ALTAGAS REPORTS STRONG THIRD QUARTER 2025 RESULTS

Announces Positive Final Investment Decisions on Multiple Organic Growth Projects

Calgary, Alberta (October 30, 2025)

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

THIRD QUARTER HIGHLIGHTS

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

FINANCIAL RESULTS

- Normalized EPS[1] was $0.04 in the third quarter of 2025 compared to $0.14 in the third quarter of 2024, while GAAP EPS[2] was a $0.08 loss in the third quarter of 2025 compared to income of $0.03 in the third quarter of 2024.
- Normalized EBITDA[1] was $268 million in the third quarter of 2025 compared to $294 million in the third quarter of 2024, while loss before income taxes was $20 million in the third quarter of 2025 compared to income before income taxes of $20 million in the third quarter of 2024. The year-over-year reduction in normalized EBITDA was primarily driven by the absence of the partial settlement of Washington Gas' post-retirement benefit pension plan that was present in the third quarter of 2024.
- The Midstream segment reported normalized EBITDA of $204 million in the third quarter of 2025 compared to $181 million in the third quarter of 2024, while income before income taxes was $128 million in the third quarter of 2025 compared to $123 million in the third quarter of 2024. The 13 percent year-over-year increase in Midstream normalized EBITDA was driven by stronger global export volumes and merchant margins, stronger performance at AltaGas' Dimsdale natural gas storage asset, and higher throughput volumes across AltaGas' Northeastern B.C. ("NEBC") facilities, partially offset by lower realized power prices at Harmattan.
- The Utilities segment reported normalized EBITDA of $68 million in the third quarter of 2025 compared to $117 million in the third quarter of 2024, while loss before income taxes was $20 million in the third quarter of 2025 compared to income before income taxes of $24 million in the third quarter of 2024. The year-over-year reduction in normalized Utilities EBITDA was principally driven by the absence of the partial settlement of Washington Gas' post-retirement benefit pension plan that was recognized in the third quarter of 2024. Excluding this impact, AltaGas' Utilities performance was strong, driven by ongoing system modernization investments and cost management.

NEW GROWTH PROJECTS

- AltaGas and Royal Vopak ("Vopak") have reached a positive final investment decision ("FID") on the Ridley Island Energy Export Facility ("REEF") Optimization One project. With a gross capital cost of approximately $110 million, the project will increase REEF's Phase I throughput capacity by upwards of 25,000 Bbl/d and is expected to go into service the second half of 2027. The partnership also continues to advance engineering, permitting and stakeholder work for the REEF Optimization Two project that could accommodate up to another 60,000 Bbl/d of incremental throughput.
- AltaGas continues to advance growth projects across its Utilities, including reaching a positive FID on the Keweenaw Connector Pipeline in Michigan. The 30-mile pipeline will enhance gas delivery to 14,000 customers in Michigan's Upper Peninsula. The project is expected to have an approximate US$135 million capital cost with an early 2027 in-service date. SEMCO also completed the pipeline construction for a natural gas interconnect at DTE Energy's Belle River coal-to-natural gas power plant conversion project that was announced in the second quarter and is now contributing financially.

(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 September 30, 2025, which is available on www.sedarplus.ca. (2) GAAP EPS is equivalent to Net income applicable to common shares divided by shares outstanding.

- AltaGas reached a positive FID on the Phase One expansion of the Dimsdale natural gas storage facility. Capital cost for the project is estimated at approximately $65 million with a 2026 year-end targeted in-service date. The 6 Bcf expansion is backed by two ten-year firm storage service contracts with Tourmaline Oil Corp. and Gunvor Group. The project will focus on facility debottlenecking with a new meter station, pipeline interconnect, and dehydration equipment that will expand capacity, increase reliability, and significantly reduce operating costs. The Company also continues to advance the next, larger Dimsdale expansion project, which is expected to more than double storage capacity, while leveraging common infrastructure from the first phase of expansion.
- AltaGas continues to advance multiple other organic projects that will increase its secured growth backlog. This includes progressing regulatory, engineering, and commercial work on REEF Optimization Two, Phase Two of the Dimsdale expansion, the North Pine expansion, Pipestone III and other projects.

MVP UPDATE

- The Mountain Valley Pipeline (“MVP”) delivered another strong quarter, which reflected the pipeline's long-term contracts and robust demand to move Appalachian gas into key downstream markets. The 2.0 Bcf/d pipeline is operating near current capacity under 20-year contracts with strong customer demand for additional capacity.
- Following a highly oversubscribed open season, the partners have increased the size of the proposed MVP Boost expansion project by 20 percent. Boost is expected to increase MVP capacity by 600 MMcf/d with a mid-2028 in-service date. This is a year earlier than previously expected with the entire 600 MMcf/d of incremental capacity fully contracted by investment grade utilities under 20-year take-or-pay agreements. The US$450 million project is targeting an approximate three times capex-to-EBITDA build multiple. The proposed MVP Southgate project is also progressing under the more efficient project plan, as the Federal Energy Regulatory Commission ("FERC") published its Environmental Assessment in October concluding that Southgate would not cause significant negative impacts from its development if the project adheres to certain mitigation measures and environmental safeguards.
- AltaGas continues to move through its sale process for its interest in MVP, inclusive of recent positive developments on the pipeline, and expects to provide an update in the coming weeks.

GROWTH PROJECT EXECUTION

- Construction of REEF continues to progress on time and on budget, with 77 percent of total project capital costs incurred or committed to date and 70 percent of costs under fixed-price engineering, procurement and construction ("EPC") contracts. The first of three LPG accumulators and the propane and butane bullets are expected to arrive on site in the coming weeks. Rail installation work is ongoing with the first of the two phases near completion. Jetty progress continues to accelerate with seven rigs on site with all permanent trestle piles now placed and trestles are actively being installed.
- Construction of the Pipestone II deep-cut natural gas processing facility is mechanically complete with commissioning taking place over the coming months. Construction of the facility occurred without incident or mechanical issues and remains on track for a year-end in-service date. Pipestone II is fully contracted under long term take-or-pay agreements and will provide critical gas processing and liquids handling capacity in one of the most active liquids-rich natural gas producing regions in Western Canada.
- AltaGas continues to advance a number of data center development opportunities within its Utilities, with front-end engineering and design ("FEED") studies in process across Virginia, Michigan and Maryland. The Company remains focused on pursuing these ventures on a de-risked basis by constructing pipeline interconnects to onsite power generation through rate regulated investments.

OPERATIONAL AND BUSINESS HIGHLIGHTS

- AltaGas exported a record 133,147 Bbl/d of liquid petroleum gases ("LPG") to Asia in the third quarter, an increase of four percent year-over-year, bringing the 2025 year-to-date average to 126,798 Bbl/d. Third quarter export volumes included 13 Very Large Gas Carriers ("VLGCs") being shipped from the Ridley Island Propane Export Terminal ("RIPET") and 10 from the Ferndale Terminal ("Ferndale").

- Midstream throughput continued to grow in the third quarter of 2025 with gas processing volumes up five percent year-over-year, led by AltaGas' Montney footprint, despite a planned turnaround at Pipestone I. Strong demand for gas storage benefitted AltaGas' Dimsdale storage facility in the quarter, where utilization levels were near capacity. Despite recent natural gas price volatility, the long-term outlook for continued production growth across Western Canada and AltaGas' footprint remains robust.
- The Pipestone I turnaround was completed in the third quarter with no major safety incidents over the nearly 80,000 hours of work. This follows similar operational excellence that was demonstrated during the RIPET and NEBC facility turnarounds in the second quarter of 2025 that were executed as planned and with no major safety incidents.
- AltaGas continues to focus on operational excellence and cost management at the Utilities, which continued to benefit results at Washington Gas in the third quarter. Operating and maintenance ("O&M") costs were down five percent year-over-year as the Company focuses on disciplined efficiency. The continued focus on cost structure ensures we are providing the lowest cost for our customers and provides headroom to continue making investments to modernize the network while minimizing the impact on customer bills.
- On August 4, 2025, Washington Gas filed an amendment to its Steps to Advance Virginia Energy ("SAVE") Accelerated Replacement Program ("ARP") seeking to extend the currently approved program by one year and move forward with a revised three-year plan. This includes a pre-approval request to invest US$700 million in modernization capital between 2026 and 2028. Washington Gas expects the Virginia State Corporation Commission ("SCC of VA") to provide an order on the filing by 2025 year-end.
- In order to ensure pipeline modernization work continues while the Public Service Commission of the District of Columbia ("PSC of D.C.") reviews Washington Gas' District Strategic Accelerated Facility Enhancement ("SAFE") proposed modernization program, Washington Gas filed an application with the PSC of D.C. to extend PROJECT*pipes* 2 through June 30, 2026, with an additional spending limit of US$33 million.

2025 GUIDANCE AND OTHER HIGHLIGHTS

- Following AltaGas' strong third quarter results, 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 September 5, 2025, AltaGas issued $200 million of 5.375 percent Fixed-to-Fixed Rate Junior Subordinated Hybrid Notes, Series 4, due on December 5, 2055. AltaGas used the proceeds of the hybrid issuance to redeem its Series A and Series B Preferred Shares. AltaGas expects aggregate cash savings of approximately $30 million over the initial five-year term from the issuance due to lower taxes and financing charges relative to the potential reset rate on the Series A and Series B Preferred Share dividends.

CEO MESSAGE

“We’re pleased with our strong third quarter performance, which reflects continued execution of our strategic priorities and positions us to deliver on our 2025 guidance,” said Vern Yu, President and CEO of AltaGas. “Our focus remains on optimizing our existing assets to drive the best outcomes for stakeholders, while advancing current growth projects and developing new opportunities to expand our secured growth backlog.

“This quarter, we formally sanctioned three new growth projects: REEF Optimization One, Phase One of the Dimsdale gas storage expansion, and the Keweenaw Connector Pipeline. Each project aligns with our long-term strategy, supports our growth outlook, and reinforces our commitment to disciplined capital allocation that drives long-term value.

“The long-term fundamentals for natural gas and natural gas liquids (“NGLs”) remain constructive, supporting the positive FIDs we’ve made within our midstream business. Development activity continues to be strongest in the Montney, where AltaGas has a leading footprint. As LNG demand pull grows, we expect increased supply of gas and associated liquids, creating further growth opportunities for our integrated infrastructure.

“Global energy demand and the outlook for natural gas use continue to rise. This is increasingly evident across our Utilities’ operating jurisdictions, where electric demand in PJM has grown more than three percent year-to-date, driven by commercial and industrial load growth — particularly from data centers. This reinforces the critical role of natural gas in delivering reliable and cost-effective energy over the long term.

"Industrial expansion and the need to replace aging infrastructure are driving a rapidly growing backlog of gas-fired generation projects across the U.S. This is being met with significant increases in electric utilities capital spending through the end of the decade, which will be inflationary for delivered electricity costs. Natural gas, with an affordability advantage of nearly 70 percent below the cost of electricity, underpins our commitment to making significant investments and ensuring we are positioned to deliver the long-term energy required to keep society moving forward.

"We're excited about AltaGas' future and the value we can unlock through disciplined execution of our strategy, while continuing to meet the growing demand for reliable and affordable natural gas and NGLs across our customer base."

RESULTS BY SEGMENT

Normalized EBITDA [(1)]	Three Months Ended September 30	
($ millions)	**2025**	2024
Utilities	**$ 68**	$ 117
Midstream	**204**	181
Corporate/Other	**(4)**	(4)
Normalized EBITDA [(1)]	**$ 268**	$ 294

(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 September 30	
($ millions)	**2025**	2024
Utilities	**$ (20)**	$ 24
Midstream	**128**	123
Corporate/Other	**(128)**	(127)
Income (Loss) Before Income Taxes	**$ (20)**	$ 20

BUSINESS PERFORMANCE

Midstream

The Midstream segment reported normalized EBITDA of $204 million in the third quarter of 2025 compared to $181 million in the third quarter of 2024, while income before income taxes was $128 million in the third quarter of 2025 compared to $123 million in the third quarter of 2024. The 13 percent year-over-year increase in Midstream normalized EBITDA was driven by record global export volumes and merchant margins, strong performance at AltaGas' Dimsdale natural gas storage facility, and higher Montney volumes, including Townsend, Blair Creek and North Pine. Results were partially offset by lower Harmattan power prices and higher operating expenses.

AltaGas exported a record 133,147 Bbl/d of LPGs to Asia through its open access terminals in the third quarter of 2025, spread across a total of 23 VLGCs. This included 13 ships at RIPET and 10 at Ferndale. The quarter included strong operational execution and logistics management with volumes four percent above the Company's previous third quarter record. AltaGas remains positioned to benefit from the long-term fundamentals of growing Canadian natural gas and NGL production, rising Asian LPG demand, and the Company's structural shipping advantage from the North American west coast.

Performance across the balance of the Midstream platform was strong with gas processing volumes up five percent year-over-year, despite a planned turnaround at Pipestone I, which saw volumes offline for most of September. AltaGas' strategic footprint within the Montney continues to demonstrate strong growth, with fractionation volumes increasing 10 percent year-over-over, driven primarily by higher throughput at North Pine. Further, strong operating results from Dimsdale highlight the critical role that strategically located storage assets will have in the years ahead with the facility uniquely positioned to meet the balancing needs of the Montney and LNG demand pulls.

The Company has reached a positive FID on the first phase of the Dimsdale natural gas storage facility expansion. The first of two potential phases will increase usable storage capacity from 15 Bcf to 21 Bcf through improved equipment utilization, facility debottlenecking, construction of a new meter station and pipeline interconnect. Capital cost for the project is estimated to be $65 million with an approximate five times capex-to-EBITDA build multiple, which is backed by two ten-year firm storage service contracts with Tourmaline Oil Corp. and Gunvor Group. The project is targeted to be online by 2026 year-end. The Company also continues to advance the next, larger Dimsdale expansion project, which is expected to more than double storage capacity, while leveraging common infrastructure from the first phase of expansion.

AltaGas reached a positive FID on the REEF Optimization One project with its partner Vopak. The project is expected to increase REEF Phase 1 throughput capacity by upwards of 25,000 Bbl/d of additional propane exports. The $110 million gross ($55 million, net to AltaGas) optimization project will benefit from common infrastructure currently being constructed and is expected to be operational during the second half of 2027. AltaGas is also progressing regulatory, engineering, and commercial work on other organic Midstream growth projects, including REEF Optimization Two, Dimsdale Phase Two expansion, a North Pine expansion, and Pipestone III.

MVP Update

MVP delivered another strong quarter, which reflected the pipeline's long-term contracts and robust demand to move Appalachian gas into key downstream markets. The 2.0 Bcf/d pipeline is operating near current capacity under 20-year contracts with strong customer demand for additional capacity.

Following a highly oversubscribed open season, which included more than 1.0 Bcf/d of demand, the partners have increased the size of the proposed MVP Boost expansion project by 20 percent. Boost is expected to increase MVP capacity by 600 MMcf/d with a mid-2028 in-service date, subject to approval and regulatory oversight by FERC. This is a year earlier than previously expected with the entire 600 MMcf/d of incremental capacity fully contracted by investment grade utilities under 20-year take-or-pay agreements. The US$450 million project, of which AltaGas owns 10 percent, is targeting an approximate three times capex-to-EBITDA build multiple.

The proposed MVP Southgate project, which is an extension of the MVP mainline that would move the pipeline into North Carolina with 550 MMcf/d of firm capacity, is also progressing under the more efficient project plan. On October 2, 2025, FERC published its Environmental Assessment on the project in coordination with the U.S. Department of Fish and Wildlife Service, concluding that Southgate would not cause significant negative impacts from its development, if the project adhered to specific mitigation measures and environmental safeguards.

AltaGas continues to move through its sale process for its interest in MVP, inclusive of recent positive developments on the pipeline, and expects to provide an update in the coming weeks.

Risk Management

Consistent with the Company's de-risking focus, AltaGas' Midstream operations are well-hedged for the remainder of 2025 with approximately 100 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$16.84/Bbl while tolling volumes are in line with previously disclosed levels.

Approximately 79 percent of the Company's remaining 2025 expected frac exposed volumes are hedged at US$26.07/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	Remainder of 2025
Global Exports volumes hedged (%) (1)	100
Average propane/butane FEI to North America hedge (US$/Bbl) (2) (3)	16.84
Fractionation volume hedged (%) (3)	79
Frac spread hedge rate - (US$/Bbl) (3)	26.07

(1) Approximate expected volumes hedged based on AltaGas' internally assumed export volumes. Hedged amounts include contracted tolling volumes and financial hedges.
(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 $68 million in the third quarter of 2025 compared to $117 million in the third quarter of 2024, while loss before income taxes was $20 million in the third quarter of 2025 compared to income before income taxes of $24 million in the third quarter of 2024. The year-over-year decrease in Utilities normalized EBITDA was principally driven by the absence of the partial settlement of Washington Gas' post-retirement benefit pension plan that was present in the third quarter of 2024. Excluding this impact, AltaGas' Utilities performance was strong during the quarter, driven by ongoing system modernization investments and further cost management.

In early August, Washington Gas filed an amendment to its Virginia SAVE modernization program seeking to extend the program by one year and move forward with an amended three-year plan. The proposed plan is for Washington Gas to invest approximately US$700 million in modernization capital between 2026 and 2028. The proposed amendment, which includes replacing additional vintage pipe and incorporating advanced leak detection, is focused on ensuring the long-term safety and reliability of the network. A decision on the proposed amendment is expected by 2025 year-end.

AltaGas continues to advance key regulatory initiatives across the Utilities. In the third quarter, Washington Gas requested an incremental US$65 million in annual revenue from the SCC of VA, net of US$39 million in SAVE surcharge, with interim rates expected by early 2026. The Company also continues to work with the PSC of D.C. on the August 2024 rate case where it requested a US$34 million increase to base rates, net of a US$12 million PROJECT*pipes* surcharge, and has proposed a weather normalization adjustment that seeks to remove fluctuations in weather-related usage. Washington Gas continues to expect a resolution on the D.C. rate case by 2025 year-end.

Washington Gas continues to work with the PSC of D.C. on the US$215 million asset modernization extension application that is under review through its Strategic Accelerated Facilities Enhancement ("District SAFE") plan, while continuing to execute ARP work through its PROJECT*pipes* 2 modernization program, which was extended to December 31, 2025. In order to ensure uninterrupted pipeline modernization work continues while District SAFE is being reviewed, Washington Gas filed an application with the PSC of DC to extend PROJECT*pipes* 2 through June 30, 2026, with an additional spending limit of US$33 million.

In addition to modernization investments, AltaGas is advancing growth projects across its Utilities, including a positive FID of the Keweenaw Connector Pipeline project in Michigan. The 30-mile pipeline is expected to have a capital cost of approximately US$135 million with an early 2027 in-service date. SEMCO has recently completed construction work on the natural gas interconnect for DTE Energy's Belle River coal-to-natural gas power plant conversion project in Michigan that was announced in the second quarter.

AltaGas' Utilities continue to advance a number of data center development opportunities with FEED studies underway across Virginia, Michigan and Maryland. The Company remains focused on pursuing these ventures on a de-risked basis by constructing pipeline interconnects to onsite power generation through rate regulated investments.

AltaGas continued to actively invest in its Utilities business during the third quarter of 2025 with $206 million of capital deployed across the Company's Utilities network. This included investing approximately $121 million in the quarter towards the Company's various asset modernization programs. These investments improve the safety and reliability of the system while connecting customers to the critical energy needed to fuel everyday life. AltaGas remains committed to making these long-term investments, while balancing the need for ongoing customer affordability.

Corporate/Other

The Corporate/Other segment reported a normalized EBITDA loss of $4 million for the third quarter of 2025, which was in line with the $4 million loss reported in the same quarter of 2024. Loss before income taxes in the Corporate/Other segment was $128 million in the third quarter of 2025, compared to a loss before income taxes of $127 million in the same quarter of 2024. Lower general and administrative ("G&A") expenses were partially offset by reduced year-over-year financial performance from Blythe.

CONSOLIDATED FINANCIAL RESULTS

	Three Months Ended September 30	
($ millions)	**2025**	2024
Normalized EBITDA [1]	**$ 268**	$ 294
Add (deduct):		
Depreciation and amortization	**(125)**	(119)
Interest expense	**(116)**	(110)
Normalized income tax expense	**(3)**	(13)
Preferred share dividends	**(4)**	(5)
Other [2]	**(9)**	(5)
Normalized net income [1]	**$ 11**	$ 42
Net income (loss) applicable to common shares	**$ (25)**	$ 9
Normalized funds from operations [1]	**$ 148**	$ 105
Cash from operations	**$ 34**	$ 21
($ per share, except shares outstanding)		
Shares outstanding - basic (millions)		
During the period [3]	**299**	298
End of period	**299**	298
Normalized net income - basic [1]	**0.04**	0.14
Normalized net income - diluted [1]	**0.04**	0.14
Net income (loss) per common share - basic	**(0.08)**	0.03
Net income (loss) per common share - diluted	**(0.08)**	0.03

(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 (gains) on intercompany accounts payable and accounts receivables balances.
(3) Weighted average.

Normalized EBITDA for the third quarter of 2025 was $268 million compared to $294 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.

Loss before income taxes was $20 million for the third quarter of 2025 compared to income before income taxes of $20 million for the same quarter in 2024. Performance for the third quarter of 2025 was mainly due to the same previously referenced factors impacting normalized EBITDA, the absence of a gain on sale of assets in the third quarter of 2024 related to cash proceeds received from an escrow account related to the 2019 disposition of AltaGas' investment in Meade Pipeline Co. LLC, which held WGL Midstream's indirect, non-operating interest in Central Penn pipeline ("the Meade escrow proceeds"), higher depreciation and amortization expense, higher interest expense, and higher unrealized losses on risk management contracts, partially offset by lower transition and restructuring costs. Please refer to the *"Three Months Ended September 30"* section of the Q3 2025 Management's Discussion and Analysis ("MD&A") for further details on the variance in income (loss) before income taxes and net income (loss) applicable to common shareholders.

Normalized net income was $11 million or $0.04 per share for the third quarter of 2025, compared to $42 million or $0.14 per share reported for the same quarter of 2024.

Normalized FFO was $148 million or $0.49 per share for the third quarter of 2025, compared to $105 million or $0.35 per share for the same quarter in 2024. The increase was mainly due to lower non-cash items included in normalized EBITDA, higher distributions from equity investments, and lower normalized current income tax expense, partially offset by the same previously referenced factors impacting normalized EBITDA and higher interest expense.

Cash from operations in the third quarter of 2025 was $34 million ($0.11 per share), compared to $21 million ($0.07 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) and higher distributions from equity investments, partially offset by unfavourable 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 third quarter of 2025 was $116 million, compared to $110 million for the same quarter in 2024. The increase was mainly due to a full quarter of interest on the subordinated hybrid notes issued in the third quarter of 2024, the issuance of additional subordinated hybrid notes in the third quarter of 2025, as well as higher average interest rates. These factors were partially offset by a decrease in average debt balances, exclusive of hybrid debt, and higher capitalized interest. Interest expense recorded on the subordinated hybrid notes in the third quarter of 2025 was $35 million, compared to $15 million for the same quarter of 2024.

Income tax recovery was $6 million for the third quarter of 2025, compared to an income tax expense of $3 million for the same quarter of 2024. The increase in income tax recovery was mainly due to a loss before income taxes compared to income before income taxes in the same quarter of 2024.

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 third quarter of 2025, AltaGas is reiterating its previously disclosed 2025 guidance, including:

- 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 $1,769 million 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 operating with strong financial flexibility. This strategy is designed to support steady dividend growth and provide the opportunity for continued 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.	31-Dec-25	16-Dec-25
Series G Preferred Shares	$0.376063	30-Sep-25 to 30-Dec-25	31-Dec-25	16-Dec-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, October 30, 2025, at 9:00 a.m. MT (11:00 a.m. ET) to discuss third quarter 2025 results and other corporate developments.

Date:	Thursday, October 30, 2025
Time:	9:00 a.m. MT (11:00 a.m. ET)
Webcast:	https://app.webinar.net/9mVlzn0k8nN
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 60892 #.

AltaGas' Consolidated Financial Statements and accompanying notes for the third 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 September 30, 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 September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Income (loss) before income taxes (GAAP financial measure)	**$ (20)**	$ 20	**$ 719**	$ 515
Add:				
Depreciation and amortization	**125**	119	**379**	352
Interest expense	**116**	110	**345**	327
EBITDA	**$ 221**	$ 249	**$ 1,443**	$ 1,194
Add (deduct):				
Transaction costs related to acquisitions and dispositions (1)	**4**	2	**6**	9
Unrealized losses (gains) on risk management contracts (2)	**40**	37	**(176)**	10
Losses (gains) on sale of assets (3)	**—**	(14)	**3**	(12)
Transition and restructuring costs (4)	**1**	17	**14**	49
Provisions on assets	**—**	—	**2**	—
Accretion expenses	**2**	2	**4**	4
Foreign exchange losses (gains) (5)	**—**	1	**3**	(5)
Normalized EBITDA	**$ 268**	$ 294	**$ 1,299**	$ 1,249

(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 (Loss). 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 (Loss). Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 2025 for further details regarding AltaGas' risk management activities.

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

(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 (Loss).

(5) Excludes unrealized losses on foreign exchange contracts that have been entered into for the purpose of cash management. These losses are included above in the line "unrealized losses (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 (Loss) using income (loss) 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 September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Net income (loss) applicable to common shares (GAAP financial measure)	**$ (25)**	$ 9	**$ 542**	$ 375
Add (deduct) after-tax:				
Transaction costs related to acquisitions and dispositions (1)	**3**	1	**4**	7
Unrealized losses (gains) on risk management contracts (2)	**32**	28	**(133)**	7
Losses (gains) on sale of assets (3)	**—**	(10)	**2**	(6)
Provisions on assets	**—**	—	**1**	—
Transition and restructuring costs (4)	**1**	13	**11**	37
Loss on redemption of preferred shares (5)	**4**	—	**4**	—
Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances (6)	**(4)**	1	**3**	1
Normalized net income	**$ 11**	$ 42	**$ 434**	$ 421

(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 (Loss). 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 (Loss). Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 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 (Loss).

(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 (Loss).

(5) Comprised of the loss on the redemption of Series A Preferred Shares and Series B Preferred Shares on September 30, 2025. The loss is recorded in the "loss of redemption of preferred shares" line item on the Consolidated Statements of Income (Loss).

(6) Relates to unrealized foreign exchange losses (gains) 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 (Loss).

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 September 30		Nine Months Ended September 30
($ millions)	**2025**	2024	**2025**	2024
Cash from operations (GAAP financial measure)	**$ 34**	$ 21	**$ 1,026**	$ 1,030
Add (deduct):				
Net change in operating assets and liabilities	**106**	64	**(123)**	(301)
Asset retirement obligations settled	**3**	1	**4**	1
Funds from operations	**$ 143**	$ 86	**$ 907**	$ 730
Add (deduct):				
Transaction costs related to acquisitions and dispositions (1)	**4**	2	**6**	9
Transition and restructuring costs (2)	**1**	17	**14**	49
Current tax expense on asset sales (3)	**—**	—	**—**	7
Normalized funds from operations	**$ 148**	$ 105	**$ 927**	$ 795

(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 (Loss). 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 (Loss).

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

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 September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Cash used in investing activities (GAAP financial measure)	**$ 425**	$ 393	**$ 1,134**	$ 973
Add (deduct):				
Net change in non-cash capital expenditures (1)	**68**	23	**87**	20
Contributions from non-controlling interests (2)	**(105)**	(56)	**(251)**	(73)
Net invested capital	**$ 388**	$ 360	**$ 970**	$ 920
Asset dispositions	**—**	—	**—**	2
Disposal of equity method investments (3)	**—**	14	**—**	14
Invested capital	**$ 388**	$ 374	**$ 970**	$ 936

(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 and nine months ended September 30, 2025 for further details.

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

(3) Relates to the Meade escrow proceeds. Upon close of the sale in 2019, various escrow accounts were established to provide the purchaser a form of recourse for the settlement of indemnification obligations.

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.

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

($ millions, except adjusted net debt to normalized EBITDA)	**September 30, 2025**	December 31, 2024
Short-term debt	**$ —**	$ 10
Current portion of long-term debt [1]	**396**	858
Current portion of finance lease liabilities	**24**	23
Long-term debt [2]	**7,509**	6,992
Finance lease liabilities	**125**	126
Subordinated hybrid notes [3]	**2,179**	2,022
Total debt	**10,233**	10,031
Less: cash and cash equivalents	**(120)**	(85)
Net debt	**$ 10,113**	$ 9,946
Add (deduct):		
Current portion of finance lease liabilities	**(24)**	(23)
Finance lease liabilities	**(125)**	(126)
50 percent debt treatment of subordinated hybrid notes	**(1,090)**	(1,011)
50 percent debt treatment of preferred shares	**98**	196
Adjusted net debt [4]	**$ 8,972**	$ 8,982
Adjusted net debt to normalized EBITDA [4] [5]	**4.9**	5.1

(1) Net of debt issuance costs, unamortized premiums, and unamortized discounts of less than $1 million as at September 30, 2025 (December 31, 2024 - less than $1 million).

(2) Net of debt issuance costs, unamortized premiums, and unamortized discounts of $28 million as at September 30, 2025 (December 31, 2024 - $29 million).

(3) Net of debt issuance costs of $24 million as at September 30, 2025 (December 31, 2024 - $23 million

(4) As noted in the MD&A, in the second quarter of 2025, AltaGas changed its non-GAAP policy regarding the calculation of adjusted net debt to include 50 percent of subordinated hybrid notes and 50 percent of preferred shares. The amounts presented in this table reflect the restated figures to align with the revised policy.

(5) Calculated as adjusted net debt at the balance sheet date, divided by normalized EBITDA for the preceding twelve month period.

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, 50 percent of subordinated hybrid notes, and 50 percent of preferred shares. 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.

CONSOLIDATED FINANCIAL REVIEW

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions, except effective income tax rates)	**2025**	2024	**2025**	2024
Revenue	**2,598**	2,759	**9,411**	9,189
Normalized EBITDA [(1)]	**268**	294	**1,299**	1,249
Income (loss) before income taxes	**(20)**	20	**719**	515
Net income (loss) applicable to common shares	**(25)**	9	**542**	375
Normalized net income [(1)]	**11**	42	**434**	421
Total assets	**25,969**	24,748	**25,969**	24,748
Total long-term liabilities	**14,139**	13,467	**14,139**	13,467
Invested capital [(1)]	**388**	374	**970**	936
Cash used in investing activities	**(425)**	(393)	**(1,134)**	(973)
Dividends declared [(2)]	**95**	89	**284**	265
Cash from operations	**34**	21	**1,026**	1,030
Normalized funds from operations [(1)]	**148**	105	**927**	795
Normalized effective income tax rate (%) [(1)]	**14.3**	20.6	**20.3**	22.2
Effective income tax rate (%) [(3)]	**29.1**	16.7	**21.0**	22.6

	Three Months Ended September 30		Nine Months Ended September 30	
($ per share, except shares outstanding)	**2025**	2024	**2025**	2024
Net income (loss) per common share - basic	**(0.08)**	0.03	**1.81**	1.26
Net income (loss) per common share - diluted	**(0.08)**	0.03	**1.81**	1.26
Normalized net income - basic [(1)]	**0.04**	0.14	**1.45**	1.42
Normalized net income - diluted [(1)]	**0.04**	0.14	**1.45**	1.41
Dividends declared [(2)]	**0.32**	0.30	**0.95**	0.89
Cash from operations	**0.11**	0.07	**3.43**	3.48
Normalized funds from operations [(1)]	**0.49**	0.35	**3.10**	2.69
Shares outstanding - basic (millions)				
During the period [(4)]	**299**	298	**299**	296
End of period	**299**	298	**299**	298

(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) The increase in the effective income tax rate for the three months ended September 30, 2025 is due to the composition of loss before income taxes.
(4) 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.

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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: the belief that the long-term outlook for continued production growth across Western Canada and AltaGas' footprint is robust; REEF Optimization One, including the anticipated capital cost, in-service date and benefits thereof; REEF Optimization Two and the anticipated benefits thereof; the Keweenaw Connector Pipeline project including anticipated capital costs, in-service date and benefits thereof; Phase One expansion of the Dimsdale Gas Storage Facility including the anticipated capital cost, in-service date and benefits thereof; the advancement of the next Dimsdale expansion project and the anticipated benefits thereof; AltaGas' commitment to advancing organic projects including REEF Optimization Two, Phase Two of the Dimsdale expansion, the North Pine expansion, Pipestone III and other projects and the anticipated benefits thereof and their effect on the Midstream growth outlook; the anticipated benefits of the MVP Boost project, anticipated in-service date and the targeted capex-to-EBITDA build multiple; progress on the MVP Southgate project; the Company's advancement of a potential monetization of its interest in MVP and anticipated timing for updates thereof; progress on the construction of REEF and the expectation that REEF will remain on budget and on track for a 2026 year-end in-service date; the expectation that Pipestone II will remain on track for a year-end 2025 in-service date and the anticipated benefits thereof; AltaGas' focus on operational excellence and cost management at the Utilities and the anticipated benefits thereof; the SAVE ARP and the expected timing for receipt of an order in respect thereof; AltaGas' commitment to advancing growth projects across the Utilities segment including new customer growth and execution of existing asset modernization programs; advancement of preliminary work with data center developers and AltaGas' plans with respect to such projects; 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 AltaGas will realize aggregate cash savings of approximately $30 million over the initial five-year term from the *issuance of $200 million of 5.375 percent Fixed-to-Fixed Rate Junior Subordinated Hybrid Notes, Series 4 due to lower taxes and financing charges relative to the potential reset rate on the Series A and Series B Preferred Share dividends; AltaGas' focus on optimizing its existing assets to deliver the strongest outcomes for our stakeholders while advancing current growth projects and developing new opportunities; anticipated growth opportunities in connection with growing LNG demand; AltaGas' commitment to disciplined capital allocation as we deliver growth across the enterprise; the belief that rising demand reinforces the critical role that natural gas will need to play in delivering reliable and cost-effective energy; AltaGas' commitment to making significant investments to ensure it can deliver the long-term energy required to keep society moving forward; the Company's advancement of a potential monetization of its interest in MVP and anticipated timing for updates thereof; the value to be achieved through disciplined execution of AltaGas' long-term strategy; the belief that AltaGas is positioned to benefit from the long-term fundamentals of growing Canadian natural gas and NGL production, rising Asian demand and the Company's structural shipping advantage from the west coast; the critical role of AltaGas' storage assets, including the benefits of their unique positioning; the Company's hedging program and AltaGas' 2025 Midstream Hedge Program quarterly estimates; the belief that significant investments in Utilities will enhance long-term safety, reliability, and energy security; AltaGas' commitment to investing in its Utilities business to improve safety and reliability and connect customers to critical energy while balancing the need for customer affordability; 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' ability to execute its corporate strategy, including building a diversified platform that operates long-life energy infrastructure assets that are positioned to provide resilient and growing value for stakeholders and 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 a 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 and butane 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 October 28, 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 and nine months ended September 30, 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 and nine months ended September 30, 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; the belief that the long-term outlook for continued production growth across Western Canada and AltaGas' footprint is robust; the SAVE ARP and the expected timing for receipt of an order in respect thereof; progress on the construction of REEF and the expectation that REEF will remain on budget and on track for a 2026 year-end in-service date; REEF Optimization One, including the anticipated capital cost, in-service date and benefits thereof; REEF Optimization Two and the anticipated benefits thereof; the Keweenaw Connector Pipeline project including anticipated capital costs, in-service date and benefits thereof; Phase One expansion of the Dimsdale Gas Storage Facility, including the anticipated capital cost, in-service date and benefits thereof; the advancement of the next Dimsdale expansion project and the anticipated benefits thereof; AltaGas' commitment to advancing organic projects including REEF Optimization Two, Phase Two of the Dimsdale expansion, the North Pine expansion, Pipestone III and other projects and the anticipated benefits thereof; the anticipated benefits of the MVP Boost project, anticipated in-service date and the targeted capex-to-EBITDA build multiple; progress on the MVP Southgate project; the Company's advancement of a potential monetization of its interest in MVP and anticipated timing for updates thereof; the expectation that Pipestone II will remain on track for a year-end 2025 in-service date; the anticipated benefits of Pipestone II; AltaGas' commitment to advancing growth projects across the Utilities segment including new customer growth and execution of existing asset modernization programs; the Company's focus on operational excellence and cost management at the Utilities and the anticipated benefits thereof; the Company's intent to continue pipeline modernization work through PROJECTpipes 2; AltaGas' focus on capital efficient organic growth and disciplined capital allocation; advancement of preliminary work with data center developers and AltaGas' plans with respect to such projects; 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 AltaGas will realize aggregate cash savings of approximately $30 million over the initial five-year term from the issuance of $200 million of 5.375 percent Fixed-to-Fixed Rate Junior Subordinated Hybrid Notes, Series 4 due to lower taxes and financing charges relative to the potential reset rate on the Series A and Series B Preferred Share dividends; 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 of normalized EBITDA 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 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 potential 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, including the anticipated benefits of such projects; 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' expectation that it can fund its capital expenditure, liquidity and working capital needs through internally-generated cash flow, asset sales, and normal course borrowings on existing committed credit facilities; 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 and butane 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 MD&A, 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 MD&A as intended, planned, anticipated, believed, sought, proposed, estimated, forecasted, expected, projected or targeted and such forward-looking statements included in this MD&A, 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 MD&A. 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 MD&A are expressly qualified by these cautionary statements.

Financial outlook information contained in this MD&A 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 MD&A 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, Annual Information Form, and press releases are available through AltaGas' website at www.altagas.ca or through SEDAR+ at www.sedarplus.ca.

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 third quarter of 2025 with an average rate base of approximately US$5.5 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 Virginia, Maryland, and the District of Columbia ("D.C."); and
- SEMCO Energy, Inc. ("SEMCO Energy"), serves approximately 330,000 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 open access LPG 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 that provide open market access to more than 70 counterparties, for nameplate export capacity of up to 150,000 Bbl/d of propane and butane to key demand markets in Asia, and a third terminal currently under construction;
- **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 with pipeline expansion and extension opportunities.

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.

THIRD QUARTER HIGHLIGHTS

(Normalized EBITDA, normalized net income, and adjusted net debt are non-GAAP financial measures. Adjusted net debt to normalized EBITDA 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 $0.04 in the third quarter of 2025 compared to $0.14 in the same quarter of 2024, while GAAP EPS was a loss of $0.08 in the third quarter of 2025 compared to income of $0.03 in the same quarter of 2024.
- Normalized EBITDA was $268 million in the third quarter of 2025 compared to $294 million in the same quarter of 2024, while loss before income taxes was $20 million in the third quarter of 2025 compared to income before income taxes of $20 million in the same quarter of 2024. The year-over-year reduction in normalized EBITDA was primarily driven by the absence of the partial settlement of Washington Gas' post-retirement benefit pension plan that was present in the third quarter of 2024.
- The Midstream segment reported normalized EBITDA of $204 million in the third quarter of 2025 compared to $181 million in the same quarter of 2024, while income before income taxes was $128 million in the third quarter of 2025 compared to $123 million in the same quarter of 2024. The 13 percent year-over-year increase in Midstream normalized EBITDA was driven by stronger global export volumes and merchant margins, stronger performance at AltaGas' Dimsdale natural gas storage asset, and higher throughput volumes across AltaGas' Northeastern B.C. ("NEBC") facilities, partially offset by lower realized power prices at Harmattan.
- The Utilities segment reported normalized EBITDA of $68 million in the third quarter of 2025 compared to $117 million in the same quarter of 2024, while loss before income taxes was $20 million in the third quarter of 2025 compared to income before taxes of $24 million in the same quarter of 2024. The year-over-year reduction in normalized Utilities EBITDA was principally driven by the absence of the partial settlement of Washington Gas' post-retirement benefit pension plan that was recognized in the third quarter of 2024. Excluding this impact, AltaGas' Utilities performance was strong, driven by ongoing system modernization investments and cost management.

New Growth Projects

- AltaGas and Royal Vopak ("Vopak") have reached a positive final investment decision ("FID") on the Ridley Island Energy Export Facility ("REEF") Optimization One project. With a gross capital cost of approximately $110 million, the project will increase REEF's Phase I throughput capacity by upwards of 25,000 Bbl/d and is expected to go into service the second half of 2027. The partnership also continues to advance engineering, permitting and stakeholder work for the REEF Optimization Two project that could accommodate up to another 60,000 Bbl/d of incremental throughput.
- AltaGas continues to advance growth projects across its Utilities, including reaching a positive FID on the Keweenaw Connector Pipeline in Michigan. The 30-mile pipeline will enhance gas delivery to 14,000 customers in Michigan's Upper Peninsula. The project is expected to have an approximate US$135 million capital cost with an early 2027 in-service date. SEMCO also completed the pipeline construction for a natural gas interconnect at DTE Energy's Belle River coal-to-natural gas power plant conversion project that was announced in the second quarter and is now contributing financially.
- AltaGas reached a positive FID on the Phase One expansion of the Dimsdale natural gas storage facility. Capital cost for the project is estimated at approximately $65 million with a 2026 year-end targeted in-service date. The 6 Bcf expansion is backed by two ten-year firm storage service contracts with Tourmaline Oil Corp. and Gunvor Group. The project will focus on facility debottlenecking with a new meter station, pipeline interconnect, and dehydration equipment that will expand capacity, increase reliability, and significantly reduce operating costs. The Company also continues to advance the next, larger Dimsdale expansion project, which is expected to more than double storage capacity, while leveraging common infrastructure from the first phase of expansion.

- AltaGas continues to advance multiple other organic projects that will increase its secured growth backlog. This includes progressing regulatory, engineering, and commercial work on REEF Optimization Two, Phase Two of the Dimsdale expansion, the North Pine expansion, Pipestone III and other projects.

MVP Update

- MVP delivered another strong quarter, which reflected the pipeline's long-term contracts and robust demand to move Appalachian gas into key downstream markets. The 2.0 Bcf/d pipeline is operating near current capacity under 20-year contracts with strong customer demand for additional capacity.
- Following a highly oversubscribed open season, the partners have increased the size of the proposed MVP Boost expansion project by 20 percent. Boost is expected to increase MVP capacity by 600 MMcf/d with a mid-2028 in-service date. This is a year earlier than previously expected with the entire 600 MMcf/d of incremental capacity fully contracted by investment grade utilities under 20-year take-or-pay agreements. The US$450 million project is targeting an approximate three times capex-to-EBITDA build multiple. The proposed MVP Southgate project is also progressing under the more efficient project plan, as the Federal Energy Regulatory Commission ("FERC") published its Environmental Assessment in October concluding that Southgate would not cause significant negative impacts from its development if the project adheres to certain mitigation measures and environmental safeguards.
- AltaGas continues to move through its sale process for its interest in MVP, inclusive of recent positive developments on the pipeline, and expects to provide an update in the coming weeks.

Growth Project Execution

- Construction of REEF continues to progress on time and on budget, with 77 percent of total project capital costs incurred or committed to date and 70 percent of costs under fixed-price engineering, procurement and construction ("EPC") contracts. The first of three LPG accumulators and the propane and butane bullets are expected to arrive on site in the coming weeks. Rail installation work is ongoing with the first of the two phases near completion. Jetty progress continues to accelerate with seven rigs on site with all permanent trestle piles now placed and trestles are actively being installed.
- Construction of the Pipestone II deep-cut natural gas processing facility is mechanically complete with commissioning taking place over the coming months. Construction of the facility occurred without incident or mechanical issues and remains on track for a year-end in-service date. Pipestone II is fully contracted under long term take-or-pay agreements and will provide critical gas processing and liquids handling capacity in one of the most active liquids-rich natural gas producing regions in Western Canada.
- AltaGas continues to advance a number of data center development opportunities within its Utilities, with front-end engineering and design ("FEED") studies in process across Virginia, Michigan and Maryland. The Company remains focused on pursuing these ventures on a de-risked basis by constructing pipeline interconnects to onsite power generation through rate regulated investments.

Operational and Business Highlights

- AltaGas exported a record 133,147 Bbl/d of LPGs to Asia in the third quarter, an increase of 4 percent year-over-year, bringing the 2025 year-to-date average to 126,798 Bbl/d. Third quarter export volumes included 13 Very Large Gas Carriers ("VLGCs") being shipped from the Ridley Island Propane Export Terminal ("RIPET") and 10 from the Ferndale Terminal ("Ferndale").
- Midstream throughput continued to grow in the third quarter of 2025 with gas processing volumes up five percent year-over-year, led by AltaGas' Montney footprint, despite a planned turnaround at Pipestone I. Strong demand for gas storage benefitted AltaGas' Dimsdale storage facility in the quarter, where utilization levels were near capacity. Despite recent natural gas price volatility, the long-term outlook for continued production growth across Western Canada and AltaGas' footprint remains robust.

- The Pipestone I turnaround was completed in the third quarter with no major safety incidents over the nearly 80,000 hours of work. This follows similar operational excellence that was demonstrated during the RIPET and NEBC facility turnarounds in the second quarter of 2025 that were executed as planned and with no major safety incidents.
- AltaGas continues to focus on operational excellence and cost management at the Utilities, which continued to benefit results at Washington Gas in the third quarter. Operating and maintenance ("O&M") costs were down five percent year-over-year as the Company focuses on disciplined efficiency. The continued focus on cost structure ensures we are providing the lowest cost for our customers and provides headroom to continue making investments to modernize the network while minimizing the impact on customer bills.
- On August 4, 2025, Washington Gas filed an amendment to its Steps to Advance Virginia Energy ("SAVE") Accelerated Replacement Program ("ARP") seeking to extend the currently approved program by one year and move forward with a revised three-year plan. This includes a pre-approval request to invest US$700 million in modernization capital between 2026 and 2028. Washington Gas expects the Virginia State Corporation Commission ("SCC of VA") to provide an order on the filing by 2025 year-end.
- In order to ensure pipeline modernization work continues while the Public Service Commission of the District of Columbia ("PSC of D.C.") reviews Washington Gas' District Strategic Accelerated Facility Enhancement ("SAFE") proposed modernization program, Washington Gas filed an application with the PSC of D.C. to extend PROJECT*pipes* 2 through June 30, 2026, with an additional spending limit of US$33 million.

2025 Guidance and Other Highlights

- Following AltaGas' strong third quarter results, 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 September 5, 2025, AltaGas issued $200 million of 5.375 percent Fixed-to-Fixed Rate Junior Subordinated Hybrid Notes, Series 4, due on December 5, 2055. AltaGas used the proceeds of the hybrid issuance to redeem its Series A and Series B Preferred Shares. AltaGas expects aggregate cash savings of approximately $30 million over the initial five-year term from the issuance due to lower taxes and financing charges relative to the potential reset rate on the Series A and Series B Preferred Share dividends.

CONSOLIDATED FINANCIAL REVIEW

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions, except effective income tax rates)	**2025**	2024	**2025**	2024
Revenue	**2,598**	2,759	**9,411**	9,189
Normalized EBITDA (1)	**268**	294	**1,299**	1,249
Income (loss) before income taxes	**(20)**	20	**719**	515
Net income (loss) applicable to common shares	**(25)**	9	**542**	375
Normalized net income (1)	**11**	42	**434**	421
Total assets	**25,969**	24,748	**25,969**	24,748
Total long-term liabilities	**14,139**	13,467	**14,139**	13,467
Invested capital (1)	**388**	374	**970**	936
Cash used in investing activities	**(425)**	(393)	**(1,134)**	(973)
Dividends declared (2)	**95**	89	**284**	265
Cash from operations	**34**	21	**1,026**	1,030
Normalized funds from operations (1)	**148**	105	**927**	795
Normalized effective income tax rate (%) (1)	**14.3**	20.6	**20.3**	22.2
Effective income tax rate (%) (3)	**29.1**	16.7	**21.0**	22.6

	Three Months Ended September 30		Nine Months Ended September 30	
($ per share, except shares outstanding)	**2025**	2024	**2025**	2024
Net income (loss) per common share - basic	**(0.08)**	0.03	**1.81**	1.26
Net income (loss) per common share - diluted	**(0.08)**	0.03	**1.81**	1.26
Normalized net income - basic (1)	**0.04**	0.14	**1.45**	1.42
Normalized net income - diluted (1)	**0.04**	0.14	**1.45**	1.41
Dividends declared (2)	**0.32**	0.30	**0.95**	0.89
Cash from operations	**0.11**	0.07	**3.43**	3.48
Normalized funds from operations (1)	**0.49**	0.35	**3.10**	2.69
Shares outstanding - basic (millions)				
During the period (4)	**299**	298	**299**	296
End of period	**299**	298	**299**	298

(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) The increase in the effective income tax rate for the three months ended September 30, 2025 is due to the composition of loss before income taxes.
(4) Weighted average.

RESULTS OF OPERATIONS BY REPORTING SEGMENT

Normalized EBITDA [(1)]		Three Months Ended September 30			Nine Months Ended September 30
($ millions)		**2025**	2024	**2025**	2024
Utilities	**$**	**68**	$ 117	**$ 703**	$ 676
Midstream		**204**	181	**616**	603
Sub-total: Operating Segments	**$**	**272**	$ 298	**$ 1,319**	$ 1,279
Corporate/Other		**(4)**	(4)	**(20)**	(30)
	$	**268**	$ 294	**$ 1,299**	$ 1,249

(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 September 30			Nine Months Ended September 30
($ millions)		**2025**	2024	**2025**	2024
Utilities	**$**	**(20)**	$ 24	**$ 521**	$ 441
Midstream		**128**	123	**595**	465
Sub-total: Operating Segments	**$**	**108**	$ 147	**$ 1,116**	$ 906
Corporate/Other		**(128)**	(127)	**(397)**	(391)
	$	**(20)**	$ 20	**$ 719**	$ 515

Revenue		Three Months Ended September 30			Nine Months Ended September 30
($ millions)		**2025**	2024	**2025**	2024
Utilities	**$**	**837**	$ 839	**$ 3,723**	$ 3,241
Midstream		**1,734**	1,887	**5,631**	5,881
Sub-total: Operating Segments	**$**	**2,571**	$ 2,726	**$ 9,354**	$ 9,122
Corporate/Other		**27**	33	**57**	67
	$	**2,598**	$ 2,759	**$ 9,411**	$ 9,189

THREE MONTHS ENDED SEPTEMBER 30

Normalized EBITDA for the third quarter of 2025 was $268 million, compared to $294 million for the same quarter of 2024. The largest positive impact was from the Midstream segment, which was more than offset by lower results from the Utilities segment.

In the Midstream segment, the increase in normalized EBITDA was mainly driven by stronger contributions from the fractionation and liquids handling business as well as higher contributions from the global exports business. Please refer to the *Midstream Segment* section of this MD&A for more details on the factors impacting Midstream results.

In the Utilities segment, higher normalized EBITDA from ARP spend and lower operating and administrative expenses were more than offset by the absence of the gain on partial settlement of Washington Gas' post-retirement benefit pension plan in the third quarter of 2024. Please refer to the *Utilities Segment* section of this MD&A for more details on the factors impacting Utilities results.

In the Corporate/Other segment, normalized EBITDA for the third quarter of 2025 was consistent with the same quarter of 2024. Please refer to the *Corporate/Other Segment* section of this MD&A for more details on the factors impacting Corporate/Other results.

Loss before income taxes for the third quarter of 2025 was $20 million, compared to income before income taxes of $20 million for the same quarter of 2024. The decrease was mainly due to the same previously referenced factors impacting normalized EBITDA, the absence of a gain on sale of assets in the third quarter of 2024 related to cash proceeds received from an escrow account related to the 2019 disposition of AltaGas' investment in Meade Pipeline Co. LLC, which held WGL Midstream's indirect, non-operating interest in Central Penn pipeline ("the Meade escrow proceeds"), higher depreciation and amortization expense, higher interest expense, and higher unrealized losses on risk management contracts, partially offset by lower transition and restructuring costs. Net loss applicable to common shares for the third quarter of 2025 was $25 million ($0.08 per share), compared to net income applicable to common shares of $9 million ($0.03 per share) for the same quarter of 2024. The decrease was mainly due to the same previously referenced factors impacting loss before income taxes as well as the loss on redemption of Series A and Series B preferred shares in the third quarter of 2025, partially offset by an income tax recovery compared to income tax expense in the same quarter of 2024.

Normalized funds from operations for the third quarter of 2025 was $148 million ($0.49 per share), compared to $105 million ($0.35 per share) for the same quarter of 2024. The increase was mainly due to lower non-cash items included in normalized EBITDA, higher distributions from equity investments, and lower normalized current income tax expense, partially offset by the same previously referenced factors impacting normalized EBITDA and higher interest expense.

Cash from operations in the third quarter of 2025 was $34 million ($0.11 per share), compared to $21 million ($0.07 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) and higher distributions from equity investments, partially offset by unfavourable 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 third quarter of 2025 was $116 million, compared to $110 million for the same quarter of 2024. The increase was mainly due to a full quarter of interest on the subordinated hybrid notes issued in the third quarter of 2024, the issuance of additional subordinated hybrid notes in the third quarter of 2025, as well as higher average interest rates. These factors were partially offset by a decrease in average debt balances, exclusive of hybrid debt, and higher capitalized interest. Interest expense recorded on the subordinated hybrid notes in the third quarter of 2025 was $35 million, compared to $15 million for the same quarter of 2024.

AltaGas recorded an income tax recovery of $6 million for the third quarter of 2025, compared to income tax expense of $3 million for the same quarter of 2024. The increase in income tax recovery was mainly due to a loss before income taxes compared to income before income taxes in the same quarter of 2024.

Normalized net income was $11 million ($0.04 per share) for the third quarter of 2025, compared to $42 million ($0.14 per share) for the same quarter of 2024. The decrease was mainly due to the same previously referenced factors impacting normalized EBITDA, higher depreciation and amortization expense, higher interest expense, and unfavourable variances in foreign exchange losses after foreign exchange related normalizations, partially offset by lower normalized income tax expense. Please refer to the *Non-GAAP Financial Measures* section of this MD&A for further details on normalization adjustments.

NINE MONTHS ENDED SEPTEMBER 30

Normalized EBITDA for the first nine months of 2025 was $1,299 million, compared to $1,249 million for the same period in 2024. The increase was largely driven by strong results from the Utilities segment, followed by the Midstream and Corporate/Other segments.

In the Utilities segment, the increase in normalized EBITDA was mainly driven by colder weather in Michigan and D.C. where AltaGas does not have weather normalization, higher revenue from ARP investments, higher contributions from WGL's retail marketing business, lower operating and administrative expenses, the impact of the higher average Canadian/U.S. dollar exchange rate, and increased asset optimization activities at Washington Gas, partially offset by the absence of the partial settlement of Washington Gas' post-retirement benefit pension plan in the third quarter of 2024. Please refer to the *Utilities Segment* section of this MD&A for more details on the factors impacting Utilities results.

In the Midstream segment, the increase in normalized EBITDA was mainly impacted by stronger contributions from the fractionation and liquids handling business, higher cost recoveries and processing volumes from AltaGas' Montney facilities, stronger performance at the extraction facilities due to higher volumes, and higher contributions from the global exports business due to higher export margins and volumes, which were partially offset by lower terminalling fees. These factors were partially offset by higher operating and administrative costs. 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, the increase in normalized EBITDA was mainly driven by higher contributions from Blythe due to the absence of a planned turnaround in the first quarter of 2024. 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 nine months of 2025 was $719 million, compared to $515 million for the same period in 2024. The increase was mainly due to higher unrealized gains on risk management contracts, the same previously referenced factors impacting normalized EBITDA, lower transition and restructuring costs, and lower transaction costs related to acquisitions and dispositions, partially offset by higher depreciation and amortization expense, higher interest expense, the absence of a gain on sale of assets in the third quarter of 2024, primarily related to the Meade escrow proceeds, and foreign exchange losses compared to foreign exchange gains in the same period in 2024. Net income applicable to common shares for the first nine months of 2025 was $542 million ($1.81 per share), compared to $375 million ($1.26 per share) for the same period in 2024. The increase was mainly due to the same previously referenced factors impacting income before income taxes, partially offset by higher income tax expense and the loss on redemption of Series A and Series B preferred shares in the third quarter of 2025.

Normalized funds from operations for the first nine months of 2025 was $927 million ($3.10 per share), compared to $795 million ($2.69 per share) for the same period in 2024. The increase was mainly due to lower non-cash items included in normalized EBITDA, the same previously referenced factors impacting normalized EBITDA, and higher distributions from equity investments, partially offset by higher interest expense, foreign exchange losses compared to foreign exchange gains in the same period in 2024, and higher normalized current income tax expense.

Cash from operations for the first nine months of 2025 was $1,026 million ($3.43 per share), compared to $1,030 million ($3.48 per share) for the same period in 2024. The decrease was mainly due to unfavourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes, partially offset by higher net income after taxes (after adjusting for non-cash items) and higher distributions from equity investments. 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 nine months of 2025 was $345 million, compared to $327 million for the same period in 2024. The increase was mainly due to a full nine months of interest on the subordinated hybrid notes issued in the third quarter of 2024 and the issuance of additional subordinated hybrid notes in the third quarter of 2025, partially offset by a decrease in average debt balances, exclusive of hybrid debt, as well as higher capitalized interest. For the nine months ended September 30, 2025, AltaGas recorded total interest expense of $103 million on the subordinated hybrid notes compared to $41 million for the same period in 2024.

AltaGas recorded income tax expense of $151 million for the first nine months of 2025, compared to $116 million for the same period in 2024. The increase in tax expense was mainly due to higher income before income taxes.

Normalized net income was $434 million ($1.45 per share) for the first nine months of 2025, compared to $421 million ($1.42 per share) for the same period in 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 and amortization expense, higher interest expense, and unfavourable variances in foreign exchange losses 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, colder 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 and margins, 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 in 2025, 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	Remainder of 2025
Global Exports volumes hedged (%) (1)	100
Average propane/butane Far East Index ("FEI") to North America hedge (US$/Bbl) (2) (3)	16.84
Fractionation volumes hedged (%) (3)	79
Frac spread hedge rate (US$/Bbl) (3)	26.07

(1) Approximate expected volumes hedged based on AltaGas' internally assumed export volumes. Hedged amounts include contracted tolling volumes and financial hedges.
(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	8
Change in Canadian dollar per U.S. dollar exchange rate (3) (4)	0.05	2
Propane and butane FEI to North America spreads (1) (5)	US$1/Bbl	—

(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 asset modernization and pipeline replacement programs, system betterment, 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 always 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 agreements. The project is adjacent to Pipestone Phase I, which AltaGas acquired in December 2023, and is principally 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. 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 and is located adjacent to RIPET. On May 29, 2024, a positive FID for Phase 1 was announced on the project. Construction continues to progress in all areas and is forecasted to remain on budget and schedule to achieve a 2026 year-end in service date. Final engineering deliverables continue to support fabrication and construction activities. Foundation and rail construction are progressing as planned. Equipment and module deliveries have commenced and are advancing on schedule. Jetty construction remains a focus, with marine civil works supporting the trestle module setting sequence—marked by the successful installation of the first two modules in early September. Mitigation efforts continue to ensure alignment with the overall execution schedule.	2026 Year-end
REEF Optimization One	50%	\$55 million	AltaGas and Vopak have reached a positive FID on the REEF Optimization One project. The project will increase REEF's Phase I throughput capacity by upwards of 25,000 Bbl/d. The partnership also continues to advance engineering, permitting and stakeholder work for the REEF Optimization Two project that will be able to accommodate up to another 60,000 Bbls/d of incremental throughput, with timing to be aligned with market fundamentals and customer demand.	Second half of 2027

Project	AltaGas' Ownership Interest	Estimated Cost [1]	Project Description and Status	Expected In-Service Date
Midstream Projects, continued				
RIPET Methanol Removal Project	70%	$37 million	AltaGas reached a positive FID on the RIPET methanol removal project in April 2025. This project will allow RIPET cargos to reach all Asian markets, while ensuring fungible propane specifications between RIPET and REEF. Engineering, procurement, and fabrication contract has been awarded. In October 2025, AltaGas and Vopak finalized commercial terms for Vopak's participation in the RIPET Methanol Removal Project, with Vopak agreeing to fund 30 percent of the total project costs through its proportionate contributions to the RIPET joint venture.	2026 Year-end
Dimsdale Phase I Expansion	100%	$65 million	AltaGas has reached a positive FID on the Phase One expansion of the Company's Dimsdale Gas Storage Facility. The 6 Bcf expansion is backed by two 10-year fixed storage contracts. Phase One expansion will focus on facility debottlenecking and will include a new meter station and dehydration equipment that will expand capacity, increase reliability, and reduce operating costs.	2026 Year-end
MVP Mainline Expansion Project ("MVP Boost")	10%	US$46 million	The MVP Mainline Expansion is a compression-only upgrade that will add 600 MMcf/d of new firm capacity on the existing 303-mile mainline, increasing firm capacity to approximately 2.6 Bcf/d (a 30 percent uplift). FEED study is complete and following a highly oversubscribed open season, the partners have increased the size of the proposed MVP Boost expansion, targeting a mid-2028 in-service date. This is a year earlier than previously expected with the entire 600 MMcf/d of incremental capacity fully contracted by investment grade utilities under 20-year take-or-pay agreements. MVP Boost is a highly economic expansion project with an approximate three times capex to EBITDA build multiple, underpinned by robust power generation and data center demand in Northern Virginia and Southeast markets. On October 23, 2025, MVP submitted an application to FERC seeking authorization to construct the MVP Boost project. The application included the proposed increase in planned capacity from 500 MMcf/d to 600 MMcf/d, reflecting strong shipper interest.	Mid 2028

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 D.C. for PROJECT*pipes* 3, seeking approval of approximately US$672 million for the five-year period from January 1, 2024 to December 31, 2028. The PSC of D.C. has issued orders extending PROJECT*pipes* 2 through December 2025 with an additional approved spending limit of approximately US$93 million. On October 15, 2025, Washington Gas filed an application with the PSC of D.C. to extend PROJECT*pipes* 2 through June 30, 2026, with an additional spending limit of approximately US$33 million. On June 12, 2024, the PSC of D.C. issued an order dismissing Washington Gas' PROJECT*pipes* 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 Washington Gas to file supplemental testimony to answer certain risk modeling questions posed by the PSC of D.C., and to file rebuttal testimony to respond to testimony filed by the D.C. government. Parties have served discovery on and responsive testimony to Washington Gas' supplemental and rebuttal testimony, and Washington Gas may file written rejoinder testimony. After review of all testimony, the PSC of D.C. will determine if there are any new material issues of fact in dispute, which will inform whether the hearing scheduled for November 18, 2025 will be evidentiary or legislative in nature. A final order in the District SAFE case is not expected until 2026.	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. On June 1, 2025, the Maryland Next Generation Energy Act ("NGEA") was made effective, which includes amendments to the STRIDE law to include additional requirements for a company to recover costs under STRIDE. On October 21, 2025, the PSC of MD directed Washington Gas to, within sixty days, justify how its current STRIDE 3 plan complies with the NGEA or submit proposed revisions to its plan that would bring it into compliance with the NGEA.	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 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. On August 4, 2025, Washington Gas filed an amended SAVE Plan with a three-year spending cap of approximately US$700 million, for the period January 1, 2026 to December 31, 2028. An order on the filing is expected by 2025 year-end.	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.
Keweenaw Connector Pipeline – ***SEMCO ENERGY – Michigan***	100%	Estimated US$135 million	In May 2025, SEMCO obtained regulatory approval for the Keweenaw Connector Pipeline, a system reinforcement project in Michigan's Keweenaw Peninsula. This project is designed to improve system resiliency and ensure reliable natural gas service for approximately 14,000 existing customers in the region. In addition to enhancing reliability, the project also increases system capacity, allowing for future growth in the area. Permitting, property acquisition and the procurement of contractors and pipeline materials are in process while the design is being finalized for the planned 2026 construction.	First quarter of 2027

(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.

Change in Composition of Adjusted Net Debt

In the second quarter of 2025, Management revised the composition of adjusted net debt to include 50 percent of subordinated hybrid notes and 50 percent of preferred shares. This change was made as a result of Management's assessment that the updated measure is more representative of the Company's capital structure as viewed by debt investors and ratings agencies. Prior period calculations of adjusted net debt have been restated to reflect this change. Refer to the *Net Debt, Adjusted Net Debt, and Adjusted Net Debt to Normalized EBITDA* section below.

Normalized EBITDA

		Three Months Ended September 30		Nine Months Ended September 30
($ millions)	**2025**	2024	**2025**	2024
Income (loss) before income taxes (GAAP financial measure)	**$ (20)**	$ 20	**$ 719**	$ 515
Add:				
Depreciation and amortization	**125**	119	**379**	352
Interest expense	**116**	110	**345**	327
EBITDA	**$ 221**	$ 249	**$ 1,443**	$ 1,194
Add (deduct):				
Transaction costs related to acquisitions and dispositions [(1)]	**4**	2	**6**	9
Unrealized losses (gains) on risk management contracts [(2)]	**40**	37	**(176)**	10
Losses (gains) on sale of assets [(3)]	**—**	(14)	**3**	(12)
Transition and restructuring costs [(4)]	**1**	17	**14**	49
Provisions on assets	**—**	—	**2**	—
Accretion expenses	**2**	2	**4**	4
Foreign exchange losses (gains) [(5)]	**—**	1	**3**	(5)
Normalized EBITDA	**$ 268**	$ 294	**$ 1,299**	$ 1,249

(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 (Loss). 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 (Loss). Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 2025 for further details regarding AltaGas’ risk management activities.

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

(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 (Loss).

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

($ millions)	Three Months Ended September 30 2025	Three Months Ended September 30 2024	Nine Months Ended September 30 2025	Nine Months Ended September 30 2024
Net income (loss) applicable to common shares (GAAP financial measure)	**$ (25)**	$ 9	**$ 542**	$ 375
Add (deduct) after-tax:				
Transaction costs related to acquisitions and dispositions [(1)]	**3**	1	**4**	7
Unrealized losses (gains) on risk management contracts [(2)]	**32**	28	**(133)**	7
Losses (gains) on sale of assets [(3)]	**—**	(10)	**2**	(6)
Provisions on assets	**—**	—	**1**	—
Transition and restructuring costs [(4)]	**1**	13	**11**	37
Loss on redemption of preferred shares [(5)]	**4**	—	**4**	—
Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances [(6)]	**(4)**	1	**3**	1
Normalized net income	**$ 11**	$ 42	**$ 434**	$ 421

(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 (Loss). 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 (Loss). Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 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 (Loss).

(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 (Loss).

(5) Comprised of the loss on the redemption of Series A Preferred Shares and Series B Preferred Shares on September 30, 2025. The loss is recorded in the "loss of redemption of preferred shares" line item on the Consolidated Statements of Income (Loss).

(6) Relates to unrealized foreign exchange losses (gains) 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 (Loss).

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 September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Cash from operations (GAAP financial measure)	**$ 34**	$ 21	**$ 1,026**	$ 1,030
Add (deduct):				
Net change in operating assets and liabilities	**106**	64	**(123)**	(301)
Asset retirement obligations settled	**3**	1	**4**	1
Funds from operations	**$ 143**	$ 86	**$ 907**	$ 730
Add (deduct):				
Transaction costs related to acquisitions and dispositions [1]	**4**	2	**6**	9
Transition and restructuring costs [2]	**1**	17	**14**	49
Current tax expense on asset sales [3]	**—**	—	**—**	7
Normalized funds from operations	**$ 148**	$ 105	**$ 927**	$ 795

(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 (Loss). 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 (Loss).

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

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 September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Income tax expense (recovery) (GAAP financial measure)	**$ (6)**	$ 3	**$ 151**	$ 116
Add (deduct) tax impact of:				
Transaction costs related to acquisitions and dispositions	**1**	1	**2**	2
Unrealized losses (gains) on risk management contracts	**8**	9	**(43)**	3
Losses (gains) on sale of assets	**—**	(4)	**1**	(6)
Provisions on assets	**—**	—	**1**	—
Transition and restructuring costs	**1**	4	**3**	12
Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances	**(1)**	—	**1**	—
Normalized income tax expense	**$ 3**	$ 13	**$ 116**	$ 127

The above table provides a reconciliation of normalized income tax expense from the GAAP financial measure, income tax expense (recovery). 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, 50 percent of subordinated hybrid notes, and 50 percent of preferred shares. 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)	**September 30, 2025**	December 31, 2024
Short-term debt	**$ —**	$ 10
Current portion of long-term debt [1]	**396**	858
Current portion of finance lease liabilities	**24**	23
Long-term debt [2]	**7,509**	6,992
Finance lease liabilities	**125**	126
Subordinated hybrid notes [3]	**2,179**	2,022
Total debt	**10,233**	10,031
Less: cash and cash equivalents	**(120)**	(85)
Net debt	**$ 10,113**	$ 9,946
Add (deduct):		
Current portion of finance lease liabilities	**(24)**	(23)
Finance lease liabilities	**(125)**	(126)
50 percent debt treatment of subordinated hybrid notes	**(1,090)**	(1,011)
50 percent debt treatment of preferred shares	**98**	196
Adjusted net debt [4]	**$ 8,972**	$ 8,982
Adjusted net debt to normalized EBITDA [4] [5]	**4.9**	5.1

(1) Net of debt issuance costs, unamortized premiums, and unamortized discounts of less than $1 million as at September 30, 2025 (December 31, 2024 - less than $1 million).

(2) Net of debt issuance costs, unamortized premiums, and unamortized discounts of $28 million as at September 30, 2025 (December 31, 2024 - $29 million).

(3) Net of debt issuance costs of $24 million as at September 30, 2025 (December 31, 2024 - $23 million).

(4) As noted previously in this MD&A, in the second quarter of 2025, AltaGas changed its non-GAAP policy regarding the calculation of adjusted net debt to include 50 percent of subordinated hybrid notes and 50 percent of preferred shares. The amounts presented in this table reflect the restated figures to align with the revised policy.

(5) 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 September 30		Nine Months Ended September 30	
($ millions)		**2025**	2024	**2025**	2024
Cash used in investing activities (GAAP financial measure)		**$ 425**	$ 393	**$ 1,134**	$ 973
Add (deduct):					
Net change in non-cash capital expenditures (1)		**68**	23	**87**	20
Contributions from non-controlling interests (2)		**(105)**	(56)	**(251)**	(73)
Net invested capital		**$ 388**	$ 360	**$ 970**	$ 920
Asset dispositions		**—**	—	**—**	2
Disposals of equity investments (3)		**—**	14	**—**	14
Invested capital		**$ 388**	$ 374	**$ 970**	$ 936

(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 and nine months ended September 30, 2025 for further details.

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

(3) Relates to the Meade escrow proceeds. Upon close of the sale in 2019, various escrow accounts were established to provide the purchaser a form of recourse for the settlement of indemnification obligations.

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 September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Normalized EBITDA	**$ 268**	$ 294	**$ 1,299**	$ 1,249
Add (deduct):				
Depreciation and amortization	**(125)**	(119)	**(379)**	(352)
Interest expense	**(116)**	(110)	**(345)**	(327)
Income tax recovery (expense)	**6**	(3)	**(151)**	(116)
Normalizing items impacting income taxes (1)	**(8)**	(10)	**35**	(11)
Accretion expenses	**(2)**	(2)	**(4)**	(4)
Foreign exchange gains (losses)	**—**	(1)	**(3)**	5
Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances	**(5)**	1	**4**	1
Net income applicable to non-controlling interests	**(3)**	(3)	**(8)**	(11)
Preferred share dividends	**(4)**	(5)	**(14)**	(13)
Normalized net income	**$ 11**	$ 42	**$ 434**	$ 421

(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 September 30		Nine Months Ended September 30	
($ millions, except normalized effective income tax rate)	**2025**	2024	**2025**	2024
Normalized net income	**$ 11**	$ 42	**$ 434**	$ 421
Add (deduct):				
Normalized income tax expense (1)	**3**	13	**116**	127
Net income applicable to non-controlling interests	**3**	3	**8**	11
Preferred share dividends	**4**	5	**14**	13
Normalized net income before taxes	**$ 21**	$ 63	**$ 572**	$ 572
Normalized effective income tax rate (%) (2)	**14.3**	20.6	**20.3**	22.2

(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 September 30		Nine Months Ended September 30	
	2025	2024	**2025**	2024
Natural gas deliveries - end-use (Bcf) (1)	**8.9**	8.9	**98.7**	77.9
Natural gas deliveries - transportation (Bcf) (1)	**23.4**	20.7	**88.6**	75.9
Service sites (thousands) (2)	**1,567**	1,560	**1,567**	1,560
Degree day variance from normal - SEMCO (Michigan) (%) (3)	**(13.3)**	(57.4)	**—**	(18.6)
Degree day variance from normal - Washington Gas (D.C.) (%) (3) (4) (5)	**(100.0)**	(100.0)	**(8.9)**	(18.1)
Retail energy marketing - gas sales volumes (Mmcf)	**10,046**	8,179	**44,124**	41,653
Retail energy marketing - electricity sales volumes (GWh)	**3,840**	4,344	**11,105**	11,600

(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) The -100 percent degree day variance for Washington Gas in the third quarters of 2025 and 2024 is a result of there being 12 normal degree days in the third quarter of any given year, compared to nil actual degree days in the third quarters of 2024 and 2025. Given that the normal degree days in the third quarter are so low compared to other quarters, any change causes a large variance when shown as a percentage.

Three Months Ended September 30

Normalized EBITDA in the Utilities segment was $68 million in the third quarter of 2025, compared to $117 million in the same quarter of 2024. The decrease in normalized EBITDA was mainly due to the absence of the gain resulting from the partial settlement of Washington Gas' post-retirement benefit pension plan in the third quarter of 2024, partially offset by higher revenue from ARP spend, lower operating and administrative expenses, higher contributions from WGL's retail marketing business, and colder weather in Michigan where AltaGas does not have weather normalization.

The Utilities segment loss before income taxes was $20 million in the third quarter of 2025, compared to income before income taxes of $24 million in the same quarter of 2024. The decrease was mainly due to the same previously referenced factors impacting normalized EBITDA, higher unrealized losses on risk management contracts, and higher depreciation and amortization expense, partially offset by lower transition and restructuring costs.

Nine Months Ended September 30

The Utilities segment reported normalized EBITDA of $703 million in the first nine months of 2025, compared to $676 million in the same period in 2024. The increase in normalized EBITDA was mainly due to colder weather in Michigan and D.C. where AltaGas does not have weather normalization, higher revenue from ARP spend, higher contributions from WGL's retail marketing business, lower operating and administrative expenses, the impact of the higher average Canadian/U.S. dollar exchange rate, increased asset optimization activities at Washington Gas, and customer growth. These factors were partially offset by the absence of the gain resulting from the partial settlement of Washington Gas' post-retirement benefit pension plan in the third quarter of 2024.

The Utilities segment income before income taxes was $521 million in the first nine months of 2025, compared to $441 million in the same period in 2024. The increase was mainly due to higher unrealized gains on risk management contracts, the same previously referenced factors impacting normalized EBITDA, and lower transition and restructuring costs, partially offset by higher depreciation and amortization 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 PROJECT*pipes* 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 PROJECT*pipes* 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 evidentiary hearing was held on August 14, 2025. Washington Gas expects to receive a final order from the PSC of D.C. in the fourth quarter of 2025.	Final order expected in the fourth quarter of 2025.
Washington Gas - Virginia	July 2025	US$104 million increase in base rates, including US$39 million currently collected through the SAVE surcharge. Therefore, the incremental amount of the base rate increase requested was approximately US$65 million.	On July 31, 2025, Washington Gas filed an application for authority to increase existing rates and charges for gas service in the Commonwealth of Virginia. The requested rates are designed to collect an incremental US$65 million in total annual revenues requesting a 10.9 percent return on equity. This base rate increase is separate from the US$39 million revenue requirement relating to transferring expenditures incurred under the SAVE plan to base rates and resetting the surcharge. Additionally, Washington Gas requested new depreciation rates effective January 1, 2025. The total base rate increase is US$104 million. Under the Order for Notice and Hearing issued on September 5, 2025, Washington Gas may implement the proposed rates subject to refund for usage on or after December 30, 2025.	Timing of decision not yet known.

Other Regulatory Updates

<u>Climate Regulation</u>

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 September 30		Nine Months Ended September 30	
	2025	2024	**2025**	2024
LPG export volumes (Bbls/d) (1)	**133,147**	128,272	**126,798**	122,252
Total inlet gas processed (Mmcf/d) (1)	**1,374**	1,303	**1,485**	1,371
Extracted ethane volumes (Bbls/d) (1)	**25,294**	20,314	**27,196**	20,101
Extracted NGL volumes (Bbls/d) (1) (2)	**43,624**	46,707	**47,992**	47,188
Fractionation volumes (Bbls/d) (1) (3)	**43,038**	43,445	**42,893**	42,665
Frac spread - realized ($/Bbl) (1) (4)	**22.27**	24.70	**24.99**	25.15
Frac spread - average spot price ($/Bbl) (1) (5)	**23.75**	30.39	**26.98**	28.30
Propane FEI to Mont Belvieu spread (US$/Bbl) (1) (6) (7)	**12.91**	21.52	**11.75**	18.16
Butane FEI to Mont Belvieu spread (US$/Bbl) (1) (7) (8)	**13.19**	18.53	**12.39**	17.23

(1) Average for the period.
(2) NGL volumes refer to propane, butane, and condensate.
(3) Fractionation volumes include NGL mix volumes processed.
(4) 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.
(5) 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.
(6) Average propane price spread between FEI and Mont Belvieu TET commercial index.
(7) Reflects the revision of numbers relating to prior periods in 2024.
(8) Average butane price spread between FEI and Mont Belvieu TET commercial index.

Three Months Ended September 30

The Midstream segment reported normalized EBITDA of $204 million in the third quarter of 2025, compared to $181 million in the same quarter of 2024. The increase in normalized EBITDA was primarily due to stronger performance from the fractionation and liquids handling business supported by improved storage and marketing margins, higher contributions from the global exports business, increased volumes from AltaGas' Montney facilities, and higher earnings at the extraction facilities supported by higher volumes. These factors were partially offset by lower co-generation revenue at certain Midstream facilities driven by lower power prices and lower volumes at Pipestone I due to a planned turnaround in the quarter.

Income before income taxes in the Midstream segment was $128 million in the third quarter of 2025, compared to $123 million in the same quarter of 2024. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and lower unrealized losses on risk management contracts, partially offset by the absence of a gain on sale of assets in the third quarter of 2024 related to the Meade escrow proceeds and higher transaction costs related to acquisitions and dispositions.

Nine Months Ended September 30

The Midstream segment reported normalized EBITDA of $616 million in the first nine months of 2025, compared to $603 million in the same period in 2024. The increase in normalized EBITDA was primarily due to stronger performance from the fractionation and liquids handling business, higher cost recoveries and increased volumes from AltaGas' Montney facilities, improved earnings at the extraction facilities supported by higher volumes, and higher contributions from the global exports business due to higher export margins and volumes, which were partially offset by lower terminalling fees. The Midstream segment was negatively impacted by higher operating and administrative costs and lower co-generation power revenue at certain Midstream facilities, primarily driven by lower power prices, as well as the absence of the gain on settlement of an asset retirement obligation recorded in the first quarter of 2024.

Income before income taxes in the Midstream segment was $595 million in the first nine months of 2025, compared to $465 million in the same period in 2024. The increase was mainly due to unrealized gains on risk management contracts compared to unrealized losses on risk management contracts in the same period in 2024 and the same previously referenced factors impacting normalized EBITDA, partially offset by the absence of a gain on sale of assets, primarily related to the Meade escrow proceeds, as well as higher depreciation and amortization expense, and higher transaction costs related to acquisitions and dispositions.

Midstream Hedges

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	**2025**	2024
Frac spread exposed volumes (Bbls/d)	**9,352**	8,437	**10,566**	9,878
NGL volumes hedged (Bbls/d)	**8,091**	8,406	**8,413**	8,301
Frac exposed volumes hedged (%)	**87 %**	99 %	**80 %**	84 %
Average price of NGL volumes hedged ($/Bbl) [1]	**37**	36	**38**	36
Average FEI to North American NGL price spread for volumes hedged (US$/Bbl)	**16**	15	**16**	17

(1) Excludes basis differential.

CORPORATE/OTHER

Three Months Ended September 30

In the Corporate/Other segment, normalized EBITDA for the third quarter of 2025 was a loss of $4 million, consistent with the same quarter of 2024. Factors impacting normalized EBITDA included lower operating and administrative expenses, offset by lower contributions from Blythe.

Loss before income taxes in the Corporate/Other segment was $128 million in the third quarter of 2025, compared to $127 million in the same quarter of 2024. The higher loss was mainly due to higher interest expense, partially offset by lower transition and restructuring costs.

Nine Months Ended September 30

In the Corporate/Other segment, normalized EBITDA for the first nine months of 2025 was a loss of $20 million, compared to a loss of $30 million in the same period in 2024. The lower loss was primarily due to higher contributions from Blythe due to the absence of a planned turnaround in the first quarter of 2024 as well as lower operating and administrative expenses.

Loss before income taxes in the Corporate/Other segment was $397 million in the first nine months of 2025, compared to $391 million in the same period in 2024. The higher loss was due to higher interest expense, foreign exchange losses compared to foreign exchange gains in the same period in 2024, and higher depreciation and amortization expense, partially offset by the same previously referenced factors impacting normalized EBITDA, lower transition and restructuring costs, and lower transaction costs related to acquisitions and dispositions.

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 September 30, 2025
($ millions)	**Utilities**	**Midstream**	**Corporate/ Other**	**Total**
Invested capital:				
Property, plant and equipment	**$ 206**	**$ 173**	**$ 2**	**$ 381**
Intangible assets	**—**	**1**	**4**	**5**
Long-term investments	**—**	**2**	**—**	**2**
Invested capital and net invested capital	**$ 206**	**$ 176**	**$ 6**	**$ 388**

				Three Months Ended September 30, 2024
($ millions)	Utilities	Midstream	Corporate/ Other	Total
Invested capital:				
Property, plant and equipment	$ 187	$ 182	$ 3	$ 372
Intangible assets	—	2	—	2
Invested Capital	$ 187	$ 184	$ 3	$ 374
Disposals:				
Equity method investments	—	(14)	—	(14)
Net invested capital	$ 187	$ 170	$ 3	$ 360

During the third quarter of 2025, AltaGas' invested capital was $388 million, compared to $374 million in the same quarter of 2024. The increase in invested capital was primarily due to the higher additions to property, plant, and equipment in the Utilities segment as a result of higher spend on ARPs and general plant programs at Washington Gas, partially offset by lower spend on system betterment also at Washington Gas. In the Midstream segment, the decrease in capital spend was primarily related to lower spend at Pipestone II and Ferndale, partially offset by higher growth capital spend at REEF, higher planned maintenance capital, and higher capitalized interest. In the third quarter of 2024, dispositions of equity method investments related to the Meade escrow proceeds.

Invested capital in the third quarter of 2025 included maintenance capital of $29 million (2024 - $16 million) in the Midstream segment and $3 million (2024 - $nil) in the Corporate/Other segment. The increase in Midstream maintenance capital in the third quarter of 2025 was primarily due to planned turnaround spend at Pipestone I, while the maintenance capital in the Corporate/Other segment was related to planned maintenance spend at Blythe.

During the third quarter of 2025, AltaGas' cash flow used in investing activities was an outflow of $425 million compared to $393 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.

				Nine Months Ended September 30, 2025
($ millions)	**Utilities**	**Midstream**	**Corporate/ Other**	**Total**
Invested capital:				
Property, plant and equipment	**$ 493**	**$ 446**	**$ 14**	**$ 953**
Intangible assets	**—**	**2**	**10**	**12**
Long-term investments	**—**	**5**	**—**	**5**
Invested capital and net invested capital	**$ 493**	**$ 453**	**$ 24**	**$ 970**

				Nine Months Ended September 30, 2024
($ millions)	Utilities	Midstream	Corporate/ Other	Total
Invested capital:				
Property, plant and equipment	$ 544	$ 351	$ 36	$ 931
Intangible assets	—	4	—	4
Long-term investments	—	1	—	1
Invested capital	$ 544	$ 356	$ 36	$ 936
Disposals:				
Asset dispositions	—	(1)	(1)	(2)
Equity method investments	—	(14)	—	(14)
Net invested capital	$ 544	$ 341	$ 35	$ 920

In the first nine months of 2025, AltaGas' invested capital was $970 million, compared to $936 million in the same period in 2024. The increase in invested capital was primarily due to higher additions to property, plant, and equipment in the Midstream segment as a result of higher growth capital spend at REEF, higher capitalized interest, and capital spend related to the RIPET methanol removal project, partially offset by lower capital spend at Pipestone II. In the Utilities segment, lower capital spend was primarily due to lower spend at Washington Gas related to system betterment, fewer new customer additions, and lower ARP's, partially offset by higher general plant program spend. In the Corporate/Other segment, lower capital spend was primarily due to lower planned maintenance capital at Blythe, partially offset by higher spend related to digital projects and the Calgary office relocation. In the first nine months of 2024, dispositions of equity method investments primarily related to the Meade escrow proceeds.

Invested capital in the first nine months of 2025 included maintenance capital of $57 million (2024 - $41 million) in the Midstream segment and $4 million (2024 - $31 million) related to Blythe in the Corporate/Other segment. The increase in Midstream maintenance capital in the first nine months of 2025 was primarily due to higher planned turnaround spend at Pipestone I, RIPET, and several NEBC facilities, partially offset by lower maintenance capital at Harmattan. The decrease in maintenance capital in the Corporate/Other segment was due to the absence of a planned turnaround at Blythe in the first quarter of 2024.

During the first nine months of 2025, AltaGas' cash flow from investing activities was an outflow of $1,134 million, compared to $973 million in the first nine months 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 D.C., 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 D.C., 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.

AltaGas expects to fund its obligations through internally-generated cash flow, asset sales, and normal course borrowings on existing committed credit facilities.

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Cash from operations	**$ 34**	$ 21	**$ 1,026**	$ 1,030
Investing activities	**(425)**	(393)	**(1,134)**	(973)
Financing activities	**189**	1,097	**139**	618
Increase (decrease) in cash, cash equivalents, and restricted cash	**$ (202)**	$ 725	**$ 31**	$ 675

Cash From Operations

Cash from operations decreased by $4 million for the nine months ended September 30, 2025 compared to the same period of 2024, primarily due to unfavourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes, partially offset by higher net income after taxes (after adjusting for non-cash items) and higher distributions from equity investments. The majority of the variance in net change in operating assets and liabilities was driven by lower cash inflows from accounts receivable and inventory as a result of fluctuations in commodity prices and sales volumes, as well as higher cash outflows from risk management liabilities as a result of hedge losses driven by fluctuations in foreign exchange forward rates, partially offset by lower cash outflows from accounts payable and regulatory assets and liabilities, largely attributable to fluctuations in commodity prices and weather impacts.

Working Capital

($ millions, except working capital ratio)		**September 30, 2025**		December 31, 2024
Current assets	**$**	**2,408**	$	2,819
Current liabilities		**2,745**		3,500
Working deficiency	**$**	**(337)**	$	(681)
Working capital ratio [(1)]		**0.88**		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, risk management liabilities, and other current liabilities, as well as increases in risk management assets and cash and cash equivalents. This was partially offset by decreases in accounts receivable, prepaid expenses and other current assets, and regulatory assets. AltaGas' working capital will fluctuate in the normal course of business and the Company expects to continue to meet its payment obligations as they become due.

Investing Activities

Cash used in investing activities for the nine months ended September 30, 2025 was $1.1 billion, compared to $973 million in the same period of 2024. Investing activities for the nine months ended September 30, 2025 included expenditures of approximately $1.1 billion for property, plant and equipment and intangible assets, as well as approximately $5 million of contributions to equity investments. Investing activities for the nine months ended September 30, 2024 included expenditures of approximately $988 million for property, plant and equipment and intangible assets, as well as approximately $1 million of contributions to equity investments, partially offset by proceeds of approximately $14 million and $2 million from the disposition of equity investments and disposition of assets, respectively.

Financing Activities

Cash from financing activities for the nine months ended September 30, 2025 was $139 million, compared to $618 million in the same period of 2024. Financing activities for the nine months ended September 30, 2025 were primarily comprised of net borrowings under credit facilities of approximately $886 million, contributions from non-controlling interests of approximately $280 million, issuance of subordinated hybrid notes (net of debt issuance costs) of approximately $198 million, long-term debt issuances (net of debt issuance costs) of approximately $136 million, and net proceeds from common shares issued on the exercise of options granted pursuant to AltaGas' share option plan ("Share Options") of approximately $30 million, partially offset by the repayment of long-term debt and finance lease liabilities of approximately $880 million, dividends of approximately $298 million, the redemption of preferred shares of approximately $200 million, and distributions to non-controlling interests of approximately $13 million. Financing activities for the nine months ended September 30, 2024 were primarily comprised of the issuance of long-term debt (net of debt issuance costs) of approximately $1.2 billion, issuance of subordinated hybrid notes (net of debt issuance costs) of approximately $1.2 billion, contributions from non-controlling interests of approximately $73 million, and net proceeds from common shares issued on the exercise of Share Options of approximately $51 million, partially offset by the repayment of long-term debt and finance lease liabilities of approximately $1.0 billion, net repayments under credit facilities of approximately $628 million, dividends of approximately $278 million, distributions to non-controlling interests of approximately $13 million, and a payment of approximately $9 million related to the settlement of derivative instruments.

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 September 30, 2025, AltaGas' total debt primarily consisted of outstanding medium term notes ("MTNs") of $2.9 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 $413 million (December 31, 2024 - $427 million), $2.2 billion of subordinated hybrid notes (December 31, 2024 - $2.0 billion), $1.3 billion drawn under the bank credit facilities (December 31, 2024 - $104 million), and commercial paper of $nil outstanding for WGL and Washington Gas (December 31, 2024 – $263 million). In addition, AltaGas had $175 million of letters of credit outstanding (December 31, 2024 - $251 million).

As at September 30, 2025, AltaGas' total market capitalization was approximately $12.8 billion based on approximately 299 million common shares outstanding and a closing trading price of $42.88 per common share.

AltaGas' earnings interest coverage for the rolling twelve months ended September 30, 2025 was 2.7 times (twelve months ended September 30, 2024 - 2.4 times).

Credit Facilities *($ millions)*	Borrowing capacity	**Drawn at September 30, 2025**	Drawn at December 31, 2024
AltaGas demand credit facilities [1] [2]	$ 70	**$ —**	$ —
AltaGas revolving credit facilities [1] [2]	2,300	**1,210**	—
SEMCO Energy US$150 million credit facilities [1] [2]	209	**43**	104
WGL US$300 million revolving credit facility [1] [2] [3]	418	**—**	109
Washington Gas US$450 million revolving credit facility [1] [2] [3]	626	**—**	154
	$ 3,623	**$ 1,253**	$ 367

(1) Amount drawn at September 30, 2025 converted at the month-end rate of 1 U.S. dollar = 1.3921 Canadian dollar (December 31, 2024 - 1 U.S. dollar = 1.4389 Canadian dollar).

(2) All US$ borrowing capacity was converted at the September 30, 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 and US$150 million respectively, with the bank's approval, for a total of US$400 million and US$600 million on their respective facilities.

In addition to the facilities listed above, AltaGas has demand letter of credit facilities of $448 million (December 31, 2024 - $463 million). As at September 30, 2025, there were letters of credit for $175 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 September 30, 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 September 30, 2025**
Bank debt-to-capitalization (1) (2)	not greater than 65%	less than 43%
Bank EBITDA-to-interest expense (1) (2)	not less than 2.5x	greater than 5.0x
Bank debt-to-capitalization (SEMCO Energy) (2) (3)	not greater than 60%	less than 41%
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 47%
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 September 30, 2025 and December 31, 2024, the fair values of the Corporation's derivatives were as follows:

($ millions)	**September 30, 2025**	December 31, 2024
Natural gas	**$ (2)**	$ (30)
Energy exports	**45**	(27)
NGL frac spread	**3**	(4)
Power	**(38)**	(63)
Crude oil and NGLs	**1**	(5)
Foreign exchange	**(50)**	(93)
Net derivative liability	**$ (41)**	$ (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 derivatives and cross-currency swaps to manage the risk associated with variations in foreign exchange rates.

<u>Commodity Price Contracts</u>

The average indicative spot NGL frac spread for the nine months ended September 30, 2025 was approximately $27/Bbl (2024 - $28/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 nine months ended September 30, 2025 was approximately $25/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 100 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$17/Bbl for non-tolled propane and butane volumes.
- Approximately 79 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 September 30, 2025:

	Duration		Fair Value ($ millions)
Foreign exchange contracts			
Forward USD sales (non-deliverable)	**Less than 1 year**	**$**	**(12)**
Forward USD sales (non-deliverable)	**1 - 5 years**	**$**	**(12)**
Foreign exchange option	**1 - 2 years**	**$**	**(6)**
Foreign exchange collar	**Less than 1 year**	**$**	**1**
Cross-currency swaps			
Fixed-to-fixed cross-currency swaps	**9 years**	**$**	**(21)**

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

	Duration		Fair Value ($ millions)
Foreign exchange 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 gains (losses) on foreign exchange contracts recognized in net income:

		Three Months Ended September 30, 2025		Three Months Ended September 30, 2024		**Nine Months Ended September 30, 2025**		Nine Months Ended September 30, 2024
Objective of foreign exchange contract		**Losses**		Gains		**Gains (losses)**		Losses
Cash management [(1)]	**$**	**(1)**	$	—	**$**	**(1)**	$	(2)
Income statement risk management [(2)]	**$**	**(41)**	$	18	**$**	**27**	$	(3)

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

For the three and nine months ended September 30, 2025, after-tax gains of approximately $29 million and after-tax losses of approximately $5 million (three and nine months ended September 30, 2024 - $47 million), respectively, related to the cross-currency swaps were recorded in AOCI.

The Effects of Derivative Instruments on the Consolidated Statements of Income (Loss)

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

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Natural gas	**$ 20**	$ (32)	**$ 18**	$ 19
Energy exports	**(13)**	(33)	**81**	(38)
Crude oil and NGLs	**(3)**	(2)	**6**	(3)
NGL frac spread	**2**	10	**7**	(3)
Power	**(4)**	1	**16**	19
Foreign exchange	**(42)**	19	**48**	(4)
	$ (40)	$ (37)	**$ 176**	$ (10)

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 and nine months ended September 30, 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 September 30, 2025:

Common Share Dividends

Year ended December 31		
($ per common share)	**2025**	2024
First quarter	**$ 0.315000**	$ 0.297500
Second quarter	**0.315000**	0.297500
Third quarter	**0.315000**	0.297500
Fourth quarter	**—**	0.297500
Total	**$ 0.945000**	$ 1.190000

Series A Preferred Share Dividends (1)

Year ended December 31		
($ per preferred share)	**2025**	2024
First quarter	**$ 0.191250**	$ 0.191250
Second quarter	**0.191250**	0.191250
Third quarter	**0.191250**	0.191250
Fourth quarter	**—**	0.191250
Total	**$ 0.573750**	$ 0.765000

(1) On September 30, 2025, AltaGas redeemed all of its outstanding Series A Preferred Shares.

Series B Preferred Share Dividends [1]

Year ended December 31		
($ per preferred share)	**2025**	2024
First quarter	**$ 0.378550**	$ 0.478740
Second quarter	**0.342680**	0.474950
Third quarter	**0.334220**	0.473320
Fourth quarter	**—**	0.431410
Total	**$ 1.055450**	$ 1.858420

(1) On September 30, 2025, AltaGas redeemed all of its outstanding Series B Preferred Shares.

Series G Preferred Share Dividends

Year ended December 31		
($ per preferred share)	**2025**	2024
First quarter	**$ 0.376063**	$ 0.265125
Second quarter	**0.376063**	0.265125
Third quarter	**0.376063**	0.265125
Fourth quarter	**—**	0.376063
Total	**$ 1.128189**	$ 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 nine months ended September 30, 2025.

Refer to Note 2 of the unaudited condensed interim Consolidated Financial Statements as at and for the nine months ended September 30, 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 nine months ended September 30, 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 October 24, 2025
Issued and outstanding	
Common shares	299,486,164
Preferred Shares	
Series G	8,000,000
Issued	
Share Options	963,864
Share Options exercisable	963,864

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

($ millions)	**Q3-25**	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23
Total revenue	**2,598**	2,844	3,969	3,259	2,759	2,775	3,655	3,288
Normalized EBITDA	**268**	342	689	520	294	295	660	502
Net income (loss) applicable to common shares	**(25)**	175	392	203	9	(42)	408	113
($ per share)	**Q3-25**	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23
Net income (loss) per common share								
Basic	**(0.08)**	0.59	1.31	0.68	0.03	(0.14)	1.38	0.40
Diluted	**(0.08)**	0.58	1.31	0.68	0.03	(0.14)	1.37	0.40
Dividends declared	**0.32**	0.32	0.32	0.30	0.30	0.30	0.30	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 $4 million, $9 million, and $5 million incurred in the first nine months of 2025, throughout 2024, and the last quarter of 2023, respectively, primarily due to asset sales and the Pipestone Acquisition;
- After-tax transition and restructuring costs of approximately $11 million, $52 million, and $11 million incurred in the first nine months of 2025, throughout 2024, and last quarter of 2023, respectively;
- The loss on the redemption of Series E Preferred Shares in the fourth quarter of 2023;
- The gain on partial settlement of Washington Gas' 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;
- 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; and
- The loss on the redemption of Series A and Series B Preferred Shares in the third quarter of 2025.

CONSOLIDATED BALANCE SHEETS

(condensed and unaudited)

As at *($ millions)*	September 30, 2025	December 31, 2024
ASSETS		
Current assets		
Cash and cash equivalents *(note 18)*	**$ 120**	$ 85
Accounts receivable *(net of credit losses of $28 million) (note 12)*	**1,337**	1,766
Inventory *(note 3)*	**684**	676
Regulatory assets	**68**	92
Risk management assets *(note 12)*	**64**	25
Prepaid expenses and other current assets *(note 18)*	**135**	175
	2,408	2,819
Property, plant and equipment	**15,210**	14,654
Intangible assets	**104**	107
Operating right of use assets	**489**	490
Goodwill *(note 4)*	**5,525**	5,691
Regulatory assets	**340**	430
Risk management assets *(note 12)*	**86**	63
Prepaid post-retirement benefits	**815**	814
Long-term investments and other assets *(net of credit losses of $1 million) (notes 5, 12, and 18)*	**253**	255
Investments accounted for by the equity method *(note 7)*	**739**	769
	$ 25,969	$ 26,092
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,910**	$ 2,089
Short-term debt	**—**	10
Current portion of long-term debt *(notes 8 and 12)*	**396**	858
Customer deposits	**92**	98
Regulatory liabilities	**75**	79
Risk management liabilities *(note 12)*	**70**	150
Current portion of finance lease liabilities *(note 12)*	**24**	23
Current portion of operating lease liabilities	**128**	124
Other current liabilities *(note 12)*	**50**	69
	2,745	3,500
Long-term debt *(notes 8 and 12)*	**7,509**	6,992
Asset retirement obligations	**496**	482
Unamortized investment tax credits	**1**	2
Deferred income taxes	**1,861**	1,794
Subordinated hybrid notes *(notes 9 and 12)*	**2,179**	2,022
Regulatory liabilities	**1,285**	1,380
Risk management liabilities *(note 12)*	**121**	160
Finance lease liabilities *(note 12)*	**125**	126
Operating lease liabilities	**408**	412
Other long-term liabilities	**111**	127
Future employee obligations	**43**	49
	$ 16,884	$ 17,046

As at *($ millions)*		**September 30, 2025**		December 31, 2024
Shareholders' equity				
Common shares, no par values, unlimited shares authorized; 2025 - 299.5 million and 2024 - 297.9 million issued and outstanding *(note 14)*	**$**	**7,214**	$	7,180
Preferred shares *(note 14)*		**195**		391
Contributed surplus		**614**		618
Accumulated deficit		**(334)**		(592)
Accumulated other comprehensive income ("AOCI") *(note 10)*		**827**		1,155
Total shareholders' equity		**8,516**		8,752
Non-controlling interests		**569**		294
Total equity	**$**	**9,085**	$	9,046
	$	**25,969**	$	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 (LOSS)

(condensed and unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions except per share amounts)	**2025**	2024	**2025**	2024
REVENUE *(note 11)*	**$ 2,598**	$ 2,759	**$ 9,411**	$ 9,189
EXPENSES				
Cost of sales, exclusive of items shown separately	**1,977**	2,186	**6,723**	6,856
Operating and administrative	**434**	433	**1,345**	1,326
Accretion expenses	**2**	2	**4**	4
Depreciation and amortization	**125**	119	**379**	352
Provisions on assets	**—**	—	**2**	—
	2,538	2,740	**8,453**	8,538
Income from equity investments *(note 7)*	**14**	16	**45**	45
Other income	**22**	96	**64**	141
Foreign exchange gains (losses)	**—**	(1)	**(3)**	5
Interest expense	**(116)**	(110)	**(345)**	(327)
Income (loss) before income taxes	**(20)**	20	**719**	515
Income tax expense (recovery)				
Current	**7**	12	**43**	44
Deferred	**(13)**	(9)	**108**	72
Net income (loss) after taxes	**(14)**	17	**568**	399
Net income applicable to non-controlling interests	**3**	3	**8**	11
Net income (loss) applicable to controlling interests	**(17)**	14	**560**	388
Preferred share dividends	**(4)**	(5)	**(14)**	(13)
Loss on redemption of preferred shares	**(4)**	—	**(4)**	—
Net income (loss) applicable to common shares	**$ (25)**	$ 9	**$ 542**	$ 375
Net income (loss) per common share *(note 15)*				
Basic	**$ (0.08)**	$ 0.03	**$ 1.81**	$ 1.26
Diluted	**$ (0.08)**	$ 0.03	**$ 1.81**	$ 1.26
Weighted average number of common shares outstanding (millions) *(note 15)*				
Basic	**299.3**	297.6	**298.9**	296.5
Diluted	**299.3**	298.8	**299.7**	298.0

See accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(condensed and unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Net income (loss) after taxes	**$ (14)**	$ 17	**$ 568**	$ 399
Other comprehensive income (loss), net of taxes				
Gains (losses) on foreign currency translation	**231**	(149)	**(392)**	210
Unrealized gains (losses) on net investment hedge *(note 12)*	**(18)**	12	**30**	(17)
Gains (losses) on cash flow hedges *(note 12)*	**17**	(52)	**(10)**	(61)
Reclassification of losses (gains) on cash flow hedges *(note 12)*	**(22)**	11	**44**	18
Actuarial gains on pension plans and post-retirement benefit ("PRB") plans	**—**	1	**—**	1
Reclassification of gain on partial settlement of PRB plan (*note 17)*	**—**	(2)	**—**	(2)
Total other comprehensive income (loss) ("OCI"), net of taxes	**$ 208**	$ (179)	**$ (328)**	$ 149
Comprehensive income (loss) attributable to controlling interests and non-controlling interests, net of taxes	**$ 194**	$ (162)	**$ 240**	$ 548
Comprehensive income (loss) attributable to:				
Non-controlling interests	**$ 3**	$ 3	**$ 8**	$ 11
Controlling interests	**191**	(165)	**232**	537
	$ 194	$ (162)	**$ 240**	$ 548

See accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF EQUITY

(condensed and unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Common shares *(note 14)*				
Balance, beginning of period	**$ 7,208**	$ 7,166	**$ 7,180**	$ 7,120
Shares issued for cash on exercise of options	**6**	11	**34**	57
Balance, end of period	**$ 7,214**	$ 7,177	**$ 7,214**	$ 7,177
Preferred shares *(note 14)*				
Balance, beginning of period	**$ 391**	$ 391	**$ 391**	$ 391
Redemption of preferred shares	**(196)**	—	**(196)**	—
Balance, end of period	**$ 195**	$ 391	**$ 195**	$ 391
Contributed surplus				
Balance, beginning of period	**$ 614**	$ 619	**$ 618**	$ 624
Exercise of share options	**—**	(1)	**(4)**	(6)
Balance, end of period	**$ 614**	$ 618	**$ 614**	$ 618
Accumulated deficit				
Balance, beginning of period	**$ (214)**	$ (627)	**$ (592)**	$ (817)
Net income (loss) applicable to controlling interests	**(17)**	14	**560**	388
Common share dividends	**(95)**	(89)	**(284)**	(265)
Preferred share dividends	**(4)**	(5)	**(14)**	(13)
Loss on redemption of preferred shares	**(4)**	—	**(4)**	—
Balance, end of period	**$ (334)**	$ (707)	**$ (334)**	$ (707)
AOCI *(note 10)*				
Balance, beginning of period	**$ 619**	$ 723	**$ 1,155**	$ 395
Other comprehensive income (loss)	**208**	(179)	**(328)**	149
Balance, end of period	**$ 827**	$ 544	**$ 827**	$ 544
Total shareholders' equity	**$ 8,516**	$ 8,023	**$ 8,516**	$ 8,023
Non-controlling interests				
Balance, beginning of period	**$ 458**	$ 197	**$ 294**	$ 150
Net income applicable to non-controlling interests	**3**	3	**8**	11
Contributions from non-controlling interests to subsidiaries	**112**	44	**280**	92
Distributions by subsidiaries to non-controlling interests	**(4)**	(4)	**(13)**	(13)
Balance, end of period	**$ 569**	$ 240	**$ 569**	$ 240
Total equity	**$ 9,085**	$ 8,263	**$ 9,085**	$ 8,263

See accompanying notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(condensed and unaudited)

	Three Months Ended September 30		Nine Months Ended September 30	
($ millions)	**2025**	2024	**2025**	2024
Cash from operations				
Net income (loss) after taxes	**$ (14)**	$ 17	**$ 568**	$ 399
Items not involving cash:				
Depreciation and amortization	**125**	119	**379**	352
Provisions on assets	**—**	—	**2**	—
Accretion expenses	**2**	2	**4**	4
Deferred income tax expense (recovery)	**(13)**	(9)	**108**	72
Losses (gains) on sale of assets	**—**	(14)	**3**	(12)
Income from equity investments *(note 7)*	**(14)**	(16)	**(45)**	(45)
Unrealized losses (gains) on risk management contracts *(note 12)*	**40**	37	**(176)**	10
Amortization of deferred financing costs	**2**	2	**5**	5
Allowance for credit losses *(note 12)*	**4**	6	**22**	21
Change in pension and other post-retirement benefits	**(16)**	(76)	**(48)**	(102)
Other	**6**	14	**24**	15
Asset retirement obligations settled	**(3)**	(1)	**(4)**	(1)
Distributions from equity investments	**21**	4	**61**	11
Changes in operating assets and liabilities *(note 18)*	**(106)**	(64)	**123**	301
	$ 34	$ 21	**$ 1,026**	$ 1,030
Investing activities				
Capital expenditures - property, plant and equipment	**(417)**	(405)	**(1,117)**	(984)
Capital expenditures - intangible assets	**(5)**	(2)	**(12)**	(4)
Contributions to equity investments	**(3)**	—	**(5)**	(1)
Proceeds from disposition of equity investments	**—**	14	**—**	14
Proceeds from disposition of assets, net of transaction costs	**—**	—	**—**	2
	$ (425)	$ (393)	**$ (1,134)**	$ (973)
Financing activities				
Issuance of long-term debt, net of debt issuance costs	**—**	240	**136**	1,236
Repayment of long-term debt and finance lease liabilities	**(65)**	(4)	**(880)**	(1,017)
Net borrowing (repayment) under credit facilities	**241**	(310)	**886**	(628)
Issuance of subordinated hybrid notes, net of debt issuance costs *(note 9)*	**198**	1,203	**198**	1,203
Dividends - common shares	**(95)**	(89)	**(284)**	(265)
Dividends - preferred shares	**(4)**	(5)	**(14)**	(13)
Distributions to non-controlling interests	**(4)**	(4)	**(13)**	(13)
Contributions from non-controlling interests	**112**	56	**280**	73
Net proceeds from shares issued on exercise of options *(note 14)*	**6**	10	**30**	51
Redemption of preferred shares *(note 14)*	**(200)**	—	**(200)**	—
Settlement of derivative instruments	**—**	—	**—**	(9)
	$ 189	$ 1,097	**$ 139**	$ 618
Change in cash, cash equivalents, and restricted cash	**(202)**	725	**31**	675
Cash, cash equivalents, and restricted cash, beginning of period	**325**	54	**92**	104
Cash, cash equivalents, and restricted cash, end of period *(note 18)*	**$ 123**	$ 779	**$ 123**	$ 779

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, Inc. 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$5.5 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 Virginia, Maryland, 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 a third terminal currently under construction; 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 later 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 nine months ended September 30, 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 Update ("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 (local), 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 periods 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.

In May 2025, FASB issued ASU 2025-03 "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity". The amendments in this ASU: (1) establish more consistent requirements for determining the accounting acquirer when a business is acquired in a transaction achieved by exchanging equity interests; (2) align the requirements for determining the accounting acquirer in the acquisition of a variable interest entity with the current requirements that apply to transactions that do not involve a variable interest entity; and (3) enhance financial statement comparability by providing consistent requirements for economically similar transactions. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2026, and interim reporting periods within those annual reporting periods. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

In July 2025, FASB issued ASU 2025-05 "Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets". This ASU introduces two provisions related to estimating expected credit losses for current accounts receivable and contract assets arising from revenue transactions under Topic 606: a practical expedient available to all entities, and an accounting policy election available only to entities that are not public business entities. The practical expedient allows entities to assume that current conditions as of the balance sheet date do not change for the remaining life of the asset when developing forecasts as part of estimating expected credit losses. The amendments are effective for annual reporting periods beginning after December 15, 2025, including interim periods within those annual periods. Early adoption is permitted. If an entity elects the practical expedient, it should be applied prospectively. AltaGas is currently evaluating the impact of this ASU on its consolidated financial statements.

In September 2025, FASB issued ASU 2025-06 "Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software". This ASU modernizes the recognition guidance for internal-use software costs to reflect current development practices and introduces the concept of “significant development uncertainty”, which precludes capitalization until resolved. Additionally, the ASU aligns website development cost treatment with the internal-use software guidance. The amendments are effective for annual reporting periods beginning after December 15, 2027, including interim periods within those annual periods. Early adoption is permitted. Entities may apply the amendments using a prospective approach, a modified transition approach with a cumulative-effect adjustment to opening retained earnings for existing contracts, or a retrospective approach. AltaGas is currently evaluating the impact of this ASU on its consolidated financial statements.

In September 2025, FASB issued ASU 2025-07 "Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinement and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract". This ASU expands the scope exception in Topic 815 to exclude certain non exchange-traded contracts with underlyings based on operations or activities specific to one of the parties to the contract. Additionally, it clarifies that Topic 606 governs the accounting for share-based non-cash consideration from a customer until the entity’s right to receive or retain the consideration becomes unconditional. The amendments are effective for annual reporting periods beginning after December 15, 2026, including interim periods within those annual periods. Early adoption is permitted. Entities may apply the amendments using either a prospective approach or a modified retrospective approach with a cumulative-effect adjustment to opening retained earnings for existing contracts. AltaGas is currently evaluating the impact of this ASU on its consolidated financial statements.

3. INVENTORY

As at	September 30, 2025	December 31, 2024
Natural gas held in storage [(a)]	**$ 261**	$ 213
Natural gas liquids	**158**	122
Renewable energy credits and emission compliance instruments	**134**	165
Materials and supplies	**71**	70
Crude oil and condensate	**53**	98
Processed finished products	**7**	8
	$ 684	$ 676

(a) As at September 30, 2025, $225 million of the natural gas held in storage was held by rate-regulated utilities (December 31, 2024 - $186 million).

4. GOODWILL

As at	September 30, 2025	December 31, 2024
Balance, beginning of period	**$ 5,691**	$ 5,270
Adjustment to goodwill on business acquisition	**—**	7
Foreign exchange translation	**(166)**	414
Balance, end of period	**$ 5,525**	$ 5,691

5. LONG-TERM INVESTMENTS AND OTHER ASSETS

As at	September 30, 2025	December 31, 2024
Deferred lease receivable	**$ 16**	$ 16
Debt issuance costs associated with credit facilities	**5**	5
Refundable deposits	**10**	10
Prepayment on long-term service agreements	**61**	62
Deferred information technology costs	**49**	43
Cash calls from joint venture partners	**13**	16
Contract asset *(net of credit losses of $1 million) (notes 11 and 12)*	**3**	3
Rabbi trust *(note 18)*	**3**	5
Capitalized contract costs	**4**	4
Deferred energy program payments	**8**	8
Financial transmission rights	**29**	31
Blend-and-extend contract	**26**	29
Other	**26**	23
	$ 253	$ 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	**September 30, 2025**	December 31, 2024
Current assets	**$ 11**	$ 9
Property, plant and equipment	**338**	343
Long-term investments and other assets	**37**	39
Current liabilities	**(23)**	(18)
Asset retirement obligations	**(5)**	(5)
Net assets	**$ 358**	$ 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	**September 30, 2025**	December 31, 2024
Current assets	**$ 108**	$ 59
Property, plant and equipment	**814**	312
Operating right of use assets	**57**	56
Current portion of operating lease liabilities	**(3)**	(3)
Operating lease liabilities	**(57)**	(55)
Other long-term liabilities	**(1)**	(1)
Net assets	**$ 918**	$ 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 September 30, 2025, AltaGas held a 40 percent equity investment in SSLP with a carrying value of $127 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	**September 30, 2025**	December 31, 2024
Eaton Rapids Gas Storage System	United States	**50**	**$ 29**	$ 30
Mountain Valley Pipeline, LLC ("MVP") [(a)]	United States	**10**	**565**	596
Sarnia Airport Storage Pool LP	Canada	**50**	**17**	15
Petrogas Terminals Penn LLC	United States	**50**	**1**	1
SSLP	Canada	**40**	**127**	127
			$ 739	$ 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 September 30		Equity income for the nine months ended September 30	
	Location	Ownership Percentage	**2025**	2024	**2025**	2024
Eaton Rapids Gas Storage System	United States	**50**	**$ —**	$ —	**$ 2**	$ 2
MVP [(a)]	United States	**10**	**12**	14	**37**	37
Sarnia Airport Storage Pool LP	Canada	**50**	**—**	—	**1**	1
SSLP	Canada	**40**	**2**	2	**5**	5
			$ 14	$ 16	**$ 45**	$ 45

(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	September 30, 2025	December 31, 2024
Credit facilities			
$2.3 billion unsecured extendible revolving facility [a]	2-May-2029	**$ 1,210**	$ —
US$150 million unsecured extendible revolving facility	20-Dec-2026	**43**	104
Commercial paper [b]	27-Jun-2030	**—**	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
$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
US$53 million Senior unsecured - 6.62 to 6.82 percent	Oct 2026	**74**	76
US$72 million Senior unsecured - 6.40 to 6.57 percent	Feb - Sep 2027	**100**	104
US$52 million Senior unsecured - 6.57 to 6.85 percent	Jan - Mar 2028	**72**	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	**209**	216
US$100 million Senior unsecured - 4.84 percent	1-Apr-2035	**139**	—
US$50 million Senior unsecured - 5.70 to 5.78 percent	Jan - Mar 2036	**70**	72
US$75 million Senior unsecured - 5.21 percent	3-Dec-2040	**104**	107
US$75 million Senior unsecured - 5.00 percent	15-Dec-2043	**104**	107
US$300 million Senior unsecured - 4.22 to 4.60 percent	Sep - Nov 2044	**418**	432
US$450 million Senior unsecured - 3.80 percent	15-Sep-2046	**626**	647
US$400 million Senior unsecured - 3.65 percent	15-Sep-2049	**557**	576
US$200 million Senior unsecured - 2.98 percent	15-Dec-2051	**278**	288
US$25 million Senior unsecured - 5.25 percent	29-Dec-2042	**35**	36
US$175 million Senior unsecured - 5.33 percent	29-Dec-2052	**244**	252
US$50 million Senior unsecured - 6.43 percent	15-Oct-2053	**70**	72
US$100 million Senior unsecured - 5.40 percent	1-Oct-2054	**139**	144
SEMCO long-term debt			
US$225 million First Mortgage Bonds - 2.45 percent	21-Apr-2030	**100**	104
US$225 million First Mortgage Bonds - 3.15 percent	21-Apr-2050	**313**	323
Fair value adjustment on WGL Acquisition		**72**	77
		$ 7,933	$ 7,879
Less: unamortized premiums, discounts, and debt issuance costs		**(28)**	(29)
		$ 7,905	$ 7,850
Less: current portion		**(396)**	(858)
		$ 7,509	$ 6,992

(a) Includes a $1.7 billion four-year extendable committed revolving tranche which matures in May 2029 and a $600 million three-year extendable side car revolving tranche which matures in May 2028.

(b) Commercial paper is classified as short-term debt unless AltaGas intends to refinance on a long-term basis and the amount is supported by the availability of long-term committed credit facilities.

9. SUBORDINATED HYBRID NOTES

As at	Maturity date		September 30, 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
$200 million Subordinated Notes, Series 4 - 5.38 percent [(d)]	5-Dec-2055		**200**		—
US$900 million Subordinated Notes - 7.20 percent [(e)] [(f)]	15-Oct-2054		**1,253**		1,295
		$	**2,203**	$	2,045
Less: debt issuance costs			**(24)**		(23)
		$	**2,179**	$	2,022

(a) For the initial 10 years, the Subordinated 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 Subordinated 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 Subordinated 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 5 years, the Subordinated Notes carry a fixed interest rate. From December 5, 2030, 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 2.42 percent, provided that the interest rate will not be less than 5.38 percent.

(e) For the initial 10 years, the Subordinated 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.

(f) In the third quarter of 2024, AltaGas concurrently executed cross-currency swaps totaling US$900 million, effectively converting the U.S. dollar principal and interest payments of these Subordinated Notes into Canadian dollars and applying 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 and nine months ended September 30, 2025, AltaGas recorded interest expense of $35 million and $103 million, respectively, on the subordinated hybrid notes (three and nine months ended September 30, 2024 - $15 million and $41 million, respectively).

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	**(11)**	**—**	**30**	**(392)**	**(373)**
Amounts reclassified from OCI	**44**	**—**	**—**	**—**	**44**
Current period OCI (pre-tax)	**$ 33**	**$ —**	**$ 30**	**$ (392)**	**$ (329)**
Income tax on amounts retained in AOCI	**1**	**—**	**—**	**—**	**1**
Net current period OCI	**$ 34**	**$ —**	**$ 30**	**$ (392)**	**$ (328)**
Ending balance, September 30, 2025	**$ (58)**	**$ (4)**	**$ (202)**	**$ 1,091**	**$ 827**
Opening balance, January 1, 2024	$ (9)	$ (2)	$ (148)	$ 554	$ 395
OCI before reclassification	(65)	1	(19)	210	127
Amounts reclassified from OCI	18	(2)	—	—	16
Current period OCI (pre-tax)	$ (47)	$ (1)	$ (19)	$ 210	$ 143
Income tax on accounts retained in AOCI	4	—	2	—	6
Net current period OCI	$ (43)	$ (1)	$ (17)	$ 210	$ 149
Ending balance, September 30, 2024	$ (52)	$ (3)	$ (165)	$ 764	$ 544

Reclassification From Accumulated Other Comprehensive Income (Loss)

AOCI components reclassified	Income statement line item	**Three Months Ended September 30, 2025**	Three Months Ended September 30, 2024
		Gains (losses)	Gains (losses)
Cash flow hedges - commodity contracts	Cost of sales	**$ (3)**	$ (2)
Cash flow hedges - cross-currency swaps	Foreign exchange gains (losses)	**25**	(9)
DB pension and PRB plans [(a)]	Other income	**—**	2
		$ 22	$ (9)

(a) Reclassification from AOCI for the three months ended September 30, 2024 relates to the partial settlement of Washington Gas' post-retirement benefit plan. Refer to Note 17 for more details.

AOCI components reclassified	Income statement line item	**Nine Months Ended September 30, 2025**	Nine Months Ended September 30, 2024
		Losses	Gains (losses)
Cash flow hedges - commodity contracts	Cost of sales	**$ (2)**	$ (9)
Cash flow hedges - cross-currency swaps	Foreign exchange gains (losses)	**(42)**	(9)
DB pension and PRB plans [(a)]	Other income	**—**	2
		$ (44)	$ (16)

(a) Reclassification from AOCI for the nine months ended September 30, 2024 relates to the partial settlement of Washington Gas' post-retirement benefit plan. Refer to Note 17 for more details.

11. REVENUE

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

		Three Months Ended September 30, 2025						
		Utilities		Midstream		Corporate/ Other		Total
Revenue from contracts with customers								
Commodity sales contracts	$	551	$	1,338	$	15	$	1,904
Midstream service contracts		—		338		—		338
Gas sales and transportation services		274		—		—		274
Storage services		—		13		—		13
Other [(a)]		2		—		12		14
Total revenue from contracts with customers	$	827	$	1,689	$	27	$	2,543
Other sources of revenue								
Revenue from alternative revenue programs [(b)]	$	28	$	—	$	—	$	28
Leasing revenue [(c)]		—		66		—		66
Risk management and trading activities [(d)]		(18)		(21)		—		(39)
Total revenue from other sources	$	10	$	45	$	—	$	55
Total revenue	$	837	$	1,734	$	27	$	2,598

(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 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 September 30, 2024						
		Utilities		Midstream		Corporate/ Other		Total
Revenue from contracts with customers								
Commodity sales contracts	$	543	$	1,534	$	21	$	2,098
Midstream service contracts		—		393		—		393
Gas sales and transportation services		266		—		—		266
Storage services		—		7		—		7
Other [(a)]		2		—		12		14
Total revenue from contracts with customers	$	811	$	1,934	$	33	$	2,778
Other sources of revenue								
Revenue from alternative revenue programs [(b)]	$	21	$	—	$	—	$	21
Leasing revenue [(c)]		—		61		—		61
Risk management and trading activities [(d)]		9		(109)		—		(100)
Other		(2)		1		—		(1)
Total revenue from other sources	$	28	$	(47)	$	—	$	(19)
Total revenue	$	839	$	1,887	$	33	$	2,759

(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.

	Nine Months Ended September 30, 2025			
	Utilities	**Midstream**	**Corporate / Other**	**Total**
Revenue from contracts with customers				
Commodity sales contracts	**$ 1,699**	**$ 4,301**	**$ 19**	**$ 6,019**
Midstream service contracts	**—**	**942**	**—**	**942**
Gas sales and transportation services	**1,942**	**—**	**—**	**1,942**
Storage services	**—**	**48**	**—**	**48**
Other [(a)]	**7**	**—**	**38**	**45**
Total revenue from contracts with customers	**$ 3,648**	**$ 5,291**	**$ 57**	**$ 8,996**
Other sources of revenue				
Revenue from alternative revenue programs [(b)]	**$ 82**	**$ —**	**$ —**	**$ 82**
Leasing revenue [(c)]	**—**	**209**	**—**	**209**
Risk management and trading activities [(d)]	**(1)**	**127**	**—**	**126**
Other	**(6)**	**4**	**—**	**(2)**
Total revenue from other sources	**$ 75**	**$ 340**	**$ —**	**$ 415**
Total revenue	**$ 3,723**	**$ 5,631**	**$ 57**	**$ 9,411**

(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 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.

	Nine Months Ended September 30, 2024			
	Utilities	Midstream	Corporate/ Other	Total
Revenue from contracts with customers				
Commodity sales contracts	$ 1,580	$ 4,655	$ 38	$ 6,273
Midstream service contracts	—	1,036	—	1,036
Gas sales and transportation services	1,557	—	—	1,557
Storage services	—	26	—	26
Other [(a)]	7	—	29	36
Total revenue from contracts with customers	$ 3,144	$ 5,717	$ 67	$ 8,928
Other sources of revenue				
Revenue from alternative revenue programs [(b)]	$ 122	$ —	$ —	$ 122
Leasing revenue [(c)]	—	170	—	170
Risk management and trading activities [(d)]	(20)	(13)	—	(33)
Other	(5)	7	—	2
Total revenue from other sources	$ 97	$ 164	$ —	$ 261
Total revenue	$ 3,241	$ 5,881	$ 67	$ 9,189

(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 for these contracts is recognized at a point in time 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	**September 30, 2025**	December 31, 2024
Balance, beginning of period	**$ 3**	$ 40
Amortization	**—**	(1)
Transfers to other assets *(note 5)*	**—**	(36)
Balance, end of period	**$ 3**	$ 3

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 September 30, 2025:

	Remainder of 2025	2026	2027	2028	2029	2030 & beyond	**Total**
Commodity sales contracts	$ —	$ —	$ 19	$ 26	$ 26	$ 187	**$ 258**
Midstream service contracts	36	199	200	190	165	865	**1,655**
Storage services	—	6	8	8	8	53	**83**
Other revenue from contracts with customers	13	52	52	1	1	5	**124**
	$ 49	$ 257	$ 279	$ 225	$ 200	$ 1,110	**$ 2,120**

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, subordinated hybrid notes, finance lease liabilities, 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 models, indicative broker quotes, and other valuation techniques 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.

As at	September 30, 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	$ 57	$ —	$ 54	$ 3	$ 57
Risk management assets - non-current	61	—	40	21	61
Fair value through regulatory assets [(a)]					
Risk management assets - current	7	—	5	2	7
Risk management assets - non-current	25	—	—	25	25
	$ 150	$ —	$ 99	$ 51	$ 150
Financial liabilities					
Fair value through net income [(a) (b) (c)]					
Risk management liabilities - current	$ 55	$ —	$ 32	$ 23	$ 55
Risk management liabilities - non-current	92	—	38	54	92
Fair value through regulatory liabilities [(a)]					
Risk management liabilities - current	15	—	—	15	15
Risk management liabilities - non-current	29	—	—	29	29
Amortized cost					
Current portion of long-term debt	396	—	396	—	396
Current portion of finance lease liabilities	24	—	24	—	24
Long-term debt	7,509	—	6,877	—	6,877
Finance lease liabilities	125	—	125	—	125
Subordinated hybrid notes	2,179	—	2,286	—	2,286
Other current liabilities [(d)]	41	—	41	—	41
	$ 10,465	$ —	$ 9,819	$ 121	$ 9,940

(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 a liability 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 $21 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, short-term debt, accounts receivables, and accounts payables. 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 September 30, 2025:

	Net Fair Value	Valuation Technique	Unobservable Inputs	Range	Weighted Average [(a)]
Natural gas	$ (16)	Discounted Cash Flow	Natural Gas Basis Price (per Dth)	$ (4.25) - $ 5.28	$ (0.17)
Natural gas	$ (1)	Option Model	Natural Gas Basis Price (per Dth)	$ (1.95) - $ 4.94	$ (0.11)
			Annualized Volatility of Spot Market Natural Gas	7 % - 52 %	18 %
Electricity	$ (53)	Discounted Cash Flow	Electricity Congestion Price (per MWh)	$ (49.18) - $ 134.13	$ 15.48

(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	**September 30, 2025**			September 30, 2024		
	Natural Gas	**Electricity**	**Total**	Natural Gas	Electricity	Total
Balance, beginning of period	**$ (61)**	**$ (47)**	**$ (108)**	$ (7)	$ —	$ (7)
Gains (losses):						
Recorded in income [(a)]	**14**	**(12)**	**2**	(22)	(9)	(31)
Recorded in regulatory assets [(b)]	**24**	**—**	**24**	(23)	—	(23)
Purchases	**—**	**7**	**7**	—	7	7
Settlements	**7**	**(1)**	**6**	2	(11)	(9)
Foreign exchange translation	**(1)**	**—**	**(1)**	—	—	—
Balance, end of period	**$ (17)**	**$ (53)**	**$ (70)**	$ (50)	$ (13)	$ (63)

(a) Includes unrealized gains of $7 million and unrealized losses of $36 million for the three months ended September 30, 2025 and 2024, respectively.
(b) Includes unrealized gains of $23 million and unrealized losses of $23 million for the three months ended September 30, 2025 and 2024, respectively.

Nine Months Ended	**September 30, 2025**			September 30, 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)]	**4**	**5**	**9**	(15)	54	39
Recorded in regulatory assets [(b)]	**1**	**—**	**1**	(9)	—	(9)
Transfers out of Level 3	**—**	**—**	**—**	—	(1)	(1)
Purchases	**—**	**(7)**	**(7)**	—	(13)	(13)
Settlements	**11**	**(11)**	**—**	4	(28)	(24)
Foreign exchange translation	**3**	**1**	**4**	—	(2)	(2)
Balance, end of period	**$ (17)**	**$ (53)**	**$ (70)**	$ (50)	$ (13)	$ (63)

(a) Includes unrealized losses of $8 million and unrealized gains of $17 million for the nine months ended September 30, 2025 and 2024, respectively.
(b) Includes unrealized gains of $5 million and $23 million for the nine months ended September 30, 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. Transfers out of Level 3 during the nine months ended September 30, 2024 were due to an increase in valuations using observable market inputs.

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	**2025**	2024
Natural gas	**$ 20**	$ (32)	**$ 18**	$ 19
Energy exports	**(13)**	(33)	**81**	(38)
Crude oil and NGLs	**(3)**	(2)	**6**	(3)
NGL frac spread	**2**	10	**7**	(3)
Power	**(4)**	1	**16**	19
Foreign exchange	**(42)**	19	**48**	(4)
	$ (40)	$ (37)	**$ 176**	$ (10)

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	September 30, 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	$ 126	$ 5	$ (60)	$ (2)	$ 69
Energy exports	115	—	(63)	—	52
Crude oil and NGLs	2	—	(1)	—	1
NGL frac spread	6	—	(3)	—	3
Power	48	—	(32)	—	16
Foreign exchange	9	—	—	—	9
	$ 306	$ 5	$ (159)	$ (2)	$ 150
Risk management liabilities [(b)]					
Natural gas	$ 128	$ 8	$ (60)	$ (5)	$ 71
Energy exports	70	—	(63)	—	7
Crude oil and NGLs	1	—	(1)	—	—
NGL frac spread	3	—	(3)	—	—
Power	86	—	(32)	—	54
Foreign exchange	38	21	—	—	59
	$ 326	$ 29	$ (159)	$ (5)	$ 191

(a) Net amount of risk management assets on the Balance Sheet is comprised of risk management assets (current) balance of $64 million and risk management assets (non-current) balance of $86 million.

(b) Net amount of risk management liabilities on the Balance Sheet is comprised of risk management liabilities (current) balance of $70 million and risk management liabilities (non-current) balance of $121 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	**September 30, 2025**	December 31, 2024
Collateral posted with counterparties	**$ 36**	$ 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 September 30, 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	September 30, 2025	December 31, 2024
Risk management liabilities with credit-risk-contingent features	**$ 106**	$ 157
Maximum potential collateral requirements	**$ 88**	$ 116

Notional Summary

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

As at	September 30, 2025	December 31, 2024
Natural Gas		
Sales	**273,350,920 GJ**	230,536,993 GJ
Purchases	**491,003,493 GJ**	530,080,297 GJ
Swaps (a)	**59,694,435 GJ**	59,523,634 GJ
Crude Oil and NGLs		
Swaps	**1,276,752 Bbl**	778,564 Bbl
Energy Exports		
Purchases	**16,746,215 Bbl**	20,701,782 Bbl
Propane and butane swaps	**66,519,758 Bbl**	73,349,061 Bbl
NGL Frac Spread		
Propane swaps	**1,009,066 Bbl**	1,639,890 Bbl
Crude oil swaps	**210,313 Bbl**	341,586 Bbl
Natural gas swaps	**5,915,069 GJ**	9,650,298 GJ
Power		
Sales	**4,809,805 MWh**	5,006,116 MWh
Purchases	**5,072,036 MWh**	5,533,213 MWh
Swaps	**18,308,204 MWh**	22,382,893 MWh

(a) Includes approximately 45,879,110 GJ of natural gas swaps at September 30, 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 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 September 30, 2025, AltaGas has designated US$645 million of outstanding loans as a net investment hedge (December 31, 2024 - US$645 million). For the three and nine months ended September 30, 2025, unrealized after-tax losses on the net investment hedge of $18 million and unrealized after-tax gains of $30 million, respectively, were recorded in OCI (three and nine months ended September 30, 2024 - unrealized after-tax gains of $12 million and unrealized after-tax losses of $17 million, respectively).

The following foreign exchange related contracts were outstanding as at September 30, 2025:

	Duration		Fair Value *($ millions)*
Foreign exchange contracts			
Forward USD sales (non-deliverable)	**Less than 1 year**	**$**	**(12)**
Forward USD sales (non-deliverable)	**1 - 5 years**	**$**	**(12)**
Foreign exchange option	**1 - 2 years**	**$**	**(6)**
Foreign exchange collar	**Less than 1 year**	**$**	**1**
Cross-currency swaps			
Fixed-to-fixed cross-currency swaps	**9 years**	**$**	**(21)**

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

	Duration		Fair Value *($ millions)*
Foreign exchange 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 gains (losses) on foreign exchange contracts recognized in net income:

		Three Months Ended September 30, 2025		Three Months Ended September 30, 2024		**Nine Months Ended September 30, 2025**		Nine Months Ended September 30, 2024
Objective of foreign exchange contract		**Losses**		Gains		**Gains (losses)**		Losses
Cash management [(a)]	**$**	**(1)**	$	—	**$**	**(1)**	$	(2)
Income statement risk management [(b)]	**$**	**(41)**	$	18	**$**	**27**	$	(3)

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

(b) Recorded in the Consolidated Statements of Income (Loss) 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 September 30, 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 $1 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 September 30, 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 September 30, 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 $6 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 September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
Designated cash flow hedges [(a)]	**Gains (losses)**	Losses	**Losses**	Losses
Cross-currency swaps	**$ 29**	$ (47)	**$ (5)**	$ (47)
Commodity contracts	**$ (12)**	$ (5)	**$ (5)**	$ (7)
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 and nine months ended September 30, 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 September 30, 2025		
	Accounts Receivable	**Contract Assets** [(a)]	**Total**
Utilities			
Balance, beginning of period	**$ 34**	**$ —**	**$ 34**
Foreign exchange translation	**1**	**—**	**1**
Adjustments to allowance	**4**	**—**	**4**
Written off	**(12)**	**—**	**(12)**
Balance, end of period	**$ 27**	**$ —**	**$ 27**
Midstream			
Balance, beginning of period	**$ 1**	**$ 1**	**$ 2**
Balance, end of period	**$ 1**	**$ 1**	**$ 2**
Total	**$ 28**	**$ 1**	**$ 29**

(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 September 30, 2024		
	Accounts Receivable	Contract Assets [(a)]	Total
Utilities			
Balance, beginning of period	$ 29	$ —	$ 29
Adjustments to allowance	6	—	6
Written off	(11)	—	(11)
Recoveries collected	1	—	1
Balance, end of period	$ 25	$ —	$ 25
Midstream			
Balance, beginning of period	$ 1	$ 1	$ 2
Balance, end of period	$ 1	$ 1	$ 2
Total	$ 26	$ 1	$ 27

(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.

	Nine Months Ended September 30, 2025		
	Accounts Receivable	**Contract Assets [(a)]**	**Total**
Utilities			
Balance, beginning of period	**$ 30**	**$ —**	**$ 30**
Foreign exchange translation	**(1)**	**—**	**(1)**
Adjustments to allowance	**22**	**—**	**22**
Written off	**(27)**	**—**	**(27)**
Recoveries collected	**3**	**—**	**3**
Balance, end of period	**$ 27**	**$ —**	**$ 27**
Midstream			
Balance, beginning of period	**$ 1**	**$ 1**	**$ 2**
Balance, end of period	**$ 1**	**$ 1**	**$ 2**
Total	**$ 28**	**$ 1**	**$ 29**

(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.

	Nine Months Ended September 30, 2024		
	Accounts Receivable	Contract Assets [(a)]	Total
Utilities			
Balance, beginning of period	$ 28	$ —	$ 28
Foreign exchange translation	1	—	1
Adjustments to allowance	21	—	21
Written off	(28)	—	(28)
Recoveries collected	3	—	3
Balance, end of period	$ 25	$ —	$ 25
Midstream			
Balance, beginning of period	$ 1	$ 1	$ 2
Balance, end of period	$ 1	$ 1	$ 2
Total	$ 26	$ 1	$ 27

(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 September 30, 2025.

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 (Loss) 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 and nine months ended September 30, 2025, accounts receivables sold under a receivables purchase agreement were US$94 million and US$297 million, respectively (three and nine months ended September 30, 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	1,561,149		34
Issued and outstanding at September 30, 2025	**299,486,164**	**$**	**7,214**

(a) Dividends declared per share for the three and nine months ended September 30, 2025 were approximately $0.32 and $0.95, respectively (three and nine months ended September 30, 2024 - approximately $0.30 and $0.89 respectively).

Preferred Shares

As at	**September 30, 2025**			December 31, 2024		
Issued and Outstanding [a] [b] [c]	**Number of shares**		**Amount**	Number of shares		Amount
Series A [d]	—	$	—	6,746,679	$	169
Series B [d]	—		—	1,253,321		31
Series G	**8,000,000**		**200**	8,000,000		200
Share issuance costs, net of taxes			**(5)**			(9)
	8,000,000	**$**	**195**	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.

(d) On September 30, 2025, AltaGas redeemed all of its outstanding Preferred Shares, Series A and Preferred Shares, Series B. A loss of approximately $4 million was recognized upon redemption related to share issuance costs for the preferred shares.

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 September 30, 2025, 6,225,473 shares were listed and reserved for issuance under the plan. Shareholders approved the conversion of the rolling option plan to a fixed option plan at the last meeting of shareholders. The Board has not issued options since 2021 and currently has no intention of issuing options under the plan. Therefore, AltaGas has deferred listing the common shares issuable under the fixed plan with the TSX until such time as the Board resolves to resume issuing options.

As at September 30, 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 September 30, 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	**September 30, 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	**(1,561,149)**		**19.36**	(3,021,252)		17.90
Forfeited	**—**		**—**	(1,123)		23.54
Share options outstanding, end of period	**963,864**	**$**	**18.87**	2,525,013	$	19.17
Share options exercisable, end of period	**963,864**	**$**	**18.87**	2,525,013	$	19.17

(a) Weighted average.

As at September 30, 2025, the aggregate intrinsic value of the total share options exercisable was $23 million (December 31, 2024 - $36 million), the total intrinsic value of share options outstanding was $23 million (December 31, 2024 - $36 million), and the total intrinsic value of share options exercised was $31 million (December 31, 2024 - $38 million).

The following table summarizes the employee share option plan as at September 30, 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 $19.57	963,864	$	18.87	1.09	963,864	$	18.87	1.09
	963,864	**$**	**18.87**	**1.09**	**963,864**	**$**	**18.87**	**1.09**

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 employees, executive officers, and directors, though primarily used for director compensation. DSUs granted under the DSUP vest immediately but settlement of the DSUs occur when the individual ceases to be engaged by AltaGas.

PUs, RUs, and DSUs *(number of units)*	**September 30, 2025**	December 31, 2024
Balance, beginning of year	**4,957,515**	5,052,918
Granted	**1,494,969**	1,792,809
Vested and paid out	**(1,627,262)**	(2,150,729)
Forfeited and expired	**(220,091)**	(721,404)
Units in lieu of dividends	**104,124**	179,084
Additional units added by performance factor	**380,026**	804,837
Outstanding, end of period	**5,089,281**	4,957,515

For the three and nine months ended September 30, 2025, the compensation expense recorded for the Phantom Plan and DSUP was $27 million and $72 million, respectively (three and nine months ended September 30, 2024 - $26 million and $60 million, respectively). As at September 30, 2025, the unrecognized compensation expense relating to the remaining vesting period for the Phantom Plan was $81 million (December 31, 2024 - $43 million) and is expected to be recognized over the vesting period.

15. NET INCOME (LOSS) PER COMMON SHARE

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	**2025**	2024
Numerator:				
Net income (loss) applicable to controlling interests	**$ (17)**	$ 14	**$ 560**	$ 388
Less: Preferred share dividends	**(4)**	(5)	**(14)**	(13)
Loss on redemption of preferred shares	**(4)**	—	**(4)**	—
Net income (loss) applicable to common shares	**$ (25)**	$ 9	**$ 542**	$ 375
Denominator:				
(millions of shares)				
Weighted average number of common shares outstanding	**299.3**	297.6	**298.9**	296.5
Dilutive equity instruments [(a)]	**—**	1.2	**0.8**	1.5
Weighted average number of common shares outstanding - diluted	**299.3**	298.8	**299.7**	298.0
Basic net income (loss) per common share	**$ (0.08)**	$ 0.03	**$ 1.81**	$ 1.26
Diluted net income (loss) per common share	**$ (0.08)**	$ 0.03	**$ 1.81**	$ 1.26

(a) Determined using the treasury stock method.

For the three months ended September 30, 2025, less than 1 million share options were excluded (three months ended September 30, 2024 - no shares options were excluded) from the diluted net income (loss) per common share calculation as their effects were anti-dilutive. For the nine months ended September 30, 2025 and 2024, there were no share options excluded from the diluted net income (loss) 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 September 30, 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 September 30, 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.

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.

In the third quarter of 2024, WGL recognized a settlement credit associated with the partial settlement of Washington Gas' post-retirement benefit plan under the line item "other income" for the three and nine months ended September 30, 2024. This was a result of the purchase of a medical health reimbursement arrangement annuity and a guaranteed life insurance funding account, which transferred all of the future financial and administrative responsibilities to the insurance carriers, effective August 2024.

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

	Three Months Ended September 30, 2025					
	Canada		United States		Total	
	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits
Current service cost [(a)]	$ 1	$ —	$ 2	$ 1	$ 3	$ 1
Interest cost [(b)]	—	—	17	2	17	2
Expected return on plan assets [(b)]	—	—	(21)	(12)	(21)	(12)
Amortization of past service credit [(b)]	—	—	—	(5)	—	(5)
Net benefit cost (income) recognized	$ 1	$ —	$ (2)	$ (14)	$ (1)	$ (14)

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

	Three Months Ended September 30, 2024					
	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)]	1	—	17	3	18	3
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)
Plan settlements [(b)] [(c)]	—	—	—	(65)	—	(65)
Other [(b)]	—	—	—	3	—	3
Net benefit cost (income) recognized	$ 1	$ —	$ (1)	$ (77)	$ —	$ (77)

(a) Recorded under the line item “operating and administrative” expenses on the Consolidated Statements of Income (Loss).
(b) Recorded under the line item “other income” on the Consolidated Statements of Income (Loss).
(c) Relates to the partial settlement of Washington Gas' post-retirement benefit plan in the third quarter of 2024 as discussed above.

	Nine Months Ended September 30, 2025					
	Canada		United States		Total	
	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits
Current service cost [(a)]	$ 1	$ —	$ 8	$ 3	$ 9	$ 3
Interest cost [(b)]	1	—	53	8	54	8
Expected return on plan assets [(b)]	—	—	(65)	(36)	(65)	(36)
Amortization of past service credit [(b)]	—	—	—	(17)	—	(17)
Amortization of net actuarial gain [(b)]	—	—	—	(2)	—	(2)
Net benefit cost (income) recognized	$ 2	$ —	$ (4)	$ (44)	$ (2)	$ (44)

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

	Nine Months Ended September 30, 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	$ —	$ 9	$ 5	$ 10	$ 5
Interest cost [(b)]	1	—	51	12	52	12
Expected return on plan assets [(b)]	—	—	(62)	(39)	(62)	(39)
Amortization of past service credit [(b)]	—	—	—	(15)	—	(15)
Amortization of net actuarial gain [(b)]	—	—	—	(4)	—	(4)
Plan settlements [(b) (c)]	—	—	—	(65)	—	(65)
Other [(b)]	—	—	—	3	—	3
Net benefit cost (income) recognized	$ 2	$ —	$ (2)	$ (103)	$ —	$ (103)

(a) Recorded under the line item "operating and administrative" expenses on the Consolidated Statements of Income (Loss).
(b) Recorded under the line item "other income" on the Consolidated Statements of Income (Loss).
(c) Relates to the partial settlement of Washington Gas' post-retirement benefit plan in the third quarter of 2024 as discussed above.

18. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	**2025**	2024
Source (use) of cash:				
Accounts receivable	**$ 29**	$ 32	**$ 362**	$ 466
Inventory	**(101)**	14	**(22)**	168
Risk management assets - current	**(12)**	(9)	**48**	42
Prepaid expenses and other current assets	**(18)**	18	**25**	43
Regulatory assets - current	**10**	14	**21**	(21)
Accounts payable and accrued liabilities	**32**	(107)	**(230)**	(307)
Customer deposits	**25**	22	**(2)**	(1)
Regulatory liabilities - current	**44**	(3)	**(1)**	(55)
Risk management liabilities - current	**(4)**	—	**(40)**	—
Other current liabilities	**19**	16	**(11)**	(9)
Other operating assets and liabilities	**(130)**	(61)	**(27)**	(25)
Changes in operating assets and liabilities	**$ (106)**	$ (64)	**$ 123**	$ 301

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2025	2024	**2025**	2024
Decrease (increase) of balance:				
Exercise of stock options	**$ —**	$ 1	**$ 4**	$ 6
Net right-of-use assets obtained in exchange for new operating lease liabilities	**$ (22)**	$ (13)	**$ (91)**	$ (155)
Net right-of-use assets obtained in exchange for new finance lease liabilities	**$ (2)**	$ (2)	**$ (11)**	$ (16)
Capital expenditures included in accounts payable and accrued liabilities	**$ (68)**	$ (23)	**$ (87)**	$ (20)
Contributions from non-controlling interests to subsidiaries included in accounts receivable	**$ 7**	$ 12	**$ 29**	$ (19)

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

As at September 30	**2025**	2024
Cash and cash equivalents	**$ 120**	$ 772
Restricted cash included in prepaid expenses and other current assets [(a)]	**—**	3
Restricted cash included in long-term investments and other assets *(note 5)* [(a)]	**3**	4
Cash, cash equivalents, and restricted cash per Consolidated Statements of Cash Flows	**$ 123**	$ 779

(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.

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 September 30, 2025		
	Utilities	**Midstream**	**Corporate/ Other**	**Total**
External revenue (*note 11)*	**$ 837**	**$ 1,734**	**$ 27**	**$ 2,598**
Segment revenue	**$ 837**	**$ 1,734**	**$ 27**	**$ 2,598**

		Three Months Ended September 30, 2024		
	Utilities	Midstream	Corporate/ Other	Total
External revenue *(note 11)*	$ 839	$ 1,887	$ 33	$ 2,759
Segment revenue	$ 839	$ 1,887	$ 33	$ 2,759

		Nine Months Ended September 30, 2025		
	Utilities	**Midstream**	**Corporate/ Other**	**Total**
External revenue *(note 11)*	**$ 3,723**	**$ 5,631**	**$ 57**	**$ 9,411**
Segment revenue	**$ 3,723**	**$ 5,631**	**$ 57**	**$ 9,411**

		Nine Months Ended September 30, 2024		
	Utilities	Midstream	Corporate/ Other	Total
External revenue *(note 11)*	$ 3,241	$ 5,881	$ 67	$ 9,189
Segment revenue	$ 3,241	$ 5,881	$ 67	$ 9,189

The following tables show the composition by segment:

	Three Months Ended September 30, 2025			
	Utilities	Midstream	Corporate/ Other	Total
Segment revenue *(note 11)*	$ 837	$ 1,734	$ 27	$ 2,598
Cost of sales	(550)	(1,418)	(9)	(1,977)
Operating and administrative	(249)	(161)	(24)	(434)
Accretion expenses	—	(2)	—	(2)
Depreciation and amortization	(78)	(40)	(7)	(125)
Income from equity investments *(note 7)*	—	14	—	14
Other income [(b)]	20	1	1	22
Interest expense	—	—	(116)	(116)
Income (loss) before income taxes	$ (20)	$ 128	$ (128)	$ (20)
Net additions to:				
Property, plant and equipment [(a)]	$ 206	$ 173	$ 2	$ 381
Intangible assets [(a)]	$ —	$ 1	$ 4	$ 5

(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 foreign exchange changes on U.S. assets.

(b) Other income for each reportable segment is comprised of:
- Midstream – interest income of $1 million which is offset by other miscellaneous expenses.
- Utilities – primarily consists of other components of net benefit cost (income) (*note 17*).
- Corporate/Other – primarily consists of other miscellaneous expenses.

Three Months Ended September 30, 2024				
	Utilities	Midstream	Corporate/ Other	Total
Segment revenue *(note 11)*	$ 839	$ 1,887	$ 33	$ 2,759
Cost of sales	(568)	(1,606)	(12)	(2,186)
Operating and administrative	(253)	(150)	(30)	(433)
Accretion expenses	(1)	(1)	—	(2)
Depreciation and amortization	(74)	(38)	(7)	(119)
Income from equity investments *(note 7)*	—	16	—	16
Other income [b]	81	15	—	96
Foreign exchange losses	—	—	(1)	(1)
Interest expense	—	—	(110)	(110)
Income (loss) before income taxes	$ 24	$ 123	$ (127)	$ 20
Net additions to:				
Property, plant and equipment [a]	$ 187	$ 182	$ 3	$ 372
Intangible assets [a]	$ —	$ 2	$ —	$ 2

(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 foreign exchange changes on U.S. assets.

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

- Midstream – Primarily consists of escrow account proceeds received from AltaGas' previous investment in Meade Pipeline Co. LLC which held WGL Midstream's indirect, non-operating interest in Central Penn pipeline ("the Meade escrow proceeds") as well as interest income of $1 million.
- Utilities – primarily consists of other components of net benefit cost (income), including the partial settlement of Washington Gas' post-retirement benefit pension plan (*note 17*)
- Corporate/Other – interest income of $1 million which is offset by other miscellaneous expenses.

Nine Months Ended September 30, 2025				
	Utilities	**Midstream**	**Corporate / Other**	**Total**
Segment revenue *(note 11)*	**$ 3,723**	**$ 5,631**	**$ 57**	**$ 9,411**
Cost of sales	**(2,230)**	**(4,483)**	**(10)**	**(6,723)**
Operating and administrative	**(796)**	**(476)**	**(73)**	**(1,345)**
Accretion expenses	**—**	**(4)**	**—**	**(4)**
Depreciation and amortization	**(237)**	**(117)**	**(25)**	**(379)**
Provisions on assets	**—**	**(2)**	**—**	**(2)**
Income from equity investments *(note 7)*	**2**	**43**	**—**	**45**
Other income [b]	**59**	**3**	**2**	**64**
Foreign exchange losses	**—**	**—**	**(3)**	**(3)**
Interest expense	**—**	**—**	**(345)**	**(345)**
Income (loss) before income taxes	**$ 521**	**$ 595**	**$ (397)**	**$ 719**
Net additions to:				
Property, plant and equipment [a]	**$ 493**	**$ 446**	**$ 14**	**$ 953**
Intangible assets [a]	**$ —**	**$ 2**	**$ 10**	**$ 12**

(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 foreign exchange changes on U.S. assets.

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

- Midstream – interest income of $4 million which is partially offset by other miscellaneous expenses.
- Utilities – primarily consists of other components of net benefit cost (income) (*note 17*).
- Corporate/Other – interest income of $2 million.

	Nine Months Ended September 30, 2024			
	Utilities	Midstream	Corporate/ Other	Total
Segment revenue *(note 11)*	$ 3,241	$ 5,881	$ 67	$ 9,189
Cost of sales	(1,905)	(4,924)	(27)	(6,856)
Operating and administrative	(792)	(445)	(89)	(1,326)
Accretion expenses	(1)	(3)	—	(4)
Depreciation and amortization	(218)	(112)	(22)	(352)
Income from equity investments *(note 7)*	2	43	—	45
Other income [(b)]	114	25	2	141
Foreign exchange gains	—	—	5	5
Interest expense	—	—	(327)	(327)
Income (loss) before income taxes	$ 441	$ 465	$ (391)	$ 515
Net additions to:				
Property, plant and equipment [(a)]	$ 544	$ 350	$ 35	$ 929
Intangible assets [(a)]	$ —	$ 4	$ —	$ 4

(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 foreign exchange changes on U.S. assets.

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

- Midstream – primarily consists of the previously mentioned Meade escrow account proceeds, the gain on settlement of an asset retirement obligation, and interest income of $3 million.
- Utilities – primarily consists of other components of net benefit cost (income), including the partial settlement of Washington Gas' post-retirement benefit pension plan *(note 17)*, as well as interest income of $1 million.
- Corporate/Other – interest income of $2 million.

The following table shows goodwill and total assets by segment:

	Utilities	Midstream	Corporate/ Other	Total
As at September 30, 2025				
Goodwill *(note 4)*	**$ 3,822**	**$ 1,703**	**$ —**	**$ 5,525**
Segmented assets	**$ 16,519**	**$ 8,755**	**$ 695**	**$ 25,969**
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

Subsequent events have been reviewed through October 28, 2025, the date on which these unaudited condensed interim Consolidated Financial Statements were approved for issuance by the Board of Directors.

SUPPLEMENTAL QUARTERLY OPERATING INFORMATION

	Q3-25	Q2-25	Q1-25	Q4-24	Q3-24
OPERATING HIGHLIGHTS					
UTILITIES					
Natural gas deliveries - end use (Bcf) (1)	**8.9**	16.4	73.5	38.3	8.9
Natural gas deliveries - transportation (Bcf) (1)	**23.4**	20.7	44.5	27.6	20.7
Service sites (thousands) (2)	**1,567**	1,567	1,571	1,568	1,560
Degree day variance from normal - SEMCO (Michigan) (%) (3)	**(13.3)**	3.6	(0.3)	(13.5)	(57.4)
Degree day variance from normal - Washington Gas (D.C.) (%) (3) (4) (5)	**(100.0)**	(31.1)	(5.2)	(15.8)	(100.0)
WGL retail energy marketing - gas sales volumes (Mmcf)	**10,046**	11,572	22,505	17,191	8,179
WGL retail energy marketing - electricity sales volumes (GWh)	**3,840**	3,575	3,689	3,851	4,344
MIDSTREAM					
LPG export volumes (Bbls/d) (6)	**133,147**	127,814	119,241	122,233	128,272
Total inlet gas processed (Mmcf/d) (6)	**1,374**	1,531	1,552	1,477	1,303
Extracted ethane volumes (Bbls/d) (6)	**25,294**	23,231	33,051	25,454	20,314
Extracted NGL volumes (Bbls/d) (6) (7)	**43,624**	50,982	49,051	47,745	46,707
Fractionation volumes (Bbls/d) (6) (8)	**43,038**	42,625	42,415	45,398	43,445
Frac spread - realized ($/Bbl) (6) (9)	**22.27**	24.48	27.77	20.99	24.70
Frac spread - average spot price ($/Bbl) (6) (10)	**23.75**	24.46	32.13	26.07	30.39
Propane Far East Index ("FEI") to Mont Belvieu spread (US$/Bbl) (6) (11) (12)	**12.91**	10.15	12.17	18.85	21.52
Butane FEI to Mont Belvieu spread (US$/Bbl) (6) (12) (13)	**13.19**	11.57	12.41	10.81	18.53

(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) The -100 percent degree day variance for Washington Gas in the third quarters of 2025 and 2024 is a result of there being 12 normal degree days in the third quarter of any given year, compared to nil actual degree days in the third quarters of 2024 and 2025. Given that the normal degree days in the third quarter are so low compared to other quarters, any change causes a large variance when shown as a percentage.

(6) Average for the period.

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

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

(13) 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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