurrence of certain bankruptcy or insolvency events in respect of AltaGas, subject to certain exceptions, the Series 2023-A Preferred Shares would be delivered to the holders of the Series 3 Subordinated Notes. Upon delivery of the Series 2023-A Preferred Shares, the Series 3 Subordinated Notes would be immediately and automatically surrendered and cancelled and all rights of any Series 3 Subordinated Notes will automatically cease.

The only assets held by the AltaGas Hybrid Trust are the Series 2022-A, Series 2022-B, and Series 2023-A Preferred Shares.

AltaGas has determined that AltaGas Hybrid Trust is a VIE in which it holds variable interests and is the primary beneficiary. In the determination that AltaGas is the primary beneficiary of the VIE, AltaGas noted that it has the power to direct the activities that most significantly impact the VIE’s economic performance through its role as the sole administrative agent. In addition, AltaGas has the obligation to absorb the administrative expenses that are significant to the trust through the associated administrative agreement. As such, AltaGas has consolidated the AltaGas Hybrid Trust.

Unconsolidated VIE

Strathcona Storage Limited Partnership ("SSLP")

AltaGas owns an interest in SSLP, a partnership formed with ATCO Energy Solutions Ltd. to construct, operate, and maintain underground NGL storage caverns at Fort Saskatchewan, Alberta. The facility currently has five underground NGL storage salt caverns.

As at March 31, 2025, AltaGas' held a 40 percent equity investment in SSLP with a carrying value of $129 million (December 31, 2024 - $127 million). SSLP is not consolidated by AltaGas and instead is accounted for by the equity method of accounting. AltaGas is not the primary beneficiary of SSLP and it does not have the power to direct the activities most significant to the economic performance of SSLP. The maximum financial exposure to loss as a result of the involvement with this VIE is equal to AltaGas' net investment in SSLP.

7. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

			Carrying value as at	
	Location	Ownership Percentage	**March 31, 2025**	December 31, 2024
Eaton Rapids Gas Storage System	United States	**50**	**$ 30**	$ 30
Mountain Valley Pipeline, LLC ("MVP") [(a)]	United States	**10**	**591**	596
Sarnia Airport Storage Pool LP	Canada	**50**	**15**	15
Petrogas Terminals Penn LLC	United States	**50**	**1**	1
SSLP	Canada	**40**	**129**	127
			$ 766	$ 769

(a) The equity method is considered appropriate because MVP is an LLC with specific ownership accounts and ownership between five and fifty percent, resulting in AltaGas exercising a more than minor influence over the investee's operating and financing policies.

			Equity income for the three months ended March 31	
	Location	Ownership Percentage	**2025**	2024
Eaton Rapids Gas Storage System	United States	**50**	**$ 1**	$ 1
MVP [(a)]	United States	**10**	**13**	19
SSLP	Canada	**40**	**2**	1
			$ 16	$ 21

(a) Equity income includes allowance for funds used during construction ("AFUDC") prior to June 2024 and equity earnings from income generated by MVP subsequent to being placed in-service on June 14, 2024. Earnings after June 14, 2024 also include the amortization of certain basis differences.

The carrying amount of certain equity investments differs from the amount of the underlying equity in net assets. These basis differences include amounts related to purchase accounting adjustments, capitalized interest, provisions on assets, and a contractual cap on contributions to MVP.

8. LONG-TERM DEBT

As at	Maturity date		March 31, 2025	December 31, 2024
Credit facilities				
$2.3 billion unsecured extendible revolving facility [a]	2-May-2028	$	**470**	$ —
US$150 million unsecured extendible revolving facility	20-Dec-2026		**29**	104
Commercial paper [b]	Various		**11**	253
AltaGas Ltd. medium-term notes ("MTNs")				
$300 million Senior unsecured - 3.84 percent	15-Jan-2025		**—**	300
$500 million Senior unsecured - 2.16 percent	10-Jun-2025		**500**	500
$350 million Senior unsecured - 4.12 percent	7-Apr-2026		**350**	350
$47 million Senior unsecured - 4.64 percent	15-May-2026		**47**	47
$200 million Senior unsecured - 2.17 percent	16-Mar-2027		**200**	200
$200 million Senior unsecured - 3.98 percent	4-Oct-2027		**200**	200
$500 million Senior unsecured - 2.08 percent	30-May-2028		**500**	500
$400 million Senior unsecured - 4.67 percent	8-Jan-2029		**400**	400
$200 million Senior unsecured - 2.48 percent	30-Nov-2030		**200**	200
$350 million Senior unsecured - 5.14 percent	14-Mar-2034		**350**	350
$21 million Senior unsecured - 5.16 percent	13-Jan-2044		**21**	21
$108 million Senior unsecured - 4.50 percent	15-Aug-2044		**108**	108
$68 million Senior unsecured - 4.99 percent	4-Oct-2047		**68**	68
$500 million Senior unsecured - 5.60 percent	14-Mar-2054		**500**	500
WGL and Washington Gas MTNs and private placement notes				
US$41 million Senior unsecured - 5.44 percent	11-Aug-2025		**58**	58
US$53 million Senior unsecured - 6.62 to 6.82 percent	Oct 2026		**76**	76
US$72 million Senior unsecured - 6.40 to 6.57 percent	Feb - Sep 2027		**104**	104
US$52 million Senior unsecured - 6.57 to 6.85 percent	Jan - Mar 2028		**75**	75
US$9 million Senior unsecured - 7.50 percent	1-Apr-2030		**12**	12
US$150 million Senior unsecured - 6.06 percent	14-Oct-2033		**216**	216
US$50 million Senior unsecured - 5.70 to 5.78 percent	Jan - Mar 2036		**72**	72
US$75 million Senior unsecured - 5.21 percent	3-Dec-2040		**107**	107
US$75 million Senior unsecured - 5.00 percent	15-Dec-2043		**107**	107
US$300 million Senior unsecured - 4.22 to 4.60 percent	Sep - Nov 2044		**431**	432
US$450 million Senior unsecured - 3.80 percent	15-Sep-2046		**646**	647
US$400 million Senior unsecured - 3.65 percent	15-Sep-2049		**575**	576
US$200 million Senior unsecured - 2.98 percent	15-Dec-2051		**288**	288
US$25 million Senior unsecured - 5.25 percent	29-Dec-2042		**36**	36
US$175 million Senior unsecured - 5.33 percent	29-Dec-2052		**252**	252
US$50 million Senior unsecured - 6.43 percent	15-Oct-2053		**72**	72
US$100 million Senior unsecured - 5.40 percent [c]	01-Oct-2054		**144**	144
SEMCO long-term debt				
US$225 million First Mortgage Bonds - 2.45 percent	21-Apr-2030		**104**	104
US$225 million First Mortgage Bonds - 3.15 percent	21-Apr-2050		**323**	323
Fair value adjustment on WGL Acquisition			**76**	77
		$	**7,728**	$ 7,879
Less: unamortized premiums, discounts, and debt issuance costs			**(29)**	(29)
		$	**7,699**	$ 7,850
Less: current portion			**(558)**	(858)
		$	**7,141**	$ 6,992

(a) Includes a $1.7 billion four-year extendable committed revolving tranche which matures in May 2028 and a $600 million three-year extendable side car revolving tranche which matures in May 2027.

(b) Commercial paper is supported by the availability of long-term committed credit facilities maturing in 2026. Commercial paper intended to be repaid within the next year is recorded as short-term debt.

(c) Pursuant to the note purchase agreement executed on October 1, 2024, an additional US$100 million was issued on April 1, 2025 at 4.84 percent with a maturity date of April 1, 2035.

9. SUBORDINATED HYBRID NOTES

As at	Maturity date		March 31, 2025		December 31, 2024
$300 million Subordinated Notes, Series 1 - 5.25 percent [(a)]	11-Jan-2082	**$**	**300**	$	300
$250 million Subordinated Notes, Series 2 - 7.35 percent [(b)]	17-Aug-2082		**250**		250
$200 million Subordinated Notes, Series 3 - 8.90 percent [(c)]	10-Nov-2083		**200**		200
US$900 million Subordinated Notes - 7.20 percent [(d) (e)]	15-Oct-2054		**1,294**		1,295
		$	**2,044**	$	2,045
Less: debt issuance costs			**(23)**		(23)
		$	**2,021**	$	2,022

(a) For the initial 10 years, the Notes carry a fixed interest rate. From January 11, 2032, and on every fifth anniversary of such date thereafter, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year Government of Canada yield plus for the period from January 11, 2032 to, but excluding, January 11, 2052, 3.82 percent and for the period from January 11, 2052 to, but excluding, the maturity date, 4.57 percent.

(b) For the initial 5 years, the Notes carry a fixed interest rate. From August 17, 2027, and on every fifth anniversary of such date thereafter, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year Government of Canada yield plus for the period from August 17, 2027 to, but excluding, August 17, 2032, 4.54 percent, for the period from August 17, 2032, to, but excluding, August 17, 2047, 4.79 percent, and for the period from August 17, 2047, to, but excluding, the maturity date, 5.54 percent.

(c) For the initial 5 years, the Notes carry a fixed interest rate. From November 10, 2028, and on every fifth anniversary of such date thereafter, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year Government of Canada yield plus for the period from November 10, 2028 to, but excluding, November 10, 2033, 5.09 percent, for the period from November 10, 2033 to, but excluding, November 10, 2048, 5.34 percent, and for the period from November 10, 2048, to, but excluding, the Maturity date, 6.09 percent.

(d) For the initial 10 years, the Notes carry a fixed interest rate. From October 15, 2034, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year treasury rate plus 3.57 percent.

(e) In the third quarter of 2024, AltaGas concurrently executed cross-currency swaps totaling US$900 million, which will convert the U.S. dollar principal and interest payments of these Notes into Canadian dollars and apply an effective annual interest rate of 6.90 percent, which is based on the initial converted Canadian principal amount of approximately $1.2 billion. Refer to Note 12 for more details.

For the three months ended March 31, 2025, AltaGas recorded interest expense of $34 million on the subordinated hybrid notes (three months ended March 31, 2024 - $13 million).

10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

		Cash Flow Hedges		DB pension and PRB plans		Hedge net investments		Translation foreign operations		Total
Opening balance, January 1, 2025	**$**	**(92)**	**$**	**(4)**	**$**	**(232)**	**$**	**1,483**	**$**	**1,155**
OCI before reclassification		**43**		**—**		**1**		**(12)**		**32**
Amounts reclassified from OCI		**1**		**—**		**—**		**—**		**1**
Current period OCI (pre-tax)	**$**	**44**	**$**	**—**	**$**	**1**	**$**	**(12)**	**$**	**33**
Income tax on amounts retained in AOCI		**(7)**		**—**		**—**		**—**		**(7)**
Net current period OCI	**$**	**37**	**$**	**—**	**$**	**1**	**$**	**(12)**	**$**	**26**
Ending balance, March 31, 2025	**$**	**(55)**	**$**	**(4)**	**$**	**(231)**	**$**	**1,471**	**$**	**1,181**
Opening balance, January 1, 2024	$	(9)	$	(2)	$	(148)	$	554	$	395
OCI before reclassification		(13)		—		(23)		250		214
Amounts reclassified from OCI		3		—		—		—		3
Current period OCI (pre-tax)	$	(10)	$	—	$	(23)	$	250	$	217
Income tax on accounts retained in AOCI		2		—		3		—		5
Net current period OCI	$	(8)	$	—	$	(20)	$	250	$	222
Ending balance, March 31, 2024	$	(17)	$	(2)	$	(168)	$	804	$	617

Reclassification From Accumulated Other Comprehensive Income (Loss)

AOCI components reclassified	Income statement line item		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
			Losses		Losses
Cash flow hedges - commodity contracts	Cost of sales	**$**	**—**	$	(3)
Cash flow hedges - cross-currency swaps	Foreign exchange gains (losses)		**(1)**		—
		$	**(1)**	$	(3)

11. REVENUE

The following tables disaggregate revenue by major sources for the period:

	Three Months Ended March 31, 2025							
		Utilities		**Midstream**		**Corporate/ Other**		**Total**
Revenue from contracts with customers								
Commodity sales contracts	**$**	**652**	**$**	**1,659**	**$**	**2**	**$**	**2,313**
Midstream service contracts		**—**		**324**		**—**		**324**
Gas sales and transportation services		**1,243**		**—**		**—**		**1,243**
Storage services		**—**		**18**		**—**		**18**
Other [(a)]		**2**		**—**		**13**		**15**
Total revenue from contracts with customers	**$**	**1,897**	**$**	**2,001**	**$**	**15**	**$**	**3,913**
Other sources of revenue								
Revenue from alternative revenue programs [(b)]	**$**	**24**	**$**	**—**	**$**	**—**	**$**	**24**
Leasing revenue [(c)]		**—**		**65**		**—**		**65**
Risk management and trading activities [(d)]		**(45)**		**17**		**—**		**(28)**
Other		**(6)**		**1**		**—**		**(5)**
Total revenue from other sources	**$**	**(27)**	**$**	**83**	**$**	**—**	**$**	**56**
Total revenue	**$**	**1,870**	**$**	**2,084**	**$**	**15**	**$**	**3,969**

(a) The Corporate/Other segment includes revenue earned from a resource adequacy agreement at Blythe that came into effect January 1, 2024.

(b) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.

(c) Revenue generated from certain of AltaGas' Midstream facilities is accounted for as operating leases.

(d) Risk management activities involve the use of derivative instruments such as physical and financial swaps, and commodity and foreign exchange forward contracts. These derivatives are accounted for under ASC 815 and ASC 825. A portion of revenue generated by the Utilities segment is from the physical sale and delivery of natural gas and power to end users.

	Three Months Ended March 31, 2024							
		Utilities		Midstream		Corporate/ Other		Total
Revenue from contracts with customers								
Commodity sales contracts	$	583	$	1,586	$	8	$	2,177
Midstream service contracts		—		306		—		306
Gas sales and transportation services		945		5		—		950
Other [(a)]		2		—		4		6
Total revenue from contracts with customers	$	1,530	$	1,897	$	12	$	3,439
Other sources of revenue								
Revenue from alternative revenue programs [(b)]	$	75	$	—	$	—	$	75
Leasing revenue [(c)]		—		53		—		53
Risk management and trading activities [(d)]		(32)		115		—		83
Other		(3)		8		—		5
Total revenue from other sources	$	40	$	176	$	—	$	216
Total revenue	$	1,570	$	2,073	$	12	$	3,655

(a) The Corporate/Other segment includes revenue earned from a resource adequacy agreement at Blythe that came into effect January 1, 2024.
(b) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.
(c) Revenue generated from certain of AltaGas' Midstream facilities is accounted for as operating leases.
(d) Risk management activities involve the use of derivative instruments such as physical and financial swaps, and commodity and foreign exchange forward contracts. These derivatives are accounted for under ASC 815 and ASC 825. A portion of revenue generated by the Utilities segment is from the physical sale and delivery of natural gas and power to end users.

Revenue Recognition

The following is a description of the Corporation's revenue recognition policy by segment and by major source of revenue from contracts with customers.

Utilities Segment

Gas Sales and Transportation Services

Customers are billed monthly based on regular meter readings. Customer billings are based on two main components: (i) a fixed service fee and (ii) a variable fee based on usage. Revenue is recognized over time when the gas has been delivered or as the service has been performed. As meter readings are performed on a cycle basis, AltaGas recognizes accrued revenue for any services rendered to its customers but not billed at month-end. The vast majority of these contracts are "at-will" as customers may cancel their service at any time, however, there are certain contracts that have terms of one year or longer. For these long-term contracts, there is generally a contract demand specified in the contract whereby the customer has to pay regardless of whether or not gas has been delivered. These contracts generally do not contain any make up rights and revenue is recognized on a monthly basis as service has been performed.

Commodity Sales

Commodity sales include natural gas and electricity sales to residential, commercial, and industrial customers in certain states where WGL Energy Services is authorized as a competitive service provider. These commodity sales contracts have varying terms that generally range from one to five years. Customers are billed monthly based on the amount of energy delivered to the customer. Revenue is recognized based on the amount the Corporation is entitled to invoice the customer.

Midstream Segment

Commodity Sales

A portion of the NGL production from AltaGas' extraction facilities is subject to frac spread between NGLs extracted and the natural gas purchased to make up the heating value of the NGLs extracted. For commodity sales contracts that do not meet the definition of a derivative or for contracts whereby AltaGas has elected to apply the normal purchase normal sales scope exception, the sales contract is accounted for under ASC 606. These commodity sales contracts have varying terms, but the majority of the contracts have a one-year term which coincides with the NGL year. AltaGas recognizes revenue for commodity sales contracts at a point in time based on the actual volumes of the commodity sold at the delivery point, which corresponds to the customer's monthly invoice amount.

Commodity sales contracts at RIPET and Ferndale generate revenue from the sale and delivery of LPGs to customers in Asia shipped from offshore export terminals. Revenue is recognized when LPGs are loaded onto transport vessels, which is the delivery point. AltaGas has the right to consideration in an amount that directly corresponds to the volumes of LPGs loaded on a vessel. AltaGas' commodity sales also include the sale of upgraded crude oil, processed finished products, and various fuels. Delivery takes place when there is a sales contract in place, specifying delivery volumes and sales prices. The consideration received under these contracts is variable based on commodity prices.

Effective July 1, 2024, WGL entered into an agreement for the sale of natural gas related to the in-service of MVP. These gas sales are accounted for under ASC 606.

Midstream Service Contracts

AltaGas earns revenue from its field gathering and processing facilities, extraction facilities, storage facilities, truck hauling services, rail and truck loading and unloading terminalling, and transmission systems through a variety of contractual arrangements. For arrangements that do not contain a lease, the revenue is accounted for under ASC 606 as follows:

Fee-for-service – The customer is charged a fee for the service provided on a per unit volume basis. Contract terms generally range from one month to up to the life of the reserves. Revenue under this type of arrangement is recognized over time as the service is provided, which corresponds to the customer's monthly invoice amount.

Take-or-pay – The customer has agreed to a minimum volume commitment whereby the customer must have AltaGas process or deliver a specified volume at a rate per unit that is specified in the contract. Quantities that the customer is unable to deliver are considered deficiency quantities. Certain of AltaGas' take-or-pay contracts contain provisions whereby the customer can make up deficiency quantities in subsequent periods. Under this type of arrangement, any consideration received relating to the deficiency quantities that will be made up in a future period will be deferred until either: (i) the customer makes up the volumes or (ii) the likelihood that the customer will make up the volumes before the make up period expires becomes remote. If AltaGas does not expect the customer to make up the deficiency quantities (also referred to as breakage amount), AltaGas may recognize the expected breakage amount as revenue before the make up period expires. Significant judgment is required in estimating the breakage amount. For contracts where the customer has no make up rights, revenue is recognized on a monthly basis based on the higher of (i) the actual quantity delivered times the per unit rate or (ii) the contracted minimum amount.

Storage fees are typically recognized in revenue ratably over the term of the contract and rail and truck loading and unloading fees are recognized when the volumes are delivered or received.

Corporate/Other Segment

For the Corporate/Other segment, the majority of revenue relates to remaining power assets, from which revenue is primarily earned through a resource adequacy agreement as well as commodity sales via a merchant market, or via commodity sales agreements which are accounted for as financial instruments. For commodity sales contracts that do not meet the definition of a derivative or whereby AltaGas has elected to apply the normal purchase normal sales scope exception, revenue recognized is accounted for under ASC 606.

Contract Assets

As at		**March 31, 2025**		December 31, 2024
Balance, beginning of period	**$**	**3**	$	40
Amortization [(a)]		**—**		(1)
Transfers to other assets [(b)] *(note 5)*		**—**		(36)
Balance, end of period	**$**	**3**	$	3

(a) Represents the drawdown of contract assets under blend-and-extend contract modifications.
(b) The asset will continue to be drawn down into revenue over the remaining term of the contract.

Transaction Price Allocated to the Remaining Obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied as of March 31, 2025:

		Remainder of 2025		2026		2027		2028		2029		2030 & beyond		**Total**
Midstream service contracts	$	107	$	139	$	135	$	124	$	106	$	557	**$**	**1,168**
Other revenue from contracts with customers		40		54		54		1		1		5		**155**
	$	147	$	193	$	189	$	125	$	107	$	562	**$**	**1,323**

AltaGas applies the practical expedient available under ASC 606 and does not disclose information about the remaining performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts for which revenue is recognized at the amount to which AltaGas has the right to invoice for performance completed, and (iii) contracts with variable consideration that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation. In addition, the table above does not include any estimated amounts of variable consideration that are constrained. The majority of midstream service contracts, gas sales and transportation service contracts, and storage service contracts contain variable consideration whereby uncertainty related to the associated variable consideration will be resolved (usually on a daily basis) as volumes are processed, gas is delivered or as service is provided.

12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, risk management contracts, certain long-term investments and other assets, accounts payable and accrued liabilities, short-term and long-term debt, and certain other current and long-term liabilities.

Fair Value Hierarchy

AltaGas categorizes its financial assets and financial liabilities into one of three levels based on fair value measurements and inputs used to determine the fair value.

Level 1 - fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities. Fair values are based on direct observations of transactions involving the same assets or liabilities and no assumptions are used. Included in this category are publicly traded shares valued at the closing price as at the balance sheet date.

Level 2 - fair values are determined based on valuation models and techniques where inputs other than quoted prices included within Level 1 are observable for the asset or liability either directly or indirectly. AltaGas enters into derivative instruments in the futures, over-the-counter, and retail markets to manage fluctuations in commodity prices and foreign exchange rates. The fair values of power, natural gas, NGL, LPG, ocean freight, and crude oil derivative contracts were calculated using forward prices based on published sources for the relevant period, adjusted for factors specific to the asset or liability, including basis and location differentials, discount rates, and currency exchange. The fair value of foreign exchange derivative contracts and cross-currency swaps were calculated using indicative broker quotes based on observable market data.

Level 3 - fair values are based on inputs for the asset or liability that are not based on observable market data. AltaGas uses valuation techniques when observable market data is not available. Level 3 derivatives include physical contracts at illiquid market locations with no observable market data, long-dated positions where observable pricing is not available over the life of the contract, contracts valued using historical spot price volatility assumptions, and valuations using indicative broker quotes for inactive market locations. A significant change to any one of these inputs in isolation could result in a significant upward or downward fluctuation in the fair value measurement.

The following methods and assumptions were used to estimate the fair value of each significant class of financial instruments:

Other current liabilities - the carrying amounts approximate fair value because of the short maturity of these instruments.

Current portion of long-term debt, long-term debt, current portion of finance lease liabilities, finance lease liabilities, subordinated hybrid notes, and other long-term liabilities - the fair value of these liabilities was estimated based on discounted future interest and principal payments using the current market interest rates of instruments with similar terms.

Risk management assets and liabilities - the fair values of power, natural gas, NGL, and crude oil derivative contracts were calculated using forward prices from published sources for the relevant period. The fair value of foreign exchange derivative contracts was calculated using quoted market rates. The fair value of Level 3 derivative contracts was calculated using internally developed valuation inputs and pricing models.

Loans and receivables - the fair value of these assets was estimated based on discounted future interest and principal payments using the current market interest rates of instruments with similar terms.

As at	March 31, 2025				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Financial assets					
Fair value through net income [(a) (b) (c)]					
Risk management assets - current	$ 69	$ —	$ 67	$ 2	$ 69
Risk management assets - non-current	56	—	44	12	56
Fair value through regulatory assets [(a)]					
Risk management assets - current	2	—	2	—	2
Risk management assets - non-current	11	—	—	11	11
	$ 138	$ —	$ 113	$ 25	$ 138
Financial liabilities					
Fair value through net income [(a) (b) (c)]					
Risk management liabilities - current	$ 128	$ —	$ 67	$ 61	$ 128
Risk management liabilities - non-current	92	—	43	49	92
Fair value through regulatory liabilities [(a)]					
Risk management liabilities - current	15	—	—	15	15
Risk management liabilities - non-current	42	—	—	42	42
Amortized cost					
Current portion of long-term debt	558	—	558	—	558
Current portion of finance lease liabilities	24	—	24	—	24
Long-term debt	7,141	—	6,461	—	6,461
Finance lease liabilities	127	—	127	—	127
Subordinated hybrid notes	2,021	—	2,049	—	2,049
Other current liabilities [(d)]	12	—	12	—	12
	$ 10,160	$ —	$ 9,341	$ 167	$ 9,508

(a) To manage price risk associated with acquiring natural gas supply for Maryland, Virginia, and D.C. utility customers, Washington Gas, a subsidiary of the Corporation, enters into physical and financial derivative transactions. Any gains and losses associated with these derivatives are recorded as regulatory liabilities or assets, respectively, to reflect the rate treatment for these economic hedging activities. Additionally, as part of its asset optimization program, Washington Gas enters into derivatives with the primary objective of securing operating margins that Washington Gas will ultimately realize. Regulatory sharing mechanisms provide for the annual realized profit from these transactions to be shared between Washington Gas' shareholder and customers; therefore, changes in fair value are recorded through earnings, or as regulatory assets or liabilities to the extent that it is probable that realized gains and losses associated with these derivative transactions will be included in the rates charged to customers when they are realized.

(b) Includes the fair value of designated commodity hedging instruments classified as level 2, which amounts to an asset totaling $26 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Cash Flow Hedges* section below for more details.

(c) Includes the fair value of designated cross-currency swap hedging instruments classified as level 2, which amounts to an asset totaling $1 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Foreign Exchange Risk* and *Cash Flow Hedges* sections below for more details.

(d) Excludes non-financial liabilities.

As at	December 31, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
Financial assets					
Fair value through net income [(a)] [(b)]					
Risk management assets - current	$ 21	$ —	$ 7	$ 14	$ 21
Risk management assets - non-current	47	—	32	15	47
Fair value through regulatory assets [(a)]					
Risk management assets - current	4	—	1	3	4
Risk management assets - non-current	16	—	—	16	16
	$ 88	$ —	$ 40	$ 48	$ 88
Financial liabilities					
Fair value through net income [(a)] [(b)] [(c)]					
Risk management liabilities - current	$ 138	$ —	$ 115	$ 23	$ 138
Risk management liabilities - non-current	125	—	70	55	125
Fair value through regulatory liabilities [(a)]					
Risk management liabilities - current	12	—	—	12	12
Risk management liabilities - non-current	35	—	—	35	35
Amortized cost					
Current portion of long-term debt	858	—	858	—	858
Current portion of finance lease liabilities	23	—	23	—	23
Long-term debt	6,992	—	6,261	—	6,261
Finance lease liabilities	126	—	126	—	126
Subordinated hybrid notes	2,022	—	2,068	—	2,068
Other current liabilities [(d)]	54	—	54	—	54
	$ 10,385	$ —	$ 9,575	$ 125	$ 9,700

(a) To manage price risk associated with acquiring natural gas supply for Maryland, Virginia, and D.C. utility customers, Washington Gas, a subsidiary of the Corporation, enters into physical and financial derivative transactions. Any gains and losses associated with these derivatives are recorded as regulatory liabilities or assets, respectively, to reflect the rate treatment for these economic hedging activities. Additionally, as part of its asset optimization program, Washington Gas enters into derivatives with the primary objective of securing operating margins that Washington Gas will ultimately realize. Regulatory sharing mechanisms provide for the annual realized profit from these transactions to be shared between Washington Gas' shareholder and customers; therefore, changes in fair value are recorded through earnings, or as regulatory assets or liabilities to the extent that it is probable that realized gains and losses associated with these derivative transactions will be included in the rates charged to customers when they are realized.

(b) Includes the fair value of designated commodity hedging instruments classified as level 2, which amounts to an asset totaling $3 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Cash Flow Hedges* section below for more details.

(c) Includes the fair value of designated cross-currency swap hedging instruments classified as level 2, which amounts to a liability totaling $16 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Foreign Exchange Risk and Cash Flow Hedges* sections below for more details.

(d) Excludes non-financial liabilities.

Financial assets and liabilities not included in the fair value hierarchy table include money market funds and short-term debt. The carrying value of these financial instruments approximate their fair value, which reflects the short-term maturity and/or normal credit terms of these financial instruments.

The following table includes quantitative information about the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments at March 31, 2025:

	Net Fair Value	Valuation Technique	Unobservable Inputs	Range	Weighted Average [(a)]
Natural gas	$ (62)	Discounted Cash Flow	Natural Gas Basis Price (per Dth)	$ (7.83) - $ 4.44	$ (0.39)
Natural gas	$ (1)	Option Model	Natural Gas Basis Price (per Dth)	$ (2.19) - $ 4.11	$ (0.46)
			Annualized Volatility of Spot Market Natural Gas	13 % - 62 %	34 %
Electricity	$ (79)	Discounted Cash Flow	Electricity Congestion Price (per MWh)	$ (32.37) - $ 145.41	$ (2.00)

(a) Unobservable inputs were weighted by transaction volume.

The following tables provide a reconciliation of changes in net fair value of derivative assets and liabilities classified as Level 3 in the fair value hierarchy:

Three Months Ended	**March 31, 2025**			March 31, 2024		
	Natural Gas	**Electricity**	**Total**	Natural Gas	Electricity	Total
Balance, beginning of period	**$ (36)**	**$ (41)**	**$ (77)**	$ (30)	$ (23)	$ (53)
Gains (losses):						
Recorded in income [(a)]	**(10)**	**(38)**	**(48)**	14	(6)	8
Recorded in regulatory assets [(b)]	**(16)**	**—**	**(16)**	22	—	22
Purchases	**—**	**1**	**1**	—	2	2
Settlements	**(1)**	**—**	**(1)**	4	(5)	(1)
Foreign exchange translation	**—**	**(1)**	**(1)**	—	(1)	(1)
Balance, end of period	**$ (63)**	**$ (79)**	**$ (142)**	$ 10	$ (33)	$ (23)

(a) Includes unrealized losses of $50 million and unrealized gains of $30 million for the three months ended March 31, 2025 and 2024, respectively.

(b) Includes unrealized losses of $15 million and $54 million for the three months ended March 31, 2025 and 2024, respectively.

Transfers between different levels of the fair value hierarchy may occur based on fluctuations in the valuation and on the level of observable inputs used to value the instruments from period to period. Transfers into and out of the different levels of the fair value hierarchy, if applicable, are presented at the fair value as of the beginning of the period.

Summary of Unrealized Gains (Losses) on Risk Management Contracts Recognized in Net Income

	Three Months Ended March 31	
	2025	2024
Natural gas	**$ 2**	$ 28
Energy exports	**41**	100
Crude oil and NGLs	**5**	2
NGL frac spread	**(1)**	(12)
Power	**19**	17
Foreign exchange	**19**	(18)
	$ 85	$ 117

Offsetting of Derivative Assets and Derivative Liabilities

Certain of AltaGas' risk management contracts are subject to master netting arrangements that create a legally enforceable right for a counterparty to offset the related financial assets and financial liabilities. As part of these master netting agreements, cash, letters of credit, and parental guarantees may be required to be posted or obtained from counterparties in order to mitigate credit risk related to both derivative and non-derivative positions. Collateral balances are also offset against the related counterparties' derivative positions to the extent the application would not result in the over-collateralization of those derivative positions on the balance sheet.

As at	**March 31, 2025**				
	Derivative instruments not designated as hedging instruments	**Derivative instruments designated as hedging instruments**			
	Gross amounts of recognized assets/liabilities	**Gross amounts of recognized assets/liabilities**	**Gross amounts offset in balance sheet**	**Netting of collateral**	**Net amounts presented in balance sheet**
Risk management assets [(a)]					
Natural gas	**$ 81**	**$ 27**	**$ (46)**	**$ (18)**	**$ 44**
Energy exports	**125**	**—**	**(79)**	**—**	**46**
NGL frac spread	**5**	**—**	**(5)**	**—**	**—**
Power	**79**	**—**	**(40)**	**—**	**39**
Foreign exchange	**—**	**9**	**—**	**—**	**9**
	$ 290	**$ 36**	**$ (170)**	**$ (18)**	**$ 138**
Risk management liabilities [(b)]					
Natural gas	**$ 130**	**$ 1**	**$ (46)**	**$ —**	**$ 85**
Energy exports	**121**	**—**	**(79)**	**(5)**	**37**
NGL frac spread	**10**	**—**	**(5)**	**—**	**5**
Power	**124**	**—**	**(40)**	**—**	**84**
Foreign exchange	**58**	**8**	**—**	**—**	**66**
	$ 443	**$ 9**	**$ (170)**	**$ (5)**	**$ 277**

(a) Net amount of risk management assets on the Balance Sheet is comprised of risk management assets (current) balance of $71 million and risk management assets (non-current) balance of $67 million.

(b) Net amount of risk management liabilities on the Balance Sheet is comprised of risk management liabilities (current) balance of $143 million and risk management liabilities (non-current) balance of $134 million.

As at	December 31, 2024				
	Derivative instruments not designated as hedging instruments	**Derivative instruments designated as hedging instruments**			
	Gross amounts of recognized assets/liabilities	Gross amounts of recognized assets/liabilities	Gross amounts offset in balance sheet	Netting of collateral	Net amounts presented in balance sheet
Risk management assets [a]					
Natural gas	$ 81	$ 6	$ (45)	$ —	$ 42
Energy exports	63	—	(36)	—	27
Crude oil and NGLs	1	—	(1)	—	—
Power	60	—	(41)	—	19
	$ 205	$ 6	$ (123)	$ —	$ 88
Risk management liabilities [b]					
Natural gas	$ 118	$ 3	$ (45)	$ (4)	$ 72
Energy exports	100	—	(36)	(10)	54
Crude oil and NGLs	6	—	(1)	—	5
NGL frac spread	4	—	—	—	4
Power	123	—	(41)	—	82
Foreign exchange	77	16	—	—	93
	$ 428	$ 19	$ (123)	$ (14)	$ 310

(a) Net amount of risk management assets on the Balance Sheet is comprised of risk management assets (current) balance of $25 million and risk management assets (non-current) balance of $63 million.

(b) Net amount of risk management liabilities on the Balance Sheet is comprised of risk management liabilities (current) balance of $150 million and risk management liabilities (non-current) balance of $160 million.

Cash Collateral

The following table presents collateral not offset against risk management assets and liabilities:

As at	**March 31, 2025**	December 31, 2024
Collateral posted with counterparties	**$ 17**	$ 30

Any collateral posted that is not offset against risk management assets and liabilities is included in the line item “prepaid expenses and other current assets” in the Consolidated Balance Sheets. Collateral received and not offset against risk management assets and liabilities is included in the line item “customer deposits” in the Consolidated Balance Sheets.

Certain derivative instruments contain contract provisions that require collateral to be posted if the credit rating of AltaGas or certain of its subsidiaries falls below certain levels. At March 31, 2025 and December 31, 2024, AltaGas has not posted any collateral related to its derivative liabilities that contained credit-related contingent features. The following table shows the aggregate fair value of all derivative instruments with credit-related contingent features that are in a liability position, as well as the maximum amount of collateral that would be required if specific credit-risk-related contingent features underlying these agreements were triggered:

As at		**March 31, 2025**		December 31, 2024
Risk management liabilities with credit-risk-contingent features	**$**	**114**	$	157
Maximum potential collateral requirements	**$**	**104**	$	116

Notional Summary

The following table presents the notional quantity outstanding related to the Corporation's commodity contracts:

As at	**March 31, 2025**	December 31, 2024
Natural Gas		
Sales	**289,504,485 GJ**	230,536,993 GJ
Purchases	**531,703,661 GJ**	530,080,297 GJ
Swaps [(a)]	**66,365,343 GJ**	59,523,634 GJ
Crude Oil and NGLs		
Swaps	**369,900 Bbl**	778,564 Bbl
Energy Exports		
Purchases	**19,228,254 Bbl**	20,701,782 Bbl
Propane and butane swaps	**67,083,271 Bbl**	73,349,061 Bbl
NGL Frac Spread		
Propane swaps	**1,715,384 Bbl**	1,639,890 Bbl
Crude oil swaps	**363,399 Bbl**	341,586 Bbl
Natural gas swaps	**10,048,883 GJ**	9,650,298 GJ
Power		
Sales	**4,348,532 MWh**	5,006,116 MWh
Purchases	**4,774,134 MWh**	5,533,213 MWh
Swaps	**16,094,268 MWh**	22,382,893 MWh

(a) Includes approximately 33,374,059 GJ of natural gas swaps at March 31, 2025 designated as hedging instruments that have terms extending until 2030.

Foreign Exchange Risk

AltaGas is exposed to foreign exchange risk as changes in foreign exchange rates may affect the fair value or future cash flows of the Corporation's financial instruments. AltaGas has foreign operations whereby the functional currency is the U.S. dollar. As a result, the Corporation's earnings, cash flows, and OCI are exposed to fluctuations resulting from changes in foreign exchange rates. This risk is partially mitigated to the extent that AltaGas has U.S. dollar-denominated debt outstanding. AltaGas may also enter into foreign exchange forward derivatives to manage the risk of fluctuating cash flows and earnings due to variations in foreign exchange rates as well as to benefit from favourable movements in the rates. Any hedges transacted are subject to risk limits and guidelines and are actively monitored and managed by AltaGas' risk management team to ensure they align with AltaGas' overall financial strategy.

In the third quarter of 2024, AltaGas executed cross-currency swaps totaling US$900 million to manage the risk of fluctuating cash flows and earnings associated with the recently issued US$900 million Subordinated Notes (Note 9) as a result of changes in the Canadian/U.S. dollar foreign exchange rates. The cross-currency swaps will convert the U.S. dollar principal and interest payments of these Subordinated Notes into Canadian dollars and apply an effective annual interest rate of 6.90 percent on the converted Canadian principal amount of approximately $1.2 billion. AltaGas has designated the cross-currency swaps as cash flow hedges as discussed under the *Cash Flow Hedges* section below.

AltaGas may designate its external U.S. dollar-denominated debt or certain U.S. dollar-denominated loans that may give rise to a foreign currency translation gain or loss as a net investment hedge of its U.S. subsidiaries. As at March 31, 2025, AltaGas has designated US$645 million of outstanding loans as a net investment hedge (December 31, 2024 - US$645 million). For the three months ended March 31, 2025, unrealized after-tax gains on the net investment hedge of $1 million were recorded in OCI (three months ended March 31, 2024 - unrealized after-tax losses of $20 million).

The following foreign exchange related contracts were outstanding as at March 31, 2025:

	Duration		**Fair Value *($ millions)***
Foreign exchange forward contracts			
Forward USD sales (non-deliverable)	**Less than 1 year**	**$**	**(34)**
Forward USD sales (non-deliverable)	**1 - 5 years**	**$**	**(24)**
Cross-currency swaps			
Fixed-to-fixed cross-currency swaps	**10 years**	**$**	**1**

The following foreign exchange related contracts were outstanding as at December 31, 2024:

	Duration		Fair Value *($ millions)*
Foreign exchange forward contracts			
Forward USD sales (non-deliverable)	Less than 1 year	$	(50)
Forward USD sales (non-deliverable)	1 - 3 years	$	(27)
Cross-currency swaps			
Fixed-to-fixed cross-currency swaps	10 years	$	(16)

The following is a summary of losses on foreign exchange forward contracts recognized in net income:

		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
Objective of foreign exchange forward contract		**Losses**		Losses
Cash management [(a)]	**$**	**—**	$	(2)
Income statement risk management [(b)]	**$**	**(6)**	$	(13)

(a) Recorded in the Consolidated Statements of Income under the line item "foreign exchange gains (losses)".

(b) Recorded in the Consolidated Statements of Income under the line item "revenue".

Cash Flow Hedges

In the normal course of business, WGL Energy Services purchases natural gas indexed to NYMEX Henry Hub to be sold to third party customers. WGL Energy Services' risk management objective and strategy is to protect earnings against the risk of price fluctuations associated with forecasted NYMEX Henry Hub purchases through the use of the NYMEX Henry Hub financial swaps. Beginning April 1, 2023, WGL Energy Services began prospectively designating its NYMEX Henry Hub financial swaps as cash flow hedges in accordance with ASC Topic 815 as it expects that the hedging relationship will be highly effective at achieving offsetting changes in cash flows attributable to the risk being hedged.

For hedging relationships that qualify as highly effective, the change in fair value of the hedging instrument will be recorded to AOCI. Amounts in AOCI will be reclassified into earnings in the same period the hedged forecasted transactions affect earnings, or when non-regulated cost of energy-related sales is recorded. For swaps that settle the month ahead of the physical transaction, the swap impact will be reclassified into earnings in the subsequent month when the associated hedged transaction is recorded into earnings. For storage inventory purchases, such reclassification into earnings will be based on WGL Energy Services' inventory turnover schedules for finished goods in which the hedged natural gas purchases are used. When applicable, the ineffective portion of a commodity cash flow hedge will immediately be recognized in earnings. As at March 31, 2025, the estimated amount of existing gains related to commodity cash flow hedges expected to be reclassified to the income statement in the next 12 months is $5 million.

AltaGas is also exposed to interest rate risk as changes in interest rates may impact future cash flows and fair value of its financial instruments. To manage this risk, the Company may enter into bond forward contract derivatives and designate them as cash flow hedges in accordance with ASC Topic 815, as AltaGas expects that the hedging relationship will be highly effective at achieving offsetting changes in cash flows attributable to the risk being hedged. For hedging relationships that qualify as highly effective, the change in fair value of the hedging instrument will be recorded to AOCI. Amounts in AOCI will be reclassified into earnings in the same period the hedged forecasted transactions affect earnings. When applicable, the ineffective portion of a cash flow hedge will immediately be recognized in earnings. As at March 31, 2025, the estimated amount of existing losses related to the bond forward contract derivative expected to be reclassified to the income statement in the next 12 months is less than $1 million.

As stated above, AltaGas designated US$900 million of cross-currency swaps as cash flow hedges to manage the foreign currency risk associated with its U.S. dollar denominated subordinated hybrid notes. The cash flow hedges are designated in accordance with ASC Topic 815 as AltaGas expects that the hedging relationship will be highly effective at achieving offsetting changes in cash flows attributable to the risk being hedged. For hedging relationships that qualify as highly effective, the change in fair value of the hedging instrument will be recorded to AOCI. Amounts in AOCI will be reclassified into earnings in the same period the hedged forecasted transactions affect earnings. Any ineffective portion of a cash flow hedge will immediately be recognized in earnings. As at March 31, 2025, the estimated amount of existing losses related to the cross-currency swaps expected to be reclassified to the income statement in the next 12 months is $8 million. Actual amounts reclassified to earnings depends on the movement in foreign exchange rates.

The following is a summary of gains (losses) on designated cash flow hedges recognized in AOCI prior to any reclassifications:

		Three Months Ended March 31, 2025		Three Months Ended March 31, 2024
Designated cash flow hedges [a]		**Gains**		Losses
Cross-currency swaps	**$**	**17**	$	—
Commodity contracts	**$**	**19**	$	(4)
Bond forward contract	**$**	**—**	$	(7)

(a) Amounts presented are after-tax.

Refer to note 10 for amounts reclassified from AOCI to the income statement related to designated cash flow hedges for the three months ended March 31, 2025 and 2024.

Allowance for Credit Losses

The following table presents changes to the allowance for credit losses by segment and major type:

	Three Months Ended March 31, 2025					
		Accounts Receivable		**Contract Assets** [a]		**Total**
Utilities						
Balance, beginning of period	**$**	**30**	**$**	**—**	**$**	**30**
Adjustments to allowance		**14**		**—**		**14**
Written off		**(8)**		**—**		**(8)**
Recoveries collected		**2**		**—**		**2**
Balance, end of period	**$**	**38**	**$**	**—**	**$**	**38**
Midstream						
Balance, beginning of period	**$**	**1**	**$**	**1**	**$**	**2**
Balance, end of period	**$**	**1**	**$**	**1**	**$**	**2**
Total	**$**	**39**	**$**	**1**	**$**	**40**

(a) An allowance for credit loss is assessed quarterly and is recorded based on historical default rates published by external credit rating agencies and a rate associated with the estimated time frame that the contract asset will be billed to the customer.

	Three Months Ended March 31, 2024					
		Accounts Receivable		Contract Assets [a]		Total
Utilities						
Balance, beginning of period	$	28	$	—	$	28
Foreign exchange translation		2		—		2
Adjustments to allowance		10		—		10
Written off		(11)		—		(11)
Recoveries collected		1		—		1
Balance, end of period [b]	$	30	$	—	$	30
Midstream						
Balance, beginning of period	$	1	$	1	$	2
Balance, end of period	$	1	$	1	$	2
Total	$	31	$	1	$	32

(a) An allowance for credit loss is assessed quarterly and is recorded based on historical default rates published by external credit rating agencies and a rate associated with the estimated time frame that the contract asset will be billed to the customer.

With the exception of accounts receivable which are due in one year or less, AltaGas does not have any past due receivables as at March 31, 2025.

Weather Related Instruments

WGL Energy Services utilizes heating degree day ("HDD") instruments from time to time to manage weather and price risks related to its natural gas and electricity sales during the winter heating season. WGL Energy Services also utilizes cooling degree day ("CDD") instruments and other instruments to manage weather and price risks related to its electricity sales during the summer cooling season. These instruments cover a portion of estimated revenue or energy-related cost exposure to variations in HDDs or CDDs. For the three months ended March 31, 2025 and three months ended March 31, 2024, there were no pre-tax gains or losses recorded related to these instruments.

Accounts Receivable Factoring

AltaGas regularly enters into receivables purchase agreements with a third-party financial institution for the monetization of certain accounts receivable balances on a non-recourse basis in the Midstream segment. AltaGas accounted for the transfer of receivables in accordance with ASC Topic 860, as the receivables are legally isolated from the Company and the third-party financial institution has the right to the assets received. AltaGas' only continuing involvement with the transferred receivables is as the collection and servicing agent. When the receivables are transferred, they are derecognized from the "accounts receivable" line on the Consolidated Balance Sheets. As a result, the accounts receivable balance is presented net of the transferred amount.

Proceeds from the sale reflect the amount of the receivables less discount fees, which are recorded to the Consolidated Statements of Income under the line item "other income". The fair value of the receivables sold approximates the book value due to their short-term nature. For the three months ended March 31, 2025, accounts receivables sold under a receivables purchase agreement were US$80 million (three months ended March 31, 2024 - $nil).

13. LEASES

Lessor

Certain of AltaGas' revenues are obtained through take-or-pay contracts whereby AltaGas is the lessor in these operating lease arrangements. Minimum lease payments received are amortized over the term of the lease. Revenue from these arrangements have been disclosed in Note 11.

14. SHAREHOLDERS' EQUITY

Authorization

AltaGas is authorized to issue an unlimited number of voting common shares. AltaGas is also authorized to issue such number of Preferred Shares in series at any time as have aggregate voting rights either directly or on conversion or exchange that in the aggregate represent less than 50 percent of the voting rights attaching to the then issued and outstanding Common Shares.

Common Shares Issued and Outstanding [a]	Number of shares	Amount
January 1, 2024	294,903,763	$ 7,120
Shares issued for cash on exercise of options	3,021,252	60
December 31, 2024	297,925,015	$ 7,180
Shares issued for cash on exercise of options	946,400	21
Issued and outstanding at March 31, 2025	**298,871,415**	**$ 7,201**

(a) Dividends declared per share for the three months ended March 31, 2025 were approximately $0.32 (three months ended March 31, 2024 - $0.30).

Preferred Shares

As at	**March 31, 2025**		December 31, 2024	
Issued and Outstanding [a] [b] [c]	**Number of shares**	**Amount**	Number of shares	Amount
Series A	**6,746,679**	**$ 169**	6,746,679	$ 169
Series B	**1,253,321**	**31**	1,253,321	31
Series G	**8,000,000**	**200**	8,000,000	200
Share issuance costs, net of taxes		**(9)**		(9)
	16,000,000	**$ 391**	16,000,000	$ 391

(a) On January 11, 2022, in connection with the offering of the Subordinated Notes, Series 1, AltaGas issued $300 million in Preferred Shares, Series 2022-A, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as a trustee. Refer to Notes 6 and 9 for more details.

(b) On August 17, 2022, in connection with the offering of the Subordinated Notes, Series 2, AltaGas issued $250 million in Preferred Shares, Series 2022-B, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as a trustee. Refer to Notes 6 and 9 for more details.

(c) On November 10, 2023, in connection with the offering of the Subordinated Notes, Series 3, AltaGas issued $200 million in Preferred Shares, Series 2023-A, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as a trustee. Refer to Notes 6 and 9 for more details.

Share Option Plan

AltaGas has an employee share option plan under which officers, employees, and service providers (as defined by the TSX) are eligible to receive grants. As at March 31, 2025, 6,840,222 shares were listed and reserved for issuance under the plan.

As at March 31, 2025, share options granted under the plan have a term of six years until expiry and vest over no longer than a three-year period.

As at March 31, 2025, and December 31, 2024, the unexpensed fair value of share option compensation cost associated with future periods was $nil.

The following table summarizes information about the Corporation's share options:

As at	**March 31, 2025**		December 31, 2024	
	Number of options	**Exercise price** [a]	Number of options	Exercise price [a]
Share options outstanding, beginning of period	**2,525,013**	**$ 19.17**	5,547,388	$ 18.48
Exercised	**(946,400)**	**19.46**	(3,021,252)	17.90
Forfeited	**—**	**—**	(1,123)	23.54
Share options outstanding, end of period	**1,578,613**	**$ 19.00**	2,525,013	$ 19.17
Share options exercisable, end of period	**1,578,613**	**$ 19.00**	2,525,013	$ 19.17

(a) Weighted average.

As at March 31, 2025, the aggregate intrinsic value of the total share options exercisable was $32 million (December 31, 2024 - $36 million), the total intrinsic value of share options outstanding was $32 million (December 31, 2024 - $36 million), and the total intrinsic value of share options exercised was $18 million (December 31, 2024 - $38 million).

The following table summarizes the employee share option plan as at March 31, 2025:

	Options outstanding			Options exercisable		
Price range	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number exercisable	Weighted average exercise price	Weighted average remaining contractual life
$18.72 to $25.08	1,577,494	18.99	1.44	1,577,494	18.99	1.44
$25.09 to $26.21	1,119	26.21	2.26	1,119	26.21	2.26
	1,578,613	**$ 19.00**	**1.44**	**1,578,613**	**$ 19.00**	**1.44**

Phantom Unit Plan ("Phantom Plan") and Deferred Share Unit Plan ("DSUP")

AltaGas has a Phantom Plan for employees, executive officers, and directors, which includes restricted units ("RUs") and performance units ("PUs") with vesting periods of up to 36 months from the grant date. In addition, AltaGas has a DSUP, which allows granting of deferred share units ("DSUs") to directors. DSUs granted under the DSUP vest immediately but settlement of the DSUs occur when the individual ceases to be a director.

PUs, RUs, and DSUs *(number of units)*	**March 31, 2025**	December 31, 2024
Balance, beginning of year	**4,957,515**	5,052,918
Granted	**37,447**	1,792,809
Vested and paid out	**(1,507,706)**	(2,150,729)
Forfeited and expired	**(63,872)**	(721,404)
Units in lieu of dividends	**28,818**	179,084
Additional units added by performance factor	**259,077**	804,837
Outstanding, end of period	**3,711,279**	4,957,515

For the three months ended March 31, 2025, the compensation expense recorded for the Phantom Plan and DSUP was $24 million (three months ended March 31, 2024 - $22 million). As at March 31, 2025, the unrecognized compensation expense relating to the remaining vesting period for the Phantom Plan was $51 million (December 31, 2024 - $43 million) and is expected to be recognized over the vesting period.

15. NET INCOME PER COMMON SHARE

The following table summarizes the computation of net income per common share:

	Three Months Ended March 31	
	2025	2024
Numerator:		
Net income applicable to controlling interests	**$ 397**	$ 412
Less: Preferred share dividends	**(5)**	(4)
Net income applicable to common shares	**$ 392**	$ 408
Denominator:		
(millions of shares)		
Weighted average number of common shares outstanding	**298.1**	295.3
Dilutive equity instruments [(a)]	**1.1**	1.8
Weighted average number of common shares outstanding - diluted	**299.2**	297.1
Basic net income per common share	**$ 1.31**	$ 1.38
Diluted net income per common share	**$ 1.31**	$ 1.37

(a) Determined using the treasury stock method.

For the three months ended March 31, 2025 and 2024, there were no share options excluded from the diluted net income per common share calculation.

16. COMMITMENTS, GUARANTEES, AND CONTINGENCIES

Commitments

AltaGas has long-term natural gas purchase and transportation arrangements, LPG purchase agreements, crude oil and condensate purchase agreements, service agreements, pipeline and storage service contracts, capital commitments, environmental commitments, merger commitments, and operating leases for office space, office equipment, vehicles, Very Large Gas Carriers ("VLGCs"), rail cars, land, storage, aquatic surface use, and other equipment, all of which are transacted at market prices and in the normal course of business. Please refer to Note 28 of the 2024 Annual Consolidated Financial Statements for further details regarding AltaGas' commitments.

At March 31, 2025, AltaGas has US$222 million in future undiscounted cash flows associated with operating leases not yet commenced. The leases are for the use of two VLGCs, both of which are expected to commence in 2026. The lessor is primarily involved in the design and construction of the VLGCs.

Guarantees

AltaGas has guaranteed payments primarily for certain commitments on behalf of some of its subsidiaries. As at March 31, 2025, AltaGas had no guarantees issued on behalf of external parties.

Contingencies

AltaGas and its subsidiaries are subject to various legal claims and actions arising in the normal course of business. While the final outcome of such legal claims and actions cannot be predicted with certainty, the Corporation does not believe that the resolution of such claims and actions will have a material impact on the Corporation's consolidated financial position or results of operations.

Merger Commitments - D.C.

On August 9, 2023, the Public Service Commission of the District of Columbia ("PSC of DC") determined that AltaGas had failed to fulfill Term No. 5 Commitment of the PSC of DC's merger approval order related to the June 2018 merger of AltaGas, WGL, and Washington Gas. On reconsideration, the PSC of DC confirmed, in relevant part, that it had credited AltaGas with causing the development of 2.4 MW of Tier one renewable resources by the July 6, 2023 deadline, and that the Company had breached its Term No. 5 Commitment only for the remaining 7.6 MW. As directed by the PSC of DC, AltaGas, the D.C. Government ("DCG"), and the D.C. Office of People's Counsel ("DC OPC") conducted negotiations in good faith to reach agreement on a penalty but were unable to reach agreement. Thereafter, AltaGas confirmed that it will specifically perform its Term No. 5 obligations by continuing to cause the development of the remaining 7.6 MW of solar renewable energy. On March 8, 2024, the PSC of DC issued an order to show cause why the penalty amount should not be the maximum allowed under D.C. Code §34-708 (US$5,000/day). On June 14, 2024, AltaGas and DCG jointly requested that the PSC of DC allow sixty (60) days for the parties to negotiate a settlement in the form of a consent decree or, if no agreement is reached, to file a report on the status of the negotiations. AltaGas and DCG have kept the PSC of DC appraised of the status of the negotiations and, on October 8, 2024, filed a Proposed Consent Decree for PSC of DC approval. On November 6, 2024, the PSC of DC approved the Consent Decree, without modification, as complete resolution of the issues in dispute concerning Merger Commitment No. 5. On January 5, 2025, AltaGas paid the civil penalty of approximately US$2.1 million. In accordance with the terms of the PSC of DC approved Consent Decree, AltaGas continues to report on its progress that the Company is making in causing the development of the remaining megawatts of renewable resources in D.C. AltaGas believes that it has recently achieved full compliance with Term No. 5 by causing the development of the renewable solar projects needed to reach the 10 MW commitment and is working with the parties and the PSC of DC to reach agreement on the scope of documentation needed to demonstrate its full compliance to the PSC of DC's satisfaction.

17. PENSION PLANS AND RETIREE BENEFITS

The costs of the defined benefit and post-retirement benefit plans are based on Management's estimate of the future rate of return on the fair value of pension plan assets, salary escalations, mortality rates, and other factors affecting the payment of future benefits. Additional information relating to the retirement benefit plans is provided in Note 27 of the 2024 Annual Consolidated Financial Statements.

Rabbi trusts of $6 million as at March 31, 2025 have been funded to satisfy the employee benefit obligations associated with WGL's various pension plans (December 31, 2024 - $7 million). These balances are included in "prepaid expenses and other current assets" and "long-term investments and other assets" in the Consolidated Balance Sheets.

The net pension expense by plan for the period was as follows:

	Three Months Ended March 31, 2025					
	Canada		United States		Total	
	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits
Current service cost [(a)]	$ —	$ —	$ 3	$ 1	$ 3	$ 1
Interest cost [(b)]	—	—	18	3	18	3
Expected return on plan assets [(b)]	—	—	(22)	(12)	(22)	(12)
Amortization of past service credit [(b)]	—	—	—	(6)	—	(6)
Amortization of net actuarial gain [(b)]	—	—	—	(1)	—	(1)
Net benefit income recognized	$ —	$ —	$ (1)	$ (15)	$ (1)	$ (15)

(a) Recorded under the line item “operating and administrative” expenses on the Consolidated Statements of Income.
(b) Recorded under the line item “other income” on the Consolidated Statements of Income.

	Three Months Ended March 31, 2024					
	Canada		United States		Total	
	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits
Current service cost [(a)]	$ 1	$ —	$ 3	$ 2	$ 4	$ 2
Interest cost [(b)]	—	—	17	4	17	4
Expected return on plan assets [(b)]	—	—	(21)	(13)	(21)	(13)
Amortization of past service credit [(b)]	—	—	—	(5)	—	(5)
Amortization of net actuarial gain [(b)]	—	—	—	(1)	—	(1)
Net benefit cost (income) recognized	$ 1	$ —	$ (1)	$ (13)	$ —	$ (13)

(a) Recorded under the line item “operating and administrative” expenses on the Consolidated Statements of Income.
(b) Recorded under the line item “other income” on the Consolidated Statements of Income.

18. SUPPLEMENTAL CASH FLOW INFORMATION

The following table details the changes in operating assets and liabilities from operating activities:

	Three Months Ended March 31	
	2025	2024
Source (use) of cash:		
Accounts receivable	**$ (43)**	$ 36
Inventory	**161**	304
Risk management assets - current	**18**	50
Prepaid expenses and other current assets	**16**	(22)
Regulatory assets - current	**31**	(28)
Accounts payable and accrued liabilities	**(117)**	(206)
Customer deposits	**(35)**	(28)
Regulatory liabilities - current	**(2)**	(20)
Risk management liabilities - current	**(13)**	—
Other current liabilities	**(42)**	(35)
Other operating assets and liabilities	**113**	20
Changes in operating assets and liabilities	**$ 87**	$ 71

The following table details the changes in non-cash investing and financing activities:

	Three Months Ended March 31	
	2025	2024
Decrease (increase) of balance:		
Exercise of stock options	**$ 3**	$ 2
Net right-of-use assets obtained in exchange for new operating lease liabilities	**$ (17)**	$ (170)
Net right-of-use assets obtained in exchange for new finance lease liabilities	**$ (4)**	$ (6)
Capital expenditures included in accounts payable and accrued liabilities	**$ 30**	$ 14
Contributions from non-controlling interests to subsidiaries included in accounts receivable	**$ —**	$ 3

The following table is a reconciliation of cash and cash equivalents and restricted cash balances:

As at March 31	**2025**	2024
Cash and cash equivalents	**$ 197**	$ 101
Restricted cash included in prepaid expenses and other current assets [(a)]	**2**	2
Restricted cash included in long-term investments and other assets *(note 5)* [(a)]	**4**	6
Cash, cash equivalents, and restricted cash per Consolidated Statements of Cash Flows	**$ 203**	$ 109

(a) The restricted cash balances included in "prepaid expenses and other current assets" and "long-term investments and other assets" relate to Rabbi trusts associated with WGL's pension plans (Note 17).

19. SEASONALITY

The Utilities business is highly seasonal with the majority of natural gas deliveries occurring during the winter heating season. Gas sales increase during the winter resulting in stronger first and fourth quarter results and weaker second and third quarter results. The retail business within the Utilities segment is also seasonal, with larger amounts of electricity being sold in the summer and peak winter months and larger amounts of natural gas being sold in the winter months.

20. SEGMENTED INFORMATION

AltaGas owns and operates a portfolio of assets and services used to move energy from the source to the end-user. The following describes the Corporation’s reportable segments:

Utilities	▪ rate-regulated natural gas distribution assets in Michigan, D.C., Maryland, and Virginia; ▪ rate-regulated natural gas storage in the United States; and ▪ sale of natural gas and power to residential, commercial, and industrial customers in D.C., Maryland, Virginia, Delaware, Pennsylvania, Ohio, and New Jersey.
Midstream	▪ NGL processing and extraction plants; ▪ natural gas storage facilities; ▪ LPG export terminals; ▪ transmission pipelines to transport natural gas and NGLs; ▪ natural gas gathering lines and field processing facilities; ▪ purchase and sale of natural gas; ▪ natural gas and NGL marketing; ▪ marketing, storage and distribution of wellsite fluids and fuel, crude oil and condensate diluents; and ▪ interest in a regulated gas pipeline in the Marcellus/Utica gas formation.
Corporate/ Other	▪ the cost of providing corporate services, financing and general corporate overhead, corporate assets, financing other segments and the effects of changes in the fair value of certain risk management contracts; and ▪ a small portfolio of power assets.

AltaGas’ Chief Operating Decision-Maker (“CODM”) is the Executive Leadership Team (“ELT") which includes the President & Chief Executive Officer, the other Executive Officers of the Company, and certain other senior leaders.

The ELT assesses segment performance and determines how to allocate resources based on segment earnings reported on a periodic basis. Segment profitability guides the ELT in making decisions regarding prudent capital allocation, reinvestment of profits, acquisition and disposition of assets, and driving shareholder returns through sustainable dividends. AltaGas has disclosed income (loss) before income taxes by segment as the measure in accordance with the measurement principles with those used in measuring the corresponding amounts in the consolidated financial statements.

The following table provides a reconciliation of segment revenue to the disaggregated revenue table disclosed under Note 11:

	Three Months Ended March 31, 2025			
	Utilities	**Midstream**	**Corporate/ Other**	**Total**
External revenue (*note 11)*	**$ 1,870**	**$ 2,084**	**$ 15**	**$ 3,969**
Segment revenue	**$ 1,870**	**$ 2,084**	**$ 15**	**$ 3,969**

	Three Months Ended March 31, 2024			
	Utilities	Midstream	Corporate/ Other	Total
External revenue *(note 11)*	$ 1,570	$ 2,073	$ 12	$ 3,655
Segment revenue	$ 1,570	$ 2,073	$ 12	$ 3,655

The following tables show the composition by segment:

	Three Months Ended March 31, 2025			
	Utilities	**Midstream**	**Corporate/ Other**	**Total**
Segment revenue *(note 11)*	**$ 1,870**	**$ 2,084**	**$ 15**	**$ 3,969**
Cost of sales	**(1,066)**	**(1,698)**	**—**	**(2,764)**
Operating and administrative	**(297)**	**(157)**	**(27)**	**(481)**
Accretion expenses	**—**	**(1)**	**—**	**(1)**
Depreciation and amortization	**(80)**	**(39)**	**(9)**	**(128)**
Provisions on assets	**—**	**(2)**	**—**	**(2)**
Income from equity investments *(note 7)*	**1**	**15**	**—**	**16**
Other income [b]	**18**	**2**	**1**	**21**
Foreign exchange losses	**—**	**—**	**(2)**	**(2)**
Interest expense	**—**	**—**	**(115)**	**(115)**
Income (loss) before income taxes	**$ 446**	**$ 204**	**$ (137)**	**$ 513**
Net additions to:				
Property, plant and equipment [a]	**$ 127**	**$ 112**	**$ 9**	**$ 248**
Intangible assets [a]	**$ —**	**$ —**	**$ 3**	**$ 3**

(a) Net additions to property, plant and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statements of Cash Flows due to classification of business acquisition and foreign exchange changes on U.S. assets.

(b) Other income for each reportable segment is comprised of:

- Midstream – primarily interest income of $1 million.
- Utilities – primarily other components of net benefit income.
- Corporate – primarily interest income of $1 million.

	Three Months Ended March 31, 2024			
	Utilities	Midstream	Corporate/ Other	Total
Segment revenue *(note 11)*	$ 1,570	$ 2,073	$ 12	$ 3,655
Cost of sales	(845)	(1,624)	(8)	(2,477)
Operating and administrative	(288)	(143)	(36)	(467)
Accretion expenses	—	(1)	—	(1)
Depreciation and amortization	(72)	(37)	(7)	(116)
Income from equity investments *(note 7)*	1	20	—	21
Other income [(b)]	18	9	1	28
Foreign exchange gains	—	—	5	5
Interest expense	—	—	(107)	(107)
Income (loss) before income taxes	$ 384	$ 297	$ (140)	$ 541
Net additions to:				
Property, plant and equipment [(a)]	$ 179	$ 45	$ 31	$ 255
Intangible assets [(a)]	$ —	$ 1	$ —	$ 1

(a) Net additions to property, plant and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statements of Cash Flows due to classification of business acquisition and foreign exchange changes on U.S. assets.

(b) Other income for each reportable segment is comprised of:

- Midstream – primarily gain on settlement of asset retirement obligations ("ARO"), gain on asset sales, and interest income of $1 million.
- Utilities – primarily other components of net benefit cost (income).
- Corporate – primarily interest income of $1 million.

The following table shows goodwill and total assets by segment:

	Utilities	Midstream	Corporate/ Other	Total
As at March 31, 2025				
Goodwill *(note 4)*	**$ 3,946**	**$ 1,740**	**$ —**	**$ 5,686**
Segmented assets	**$ 17,075**	**$ 8,305**	**$ 784**	**$ 26,164**
As at December 31, 2024				
Goodwill *(note 4)*	$ 3,950	$ 1,741	$ —	$ 5,691
Segmented assets	$ 17,184	$ 8,223	$ 685	$ 26,092

21. SUBSEQUENT EVENTS

On April 1, 2025, Washington Gas issued the remaining US$100 million in private placement notes with a 4.84 percent coupon, due on April 1, 2035, as part of the note purchase agreement executed on October 1, 2024.

Subsequent events have been reviewed through April 29, 2025, the date on which these unaudited condensed interim Consolidated Financial Statements were issued.

SUPPLEMENTAL QUARTERLY OPERATING INFORMATION

	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
OPERATING HIGHLIGHTS					
UTILITIES					
Natural gas deliveries - end use (Bcf) (1)	**73.5**	38.3	8.9	14.5	54.5
Natural gas deliveries - transportation (Bcf) (1)	**44.5**	27.6	20.7	20.2	35.1
Service sites (thousands) (2)	**1,571**	1,568	1,560	1,560	1,562
Degree day variance from normal - SEMCO (Michigan) (%) (3)	**(0.3)**	(13.5)	(57.4)	(29.0)	(13.8)
Degree day variance from normal - Washington Gas (D.C.) (%) (3) (4)	**(5.2)**	(15.8)	(100.0)	(31.6)	(15.6)
WGL retail energy marketing - gas sales volumes (Mmcf)	**22,505**	17,191	8,179	9,664	23,810
WGL retail energy marketing - electricity sales volumes (GWh)	**3,689**	3,851	4,344	3,714	3,542
MIDSTREAM					
LPG export volumes (Bbls/d) (5)	**119,241**	122,233	128,272	123,285	115,108
Total inlet gas processed (Mmcf/d) (5)	**1,552**	1,477	1,303	1,420	1,401
Extracted ethane volumes (Bbls/d) (5)	**33,051**	25,454	20,314	19,618	20,369
Extracted NGL volumes (Bbls/d) (5) (6) (7)	**49,051**	47,745	46,707	47,054	48,272
Fractionation volumes (Bbls/d) (5) (8)	**42,415**	45,398	43,445	43,421	41,072
Frac spread - realized ($/Bbl) (5) (9)	**27.77**	20.99	24.70	25.32	25.25
Frac spread - average spot price ($/Bbl) (5) (10)	**32.13**	26.07	30.39	29.61	25.45
Propane Far East Index ("FEI") to Mont Belvieu spread (US$/Bbl) (5) (7) (11)	**12.17**	18.85	21.52	18.87	14.06
Butane FEI to Mont Belvieu spread (US$/Bbl) (5) (7) (12)	**12.41**	10.81	18.53	19.27	13.87

(1) Bcf is one billion cubic feet.

(2) Service sites reflect all of the service sites of the utilities, including transportation and non-regulated business lines.

(3) A degree day is a measure of coldness determined daily as the number of degrees the average temperature during the day in question is below 65 degrees Fahrenheit. Degree days for a particular period are determined by adding the degree days incurred during each day of the period. Normal degree days for a particular period are the average of degree days during the prior 15 years for SEMCO and during the prior 30 years for Washington Gas. A positive number indicates that weather is colder than normal and a negative number indicates that weather is warmer than normal.

(4) In certain of Washington Gas' jurisdictions (Virginia and Maryland) there are billing mechanisms in place which are designed to eliminate the effects of variance in customer usage caused by weather and other factors such as conservation. In D.C., there is no weather normalization billing mechanism nor does Washington Gas hedge to offset the effects of weather. As a result, colder or warmer weather will result in variances to financial results.

(5) Average for the period.

(6) NGL volumes refer to propane, butane, and condensate.

(7) Reflects the revision of numbers related to certain prior periods in 2024.

(8) Fractionation volumes include NGL mix volumes processed.

(9) Realized frac spread or NGL margin, expressed in dollars per barrel of NGL, is derived from sales recorded by the segment during the period for frac spread exposed volumes plus the settlement value of frac hedges settled in the period less extraction premiums, divided by the total frac exposed volumes produced during the period.

(10) Average spot frac spread or NGL margin, expressed in dollars per barrel of NGL, is indicative of the average sales price that AltaGas receives for propane, butane, and condensate less extraction premiums, before accounting for hedges, divided by the respective frac spread exposed volumes for the period.

(11) Average propane price spread between FEI and Mont Belvieu TET commercial index.

(12) Average butane price spread between FEI and Mont Belvieu TET commercial index.

OTHER INFORMATION

DEFINITIONS

Bbls/d	barrels per day
Bcf	billion cubic feet
Dth	dekatherm
GJ	gigajoule
GWh	gigawatt-hour
MBbl	thousands of barrels
Mmcf	million cubic feet
Mmcf/d	million cubic feet per day
MW	megawatt
MWh	megawatt-hour
US$	United States dollar

ABOUT ALTAGAS

AltaGas is a leading North American energy infrastructure company that connects NGLs and natural gas to domestic and global markets. The Company operates a diversified, lower-risk, high-growth Utilities and Midstream business that is focused on delivering resilient and durable value for its stakeholders.

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