# ALTAGAS REPORTS RECORD SECOND QUARTER RESULTS

## Strong Year-to-Date Performance Drives 2026 Guidance Increase

**Calgary, Alberta (July 30, 2026)**

**AltaGas Ltd. ("AltaGas" or the "Company") (TSX: ALA)** reported second quarter 2026 financial results and provides an update on its 2026 guidance, operations, growth initiatives and corporate developments.

## Second Quarter Highlights

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

### Financial Highlights

- Normalized EBITDA[1] was $391 million in the second quarter of 2026, compared to the $342 million recorded in the second quarter of 2025. Income before income taxes was $383 million in the second quarter of 2026, an increase from $226 million in the second quarter of 2025.
- Normalized EBITDA growth was primarily driven by increased global export volumes and margins, Pipestone II contributions, Utilities pipe modernization investments and higher retail margins in Utilities.
- Normalized EPS[1] was $0.31 in the second quarter of 2026, compared to $0.27 in the second quarter of 2025, while GAAP EPS[2] was $0.92 in the second quarter of 2026 compared to $0.59 in the second quarter of 2025.

### Guidance and Balance Sheet Update

- AltaGas has increased its 2026 guidance, raising normalized EBITDA by four percent to a new range of $2.0 billion–$2.1 billion and normalized EPS by six percent to a range of $2.35–$2.60. The increase reflects strong performance year-to-date and a constructive outlook for both segments for the balance of the year.
- Adjusted net debt to normalized EBITDA[1] exited the quarter at 4.4x on a trailing basis, including 50 percent debt treatment on subordinated hybrids and preferred shares, below the low-end of AltaGas' target leverage range.
- AltaGas is increasing its 2026 capital budget from $1.7 billion to $1.8 billion, reflecting higher capital expenditures for the construction of the Ridley Island Energy Export Facility ("REEF") and positive final investment decisions ("FIDs") on two Northeast British Columbia ("NEBC") growth projects.

### Operational Highlights

- AltaGas exported a record 144,420 Bbl/d of liquid petroleum gases ("LPG") to Asia across 23 Very Large Gas Carriers ("VLGCs"), a 13 percent year-over-year increase.
- The Company continues to execute its 2026 Accelerated Replacement Programs (“ARP”) focused on long-term safety and reliability, deploying over $200 million of capital and replacing 21 miles of pipe year-to-date.

### Business Development and Growth

- AltaGas continues to focus on long-term partnerships that leverage shared infrastructure. In the second quarter, AltaGas entered a new agreement with Tourmaline Oil Corp. ("Tourmaline") to develop the Groundbirch Rail Terminal in NEBC, where Tourmaline will own the facility and AltaGas will operate liquids logistics under a long-term LPG tolling and export agreement. In addition, the announced ACE rail terminal partnership in Fort Saskatchewan with Keyera and CN Rail will enhance transportation operating efficiencies.
- Construction of REEF continues to advance, with the project approximately 85 percent complete. While onshore execution has remained strong and ahead of plan, in-water construction has proven to be challenging due to maritime conditions and weather delays. As a result, onshore efficiencies are not expected to fully offset higher maritime construction costs. Accordingly, the partnership is modestly increasing the capital cost estimate for the project by 12 percent to approximately $1.5 billion with commercial operations to commence before the end of the first quarter in 2027.



(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 June 30, 2026, which is available on www.sedarplus.ca. (2) GAAP EPS is equivalent to Net income applicable to common shares divided by shares outstanding.

- With 80 percent of the jetty complete, and in-water jetty work expected to be completed in the coming weeks, AltaGas views the revised capital cost and schedule as achievable and supported by a strong execution plan with sufficient capital and schedule contingencies.
- AltaGas has reached a positive FID on the $125 million NEBC Liquids Expansion project, which includes a depropanizer, natural gas liquids ("NGL") treater expansion, and debottlenecking work at Townsend that will add 6,000 Bbls/d of fractionation capacity in NEBC. The project is expected to be completed by mid-2028.

## CEO Message

"AltaGas delivered record results in the first half of 2026, reflecting strong execution across our business and supportive market fundamentals," said Vern Yu, President and Chief Executive Officer of AltaGas. "Our increased guidance reflects strong operational performance in the first half of 2026 and confidence in our outlook for the balance of 2026.

"The long-term outlook for our Utilities business is strong. Demand for natural gas across the U.S. continues to increase, driven by expanding commercial and industrial activity, data center and large-load development, and ongoing population growth. The Mid-Atlantic region is at the center of this expansion and requires safe, reliable, and affordable energy to support continued economic growth.

"We remain on-track to deliver approximately 10 percent Utilities rate base growth in 2026 through a combination of infrastructure modernization, system expansions, and new customer connections. These investments enhance system safety and reliability, support customer growth, and position our Utilities to continue delivering stable earnings growth.

"The outlook for our Midstream business is also very robust. Asian LPG demand has increased by more than two million barrels per day over the past decade and is expected to grow by another one million barrels per day by 2040. At the same time, energy security and supply diversification have become increasingly important in Asia as recent geopolitical events have reinforced the value of reliable energy supply. Canada has a unique opportunity to help meet global energy demand needs and AltaGas' West Coast export platform is the most efficient and cost effective global LPG supply source into East Asia.

"We are excited to bring the first phase of REEF into service in early 2027 and further strengthen Canada's position as a leading LPG exporter to Asia. Beyond REEF Phase I and Optimization I, we continue to advance a visible portfolio of growth opportunities, including additional LPG export capacity, potential ethane exports, and broader Midstream expansion projects. We are pleased to demonstrate additional Midstream growth with positive FID's of the NEBC Liquids Expansion project and the Groundbirch Rail partnership.

"The future is bright for AltaGas. We have a clear path to grow our Utilities and Midstream businesses, supported by strong fundamentals, disciplined capital allocation, and a deep inventory of high-quality growth opportunities. We remain focused on executing safely and efficiently while continuing to deliver dependable earnings growth and long-term shareholder value."

## Forward Focus, Guidance and Funding

Following a strong second quarter of 2026 and record first half results, AltaGas has increased its 2026 financial guidance. The guidance revision has been driven primarily by stronger performance from the global export business:

- 2026 Normalized EBITDA guidance of $2.0 billion–$2.1 billion represents a four percent increase from original guidance; and
- 2026 Normalized EPS guidance of $2.35–$2.60, represents a six percent increase from original guidance.

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.

Reflecting the increased capital costs related to jetty construction of REEF, and additional midstream capital associated with the NEBC Liquids Expansion and Groundbirch Rail Terminal, AltaGas has increased its 2026 capital program guidance from approximately $1.7 billion to approximately $1.8 billion, excluding ARO. The Company is allocating approximately 61 percent of its consolidated 2026 capital to its Utilities business, approximately 36 percent to the Midstream business, and the balance to the Corporate/Other segment.

## Results by Segment

| Normalized EBITDA (1) | Three Months Ended June 30 | |
|---|---|---|
| *($ millions)* | **2026** | 2025 |
| Utilities | **$ 142** | $ 134 |
| Midstream | **285** | 215 |
| Corporate/Other | **(36)** | (7) |
| Normalized EBITDA (1) | **$ 391** | $ 342 |

(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 June 30 | |
|---|---|---|
| *($ millions)* | **2026** | 2025 |
| Utilities | **$ 33** | $ 95 |
| Midstream | **509** | 263 |
| Corporate/Other | **(159)** | (132) |
| Income Before Income Taxes | **$ 383** | $ 226 |

## Business Performance

### Midstream

The Midstream segment reported normalized EBITDA of $285 million in the second quarter of 2026 compared to $215 million in the second quarter of 2025, while income before income taxes was $509 million in the second quarter of 2026 compared to $263 million in the second quarter of 2025. The 33 percent year-over-year increase in normalized Midstream EBITDA was driven by strong global export volumes and margins, and contributions from Pipestone II. Financial performance was partially offset by lower extraction contribution and higher segment general and administrative expenses ("G&A"), principally related to incentive compensation expenses due to AltaGas' rising share price.

AltaGas exported a record 144,420 Bbl/d of LPGs to Asia in the second quarter of 2026, across 23 VLGCs, reflecting strong demand for North American LPG exports throughout the region. Consolidated export volumes included approximately 84,800 Bbl/d from 13 cargoes at RIPET and approximately 59,600 Bbl/d from 10 cargoes at Ferndale. During the quarter, AltaGas delivered volumes to a diverse customer base across Asia, including China, South Korea, and Japan. Demand was robust as customers sought both near-term supply solutions amid Middle East supply disruptions and discussions on long-term contracting opportunities to diversify supply sources and enhance energy security.

Performance across the broader Midstream platform remained strong. AltaGas' Montney infrastructure continued to deliver resilient growth despite weaker regional gas prices, with second quarter gathering and processing ("G&P") volumes increasing eight percent year-over-year, led by the Pipestone Complex. Fractionation and Liquids Handling volumes increased 20 percent year-over-year, supported by strong utilization at North Pine, which continued to operate near its 25,000 Bbl/d capacity.

### Growth Projects

#### REEF Phase I

Construction of Phase I of REEF continues to advance and is expected to achieve commercial operations before the end of the first quarter in 2027. The revised schedule reflects delays to in-water jetty construction resulting from adverse weather conditions and marine-related operating constraints. Onshore execution has progressed well, with major equipment installation more than 90 percent complete and the rail utility corridor 80 percent complete.

As a result of additional resources deployed to support jetty construction activities, gross project costs are now expected to total approximately $1.5 billion, representing a 12 percent increase from the original estimate. The revised budget primarily reflects weather-related delays and marine mammal protection measures that affected construction of the 1.2-kilometer jetty and resulted in materially higher downtime than originally anticipated.

### Export Optimization Projects

The Company's REEF Optimization I project remains on budget and on schedule for an expected in-service date in the second half of 2027 and will add approximately 30,000 Bbl/d of incremental propane export capacity for a gross capital cost of $110 million. AltaGas continues to advance the 60,000 Bbl/d REEF Optimization II project, with key regulatory permits secured and engineering work progressing toward final cost estimates. Together, these capital-efficient expansions are expected to further strengthen AltaGas' ability to meet growing Asian demand for North American LPGs.

### RIPET

RIPET's methanol removal project remains on budget and on track for completion by 2026 year-end. Civil work began in June and continues, while mechanical mobilization is expected in early August.

### Dimsdale Storage Expansion

Construction of the Dimsdale Phase I and II storage expansion remain on budget and schedule and are now more than 50 percent complete. Pipeline tie-ins have been completed and facility construction continues to advance. Drilling activities for the injection wells remain on track to begin in the third quarter.

Phase I is expected to add six Bcf of storage capacity by 2026 year-end, while Phase II is expected to provide an additional 30 Bcf by mid-2027.

### Groundbirch Rail Terminal and NEBC Liquids Expansion Projects

AltaGas and Tourmaline have reached an agreement to develop the Groundbirch Rail Terminal in NEBC. Tourmaline will own the facility, while AltaGas will operate and manage liquids logistics. The project is initially expected to move up to 10,000 Bbl/d of LPG on rail, with the potential to grow substantially over time, and is underpinned by a long-term LPG tolling agreement, to support Tourmaline's Groundbirch operations. The NEBC Liquids Expansion is expected to provide an additional 6,000 Bbl/d of fractionation capacity in NEBC and improved liquids handling to serve production growth in the region and has a planned in-service-date of mid-2028.

### Mountain Valley Pipeline Growth Projects

Construction of MVP Southgate is underway, with pipeline welding commencing in early July and an accelerated construction completion timeline of year-end 2026. AltaGas expects to incur the majority of its US$19 million capital commitment for MVP Southgate in 2026. MVP Boost also continues to advance, with efforts focused on resolving the remaining regulatory approvals, and remains on track for completion by mid-2028. AltaGas believes the long-term outlook for the MVP Mainline, Boost and Southgate remain compelling as the assets will compound long-term value for the Company's shareholders.

AltaGas continues to advance a substantial portfolio of high-return growth opportunities across its Midstream platform, including REEF Optimization II, Pipestone III, additional LPG export capacity, potential ethane exports, and related liquids infrastructure investments. The Company remains focused on advancing regulatory, engineering, commercial, and contracting activities to support future capital allocation decisions and long-term growth.

## Risk Management

AltaGas' Midstream operations are well-hedged for the remainder of 2026 with approximately 91 percent of the remaining 2026 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$21.81/Bbl while tolling volumes remain in-line with previously disclosed levels.

Approximately 84 percent of the Company's remaining 2026 expected frac exposed volumes are hedged at US$22.34/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 2026, AltaGas has hedged all of its expected Baltic freight exposure through time charters, financial hedges, and tolled volumes.

| Midstream Hedge Program | Q3 2026 | Q4 2026 | Remainder of 2026 |
|---|---|---|---|
| Global Exports volumes hedged (%) [1] | 96 | 85 | 91 |
| Average propane/butane FEI to North America hedge (US$/Bbl) [2] [3] | 21.23 | 22.57 | 21.81 |
| Fractionation volume hedged (%) [3] | 88 | 81 | 84 |
| Frac spread hedge rate - (US$/Bbl) [3] | 20.95 | 23.5 | 22.34 |

(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 $142 million in the second quarter of 2026 compared to $134 million in the second quarter of 2025, while income before income taxes was $33 million in the second quarter of 2026 compared to $95 million in the second quarter of 2025. The six percent year-over-year increase in normalized EBITDA was primarily driven by continued system modernization investments, new rates in D.C. and Virginia, and favourable Retail performance.

### Regulatory Updates

AltaGas continues to advance its regulatory agenda, supported by a constructive outcome in Maryland and anticipated decisions in both Virginia and Michigan during the second half of 2026.

In Maryland, AltaGas recently received an order related to the Company’s December 2025 filing. The PSC of MD approved US$38.1 million of new annual revenue, inclusive of certain costs currently recovered through the STRIDE Plan surcharge, based on an allowed return on equity ("ROE") of 9.4 percent. The Company continues to review the impact of the order, with requests for reconsideration due by August 26, 2026.

In Virginia, interim rates remain in effect while AltaGas seeks approximately US$104 million of rate relief, consisting of US$65 million of incremental annual revenue and a US$39 million SAVE surcharge.

In Michigan, SEMCO's February 2026 filing requests approximately US$61 million of incremental annual revenue and includes a proposal to extend its modernization programs through 2031, representing approximately US$284 million of additional investment.

On June 30, 2026, the PSC of D.C. approved the extension of PROJECTpipes 2 through December 31, 2026 due to the extension of the District SAFE procedural schedule, with an incremental spending limit of US$18 million for previously approved projects. The company recently completed the regulatory hearings related to District SAFE and expects resolution before year end 2026.

### Growth Projects

The Keweenaw Connector Pipeline in Michigan advanced into active construction during the second quarter and remains on track for its planned 2026 year-end in-service date. Grading, pipe stringing, bending and welding activities are underway, with all line pipe and the majority of major materials delivered during the quarter. Safety performance remains strong and, once in service, the pipeline is expected to enhance system reliability and support the long-term energy needs of customers across Michigan's Upper Peninsula.

AltaGas' Utilities business continues to advance its data center growth opportunities, with two agreements executed, multiple FEED studies completed and a growing backlog of projects at various stages of development. The two contracted projects continue to progress as planned and remain on track for completion by 2026 year-end. AltaGas remains focused on pursuing these opportunities through a disciplined and de-risked approach, primarily by investing in pipeline interconnections and related regulated infrastructure that connect onsite power generation to Utility systems.

AltaGas invested $239 million in Utilities capital during the quarter, including investing approximately $130 million towards the Company’s various asset modernization programs and $21 million towards new customer growth. These investments improve the safety and reliability of the network while helping maintain affordability through lowering long-term operating costs.

## Corporate/Other

The Corporate/Other segment reported a normalized EBITDA loss of $36 million for the second quarter of 2026, compared to a $7 million loss reported in the same quarter of 2025. Loss before income taxes in the Corporate/

Other segment was $159 million in the second quarter of 2026, compared to a loss before income taxes of $132 million in the same quarter of 2025. Higher G&A expenses related to employee incentive costs were the main driver of the increased loss.

## Consolidated Financial Results

| | Three Months Ended June 30 | |
|---|---|---|
| *($ millions)* | **2026** | 2025 |
| **Normalized EBITDA** [(1)] | **$ 391** | $ 342 |
| Add (deduct): | | |
| Depreciation and amortization | **(137)** | (126) |
| Interest expense | **(117)** | (114) |
| Income tax expense, net of normalizing items | **(31)** | (15) |
| Preferred share dividends | **(3)** | (5) |
| Other [(2)] | **(6)** | (1) |
| **Normalized net income** [(1)] | **$ 97** | $ 81 |
| | | |
| **Net income applicable to common shares** | **$ 288** | $ 175 |
| **Normalized funds from operations** [(1)] | **$ 283** | $ 228 |
| **Cash from operations** | **$ 490** | $ 365 |
| | | |
| *($ per share, except shares outstanding)* | | |
| **Shares outstanding - basic (millions)** | | |
| **During the period** [(3)] | **312** | 299 |
| **End of period** | **312** | 299 |
| | | |
| **Normalized net income - basic** [(1)] | **0.31** | 0.27 |
| **Normalized net income - diluted** [(1)] | **0.31** | 0.27 |
| | | |
| **Net income per common share - basic** | **0.92** | 0.59 |
| **Net income per common share - diluted** | **0.92** | 0.58 |

(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 losses, and unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivables balances.
(3) Weighted average.

Normalized EBITDA for the second quarter of 2026 was $391 million compared to $342 million for the same quarter in 2025. The largest factors contributing to the year-over-year increase are described in the Business Performance sections above.

Income before income taxes was $383 million for the second quarter of 2026 compared to $226 million for the same quarter in 2025. Performance for the second quarter of 2026 was mainly due to higher unrealized gains on risk management contracts and the same previously referenced factors impacting normalized EBITDA, partially offset by higher depreciation and amortization expense, and higher interest expense. Please refer to the "Three Months Ended June 30" section of the Q2 2026 Management's Discussion and Analysis ("MD&A") for further details on the variance in income before income taxes and net income applicable to common shareholders.

Normalized net income was $97 million or $0.31 per share for the second quarter of 2026, compared to $81 million or $0.27 per share reported for the same quarter of 2025.

Normalized FFO was $283 million or $0.91 per share for the second quarter of 2026, compared to $228 million or $0.76 per share for the same quarter in 2025. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and lower current income tax expense net of normalization adjustments, partially offset by higher interest expense.

Cash from operations in the second quarter of 2026 was $490 million ($1.57 per share), compared to $365 million ($1.22 per share) for the same quarter of 2025. The increase was mainly due to favourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes, as well as higher net income after taxes (after adjusting for non-cash items).

Interest expense for the second quarter of 2026 was $117 million, compared to $114 million for the same quarter in 2025. The increase was mainly due to the issuance of additional subordinated hybrid notes in the third quarter of 2025 and higher average interest rates. Interest expense recorded on the subordinated hybrid notes in the second quarter of 2026 was $36 million, compared to $34 million for the same quarter of 2025.

Income tax expense was $91 million for the second quarter of 2026, compared to $44 million for the same quarter of 2025. The increase was mainly due to higher income before income taxes compared to the same quarter of 2025.

## Quarterly Common Share Dividend and Preferred Share Dividend

The Board of Directors approved the following schedule of Dividends:

| Type (1) | Dividend (per share) | Period | Payment Date | Record |
|---|---|---|---|---|
| Common Shares | $0.334 | n.a. | 29-Sep-26 | 16-Sep-26 |
| **Series G** Preferred Shares | $0.376063 | 30-Jun-26 to 29-Sep-26 | 29-Sep-26 | 16-Sep-26 |

(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, July 30, 2026, at 9:00 a.m. MT (11:00 a.m. ET) to discuss second quarter of 2026 results and other corporate developments.

| | |
|---|---|
| Date: | Thursday, July 30, 2026 |
| Time: | 9:00 a.m. MT (11:00 a.m. ET) |
| Webcast: | https://app.webinar.net/yNG4peKE7rD |
| 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 06893#.

AltaGas' Consolidated Financial Statements and accompanying notes for the second quarter of 2026, 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 June 30, 2026. 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 June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Income before income taxes (GAAP financial measure) | **$ 383** | $ 226 | **$ 590** | $ 739 |
| Add: | | | | |
| Depreciation and amortization | **137** | 126 | **272** | 254 |
| Interest expense | **117** | 114 | **236** | 229 |
| EBITDA | **$ 637** | $ 466 | **$ 1,098** | $ 1,222 |
| Add (deduct): | | | | |
| Transaction costs related to acquisitions and dispositions (1) | **1** | 2 | **2** | 2 |
| Unrealized losses (gains) on risk management contracts (2) | **(250)** | (131) | **99** | (216) |
| Losses (gains) on sale of assets (3) | **(2)** | 1 | **(2)** | 3 |
| Transition and restructuring costs (4) | **2** | 2 | **9** | 13 |
| Provisions on assets | **—** | — | **—** | 2 |
| Accretion expenses | **2** | 1 | **3** | 2 |
| Foreign exchange losses (5) | **1** | 1 | **—** | 3 |
| **Normalized EBITDA** | **$ 391** | $ 342 | **$ 1,209** | $ 1,031 |

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

(2) Included in the "revenue", "cost of sales", and "foreign exchange losses" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 for further details regarding AltaGas' risk management activities.

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

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

(5) Excludes unrealized losses (gains) on foreign exchange contracts that have been entered into for the purpose of cash management. These losses (gains) 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 using income before income taxes adjusted for pre-tax depreciation and amortization and interest expense.

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

## Normalized Net Income

| ($ millions) | Three Months Ended June 30 2026 | 2025 | Six Months Ended June 30 2026 | 2025 |
|---|---|---|---|---|
| Net income applicable to common shares (GAAP financial measure) | **$ 288** | $ 175 | **$ 435** | $ 567 |
| Add (deduct) after-tax: | | | | |
| Transaction costs related to acquisitions and dispositions (1) | **1** | 1 | **2** | 1 |
| Unrealized losses (gains) on risk management contracts (2) | **(190)** | (100) | **76** | (165) |
| Losses (gains) on sale of assets (3) | **(1)** | 1 | **(1)** | 2 |
| Provisions on assets | **—** | — | **—** | 1 |
| Transition and restructuring costs (4) | **1** | 1 | **7** | 10 |
| Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances (5) | **(2)** | 3 | **(7)** | 7 |
| **Normalized net income** | **$ 97** | $ 81 | **$ 512** | $ 423 |

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. The pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.
(2) The pre-tax amounts are included in the "revenue", "cost of sales", and "foreign exchange losses" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 for further details regarding AltaGas' risk management activities.
(3) The pre-tax amounts are included in the "other income" line item on the Consolidated Statements of Income.
(4) Comprised of transition and restructuring costs (including CFO transition). These pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.
(5) Relates to unrealized foreign exchange losses (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 losses" line item on the Consolidated Statements of Income.

Normalized net income and normalized net income per share are used by Management to enhance the comparability of AltaGas' earnings, as these metrics reflect the underlying performance of AltaGas' business activities. Normalized EPS is calculated as normalized net income divided by the average number of shares outstanding during the period.

## Normalized Funds from Operations

| ($ millions) | Three Months Ended June 30 2026 | 2025 | Six Months Ended June 30 2026 | 2025 |
|---|---|---|---|---|
| Cash from operations (GAAP financial measure) | **$ 490** | $ 365 | **$ 1,064** | $ 992 |
| Add (deduct): | | | | |
| Net change in operating assets and liabilities | **(212)** | (142) | **(143)** | (229) |
| Asset retirement obligations settled | **2** | 1 | **2** | 1 |
| **Funds from operations** | **$ 280** | $ 224 | **$ 923** | $ 764 |
| Add (deduct): | | | | |
| Transaction costs related to acquisitions and dispositions (1) | **1** | 2 | **2** | 2 |
| Transition and restructuring costs (2) | **2** | 2 | **9** | 13 |
| **Normalized funds from operations** | **$ 283** | $ 228 | **$ 934** | $ 779 |

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

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

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

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

| *($ millions, except adjusted net debt to normalized EBITDA)* | **June 30, 2026** | **December 31, 2025** |
|---|---|---|
| Short-term debt | **$ 31** | $ 231 |
| Current portion of long-term debt [(1)] | **318** | 469 |
| Current portion of finance lease liabilities | **26** | 24 |
| Long-term debt [(2)] | **7,465** | 7,010 |
| Finance lease liabilities | **126** | 124 |
| Subordinated hybrid notes [(3)] | **2,205** | 2,159 |
| **Total debt** | **10,171** | 10,017 |
| Less: cash and cash equivalents | **(131)** | (99) |
| **Net debt** | **$ 10,040** | $ 9,918 |
| Add (deduct): | | |
| Current portion of finance lease liabilities | **(26)** | (24) |
| Finance lease liabilities | **(126)** | (124) |
| 50 percent debt treatment of subordinated hybrid notes | **(1,103)** | (1,080) |
| 50 percent debt treatment of preferred shares | **98** | 98 |
| **Adjusted net debt** | **$ 8,883** | $ 8,788 |
| | | |
| **Adjusted net debt to normalized EBITDA [(4)]** | **4.4** | 4.7 |

(1) Net of debt issuance costs, unamortized premiums, and unamortized discounts of less than $1 million as at June 30, 2026 (December 31, 2025 - less than $1 million).
(2) Net of debt issuance costs, unamortized premiums, and unamortized discounts of $30 million as at June 30, 2026 (December 31, 2025 - $29 million).
(3) Net of debt issuance costs of $24 million as at June 30, 2026 (December 31, 2025 - $25 million).
(4) Calculated as adjusted net debt at the balance sheet date, divided by normalized EBITDA for the preceding 12 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 12 month period.

## Invested Capital and Net Invested Capital

| | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Cash used in investing activities (GAAP financial measure) | **$ 438** | $ 357 | **$ 889** | $ 709 |
| Add (deduct): | | | | |
| Net change in non-cash capital expenditures [(1)] | **29** | 49 | **(56)** | 19 |
| Contributions from non-controlling interests [(2)] | **(62)** | (76) | **(140)** | (146) |
| **Net invested capital** | **$ 405** | $ 330 | **$ 693** | $ 582 |
| Disposal of equity method investments | **2** | — | **2** | — |
| **Invested capital** | **$ 407** | $ 330 | **$ 695** | $ 582 |

(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 six months ended June 30, 2026 for further details.
(2) Excludes cash received from advance cash calls related to forecasted capital spend.

Invested capital is a measure of AltaGas' use of funds for capital expenditure activities. It includes expenditures relating to property, plant, and equipment and intangible assets, capital contributed to long-term investments, and contributions from non-controlling interests. Net invested capital is invested capital presented net of cash paid for business acquisitions and proceeds from disposals of assets and equity investments in the period. Net invested capital is calculated based on the investing activities section in the Consolidated Statements of Cash Flows, adjusted for items such as non-cash capital expenditures, 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 June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | **2025** | **2026** | **2025** |
| Normalized EBITDA | **$ 391** | $ 342 | **$ 1,209** | $ 1,031 |
| Add (deduct): | | | | |
| Depreciation and amortization | **(137)** | (126) | **(272)** | (254) |
| Interest expense | **(117)** | (114) | **(236)** | (229) |
| Income tax expense | **(91)** | (44) | **(146)** | (157) |
| Normalizing items impacting income taxes (1) | **60** | 28 | **(23)** | 43 |
| Accretion expenses | **(2)** | (1) | **(3)** | (2) |
| Foreign exchange losses | **(1)** | (1) | **—** | (3) |
| Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances | **(2)** | 4 | **(8)** | 9 |
| Net income applicable to non-controlling interests | **(1)** | (2) | **(3)** | (5) |
| Preferred share dividends | **(3)** | (5) | **(6)** | (10) |
| **Normalized net income** | **$ 97** | $ 81 | **$ 512** | $ 423 |

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

## Consolidated Financial Review

| ($ millions, except effective income tax rates) | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Revenue | **3,797** | 2,844 | **7,767** | 6,813 |
| Normalized EBITDA (1) | **391** | 342 | **1,209** | 1,031 |
| Income before income taxes | **383** | 226 | **590** | 739 |
| Net income applicable to common shares | **288** | 175 | **435** | 567 |
| Normalized net income (1) | **97** | 81 | **512** | 423 |
| Total assets | **27,712** | 25,275 | **27,712** | 25,275 |
| Total long-term liabilities | **14,404** | 13,615 | **14,404** | 13,615 |
| Invested capital (1) | **407** | 330 | **695** | 582 |
| Cash used in investing activities | **438** | 357 | **889** | 709 |
| Dividends declared (2) | **104** | 95 | **209** | 189 |
| Cash from operations | **490** | 365 | **1,064** | 992 |
| Normalized funds from operations (1) | **283** | 228 | **934** | 779 |
| Effective income tax rate (%) | **23.7** | 19.7 | **24.8** | 21.3 |

| ($ per share, except shares outstanding) | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Net income per common share - basic | **0.92** | 0.59 | **1.40** | 1.90 |
| Net income per common share - diluted | **0.92** | 0.58 | **1.40** | 1.89 |
| Normalized net income - basic (1) | **0.31** | 0.27 | **1.64** | 1.41 |
| Normalized net income - diluted (1) | **0.31** | 0.27 | **1.64** | 1.41 |
| Dividends declared (2) | **0.33** | 0.32 | **0.67** | 0.63 |
| Cash from operations | **1.57** | 1.22 | **3.42** | 3.32 |
| Normalized funds from operations (1) | **0.91** | 0.76 | **2.99** | 2.61 |
| Shares outstanding - basic (millions) | | | | |
| During the period (3) | **312** | 299 | **312** | 299 |
| End of period | **312** | 299 | **312** | 299 |

(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: $0.315 per share beginning March 2025, increased to $0.334 per share effective March 2026.
(3) Weighted average.

# About AltaGas

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

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

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## Forward-Looking Information

This news release contains forward-looking information (forward-looking statements). Words such as "may", "can", "would", "could", "should", "likely", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "future", "commit", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "potential", "target", "guarantee", "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 Groundbirch Rail Terminal, including expected commercial arrangements; progress on REEF. including the anticipated timing, benefits and capital cost thereof and related execution plan and capital and schedule contingencies; the NEBC Liquids Expansion, including the anticipated timing, benefits and capital cost thereof; the strong long-term outlook for AltaGas' Utilities business, including increasing natural gas demand across the US; the expectation that AltaGas will deliver 10 percent Utilities rate base growth in 2026; the robust outlook for AltaGas' Midstream business, including Asian LPG demand growth through 2040 and the unique opportunity to meet global energy demand; that AltaGas has a clear path to grow the Utilities and Midstream businesses and its focus on executing safely and efficiently while continuing to deliver dependable earnings growth and long-term shareholder value; AltaGas' 2026 guidance including normalized earnings per share of $2.35 to $2.60 and normalized EBITDA of $2.0 billion to $2.1 billion; AltaGas' focus on delivering resilient and growing normalized EPS and normalized FFO per share while operating with strong financial flexibility and the anticipated benefits thereof; AltaGas' 2026 capital program of approximately $1.8 billion, excluding ARO; the allocation of consolidated 2026 capital to the Company's Utilities, Midstream and Corporate/Other segments; AltaGas' Midstream and Utilities Growth Projects, including the anticipated timing, benefits and capital costs thereof; additional midstream growth projects, including REEF Optimization II, Pipestone III, additional LPG export capacity, potential ethane exports, and related liquids infrastructure investments; the Company's hedging program and AltaGas' 2026 Midstream Hedge Program quarterly estimates; 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; 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, 2025 ("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.

# AltaGas Ltd.

## Management's Discussion & Analysis

**For the three and six months ended June 30, 2026**

**Dated: July 29, 2026**

# AltaGas Business Overview and Organization

AltaGas Ltd. ("AltaGas", the "Company", or the "Corporation") 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. In the second quarter of 2026, AltaGas' Utilities provided energy to 1.6 million residential and commercial customers with an average rate base of US$5.6 billion.

The Utilities segment includes two utilities that deliver essential energy across four major United States ("U.S.") jurisdictions:

- Washington Gas Light Company ("Washington Gas") is the Company’s largest operating utility and serves 1.2 million customers across Virginia, Maryland, and the District of Columbia ("D.C."); and
- SEMCO Energy, Inc. ("SEMCO Energy") serves 333,000 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 Liquefied 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 approximately 70 counterparties, for nameplate export capacity of up to 155,000 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 1.3 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 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.

# Second Quarter Highlights

*Normalized EBITDA, normalized funds from operations, normalized net income, and adjusted net debt are non-GAAP financial measures. Normalized funds from operations per share, normalized net income per share, and adjusted net debt to normalized EBITDA are non-GAAP ratios. Please see Non-GAAP Financial Measures section of this Management's Discussion and Analysis ("MD&A").*

## Financial Highlights

- Normalized EBITDA was $391 million in the second quarter of 2026, compared to the $342 million recorded in the second quarter of 2025. Income before income taxes was $383 million in the second quarter of 2026, an increase from $226 million in the second quarter of 2025.
- Normalized EBITDA growth was primarily driven by increased global export volumes and margins, Pipestone II contributions, Utilities pipe modernization investments and higher retail margins in Utilities.
- Normalized earnings per share ("EPS") was $0.31 in the second quarter of 2026 compared to $0.27 in the second quarter of 2025, while GAAP EPS was $0.92 in the second quarter of 2026 compared to $0.59 in the second quarter of 2025.

## Guidance and Balance Sheet Update

- AltaGas has increased its 2026 guidance, raising normalized EBITDA by four percent to a new range of $2.0 billion–$2.1 billion and normalized EPS by six percent to a range of $2.35–$2.60. The increase reflects strong performance year-to-date and a constructive outlook for both segments for the balance of the year.
- Adjusted net debt to normalized EBITDA exited the quarter at 4.4x on a trailing basis, including 50 percent debt treatment on subordinated hybrids and preferred shares, below the low-end of AltaGas' target leverage range.
- AltaGas is increasing its 2026 capital budget from $1.7 billion to $1.8 billion, reflecting higher capital expenditures for the construction of the Ridley Island Energy Export Facility ("REEF") and positive final investment decisions ("FIDs") on two Northeast British Columbia ("NEBC") growth projects.

## Operational Highlights

- AltaGas exported a record 144,420 Bbl/d of LPGs to Asia across 23 Very Large Gas Carriers ("VLGCs"), a 13 percent year-over-year increase.
- The Company continues to execute its 2026 Accelerated Replacement Programs ("ARP") focused on long-term safety and reliability, deploying over $200 million of capital and replacing 21 miles of pipe year-to-date.

## Business Development and Growth

- AltaGas continues to focus on long-term partnerships that leverage shared infrastructure. In the second quarter, AltaGas entered a new agreement with Tourmaline Oil Corp. ("Tourmaline") to develop the Groundbirch Rail Terminal in NEBC, where Tourmaline will own the facility and AltaGas will operate liquids logistics under a long-term LPG tolling and export agreement. In addition, the announced ACE rail terminal partnership in Fort Saskatchewan with Keyera and CN Rail will enhance transportation operating efficiencies.
- Construction of REEF continues to advance, with the project approximately 85 percent complete. While onshore execution has remained strong and ahead of plan, in-water construction has proven to be challenging due to maritime conditions and weather delays. As a result, onshore efficiencies are not expected to fully offset higher maritime construction costs. Accordingly, the partnership is modestly increasing the capital cost estimate for the project by 12 percent to approximately $1.5 billion with commercial operations to commence before the end of the first quarter in 2027.

- With 80 percent of the jetty complete, and in-water jetty work expected to be completed in the coming weeks, AltaGas views the revised capital cost and schedule as achievable and supported by a strong execution plan with sufficient capital and schedule contingencies.
- AltaGas has reached a positive FID on the $125 million NEBC Liquids Expansion project, which includes a depropanizer, natural gas liquids ("NGL") treater expansion, and debottlenecking work at Townsend that will add 6,000 Bbls/d of fractionation capacity in NEBC. The project is expected to be completed by mid-2028.

# Consolidated Financial Review

| | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| *($ millions, except effective income tax rates)* | **2026** | 2025 | **2026** | 2025 |
| Revenue | **3,797** | 2,844 | **7,767** | 6,813 |
| Normalized EBITDA [(1)] | **391** | 342 | **1,209** | 1,031 |
| Income before income taxes | **383** | 226 | **590** | 739 |
| Net income applicable to common shares | **288** | 175 | **435** | 567 |
| Normalized net income [(1)] | **97** | 81 | **512** | 423 |
| Total assets | **27,712** | 25,275 | **27,712** | 25,275 |
| Total long-term liabilities | **14,404** | 13,615 | **14,404** | 13,615 |
| Invested capital [(1)] | **407** | 330 | **695** | 582 |
| Cash used in investing activities | **438** | 357 | **889** | 709 |
| Dividends declared [(2)] | **104** | 95 | **209** | 189 |
| Cash from operations | **490** | 365 | **1,064** | 992 |
| Normalized funds from operations [(1)] | **283** | 228 | **934** | 779 |
| Effective income tax rate (%) | **23.7** | 19.7 | **24.8** | 21.3 |

| | **Three Months Ended June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| *($ per share, except shares outstanding)* | **2026** | 2025 | **2026** | 2025 |
| Net income per common share - basic | **0.92** | 0.59 | **1.40** | 1.90 |
| Net income per common share - diluted | **0.92** | 0.58 | **1.40** | 1.89 |
| Normalized net income - basic [(1)] | **0.31** | 0.27 | **1.64** | 1.41 |
| Normalized net income - diluted [(1)] | **0.31** | 0.27 | **1.64** | 1.41 |
| Dividends declared [(2)] | **0.33** | 0.32 | **0.67** | 0.63 |
| Cash from operations | **1.57** | 1.22 | **3.42** | 3.32 |
| Normalized funds from operations [(1)] | **0.91** | 0.76 | **2.99** | 2.61 |
| Shares outstanding - basic (millions) | | | | |
| During the period [(3)] | **312** | 299 | **312** | 299 |
| End of period | **312** | 299 | **312** | 299 |

(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: $0.315 per share beginning March 2025, increased to $0.334 per share effective March 2026.
(3) Weighted average.

# Results of Operations by Reporting Segment

| Normalized EBITDA (1) | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Utilities | **$ 142** | $ 134 | **$ 697** | $ 635 |
| Midstream | **285** | 215 | **558** | 412 |
| Sub-total: Operating Segments | **$ 427** | $ 349 | **$ 1,255** | $ 1,047 |
| Corporate/Other | **(36)** | (7) | **(46)** | (16) |
| | **$ 391** | $ 342 | **$ 1,209** | $ 1,031 |

(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 June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Utilities | **$ 33** | $ 95 | **$ 491** | $ 541 |
| Midstream | **509** | 263 | **398** | 467 |
| Sub-total: Operating Segments | **$ 542** | $ 358 | **$ 889** | $ 1,008 |
| Corporate/Other | **(159)** | (132) | **(299)** | (269) |
| | **$ 383** | $ 226 | **$ 590** | $ 739 |

| Revenue | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Utilities | **$ 971** | $ 1,016 | **$ 3,001** | $ 2,886 |
| Midstream | **2,813** | 1,813 | **4,738** | 3,897 |
| Sub-total: Operating Segments | **$ 3,784** | $ 2,829 | **$ 7,739** | $ 6,783 |
| Corporate/Other | **13** | 15 | **28** | 30 |
| | **$ 3,797** | $ 2,844 | **$ 7,767** | $ 6,813 |

# Three Months Ended June 30

Normalized EBITDA for the second quarter of 2026 was $391 million, compared to $342 million for the same quarter of 2025, primarily driven by strong performance from the Midstream segment.

In the Midstream segment, the increase in normalized EBITDA was primarily driven by stronger contributions from the global exports business due to higher margins and volumes, as well as contributions from Pipestone II, which was placed into service in December 2025, partially offset by higher operating and administrative costs, lower earnings at the extraction facilities due to lower realized frac spreads, and lower processing and fractionation revenue at Harmattan due to a planned turnaround. Please refer to the Midstream Segment section of this MD&A for more details on the factors impacting Midstream results.

In the Utilities segment, the increase in normalized EBITDA was primarily attributable to higher contributions from WGL's retail business, higher revenue associated with ARP investments, and the impacts of the 2024 D.C. and 2025 Virginia rate cases, partially offset by higher operating and administrative expenses and decreased asset optimization activities at Washington Gas. Please refer to the Utilities Segment section of this MD&A for more details on the factors impacting Utilities results.

In the Corporate/Other segment, the decrease in normalized EBITDA was mainly driven by higher expenses related to employee incentive plans, primarily as a result of the increasing share price in the second quarter of 2026, as well as increased personnel costs. 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 second quarter of 2026 was $383 million, compared to $226 million for the same quarter of 2025. The increase was mainly due to higher unrealized gains on risk management contracts and the same previously referenced factors impacting normalized EBITDA, partially offset by higher depreciation and amortization expense, and higher interest expense. Net income applicable to common shares for the second quarter of 2026 was $288 million ($0.92 per share), compared to $175 million ($0.59 per share) for the same quarter of 2025. The increase was primarily due to the same previously referenced factors impacting income before income taxes, partially offset by higher income tax expense.

Normalized funds from operations for the second quarter of 2026 was $283 million ($0.91 per share), compared to $228 million ($0.76 per share) for the same quarter of 2025. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and lower current income tax expense net of normalization adjustments, partially offset by higher interest expense.

Cash from operations in the second quarter of 2026 was $490 million ($1.57 per share), compared to $365 million ($1.22 per share) for the same quarter of 2025. The increase was mainly due to favourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes, as well as higher net income after taxes (after adjusting for non-cash items). Please refer to the Liquidity section of this MD&A for further details on the variance in cash from operations.

Interest expense for the second quarter of 2026 was $117 million, compared to $114 million for the same quarter of 2025. The increase was mainly due to the issuance of additional subordinated hybrid notes in the third quarter of 2025 and higher average interest rates. Interest expense recorded on the subordinated hybrid notes in the second quarter of 2026 was $36 million, compared to $34 million for the same quarter of 2025.

AltaGas recorded income tax expense of $91 million for the second quarter of 2026, compared to $44 million for the same quarter of 2025. The increase was mainly due to higher income before income taxes compared to the same quarter of 2025.

Normalized net income was $97 million ($0.31 per share) for the second quarter of 2026, compared to $81 million ($0.27 per share) for the same quarter of 2025. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA, partially offset by higher income tax expense net of normalization adjustments, higher depreciation and amortization expense, unfavourable variances in foreign exchange losses after foreign exchange related normalizations, and higher interest expense. Please refer to the Non-GAAP Financial Measures section of this MD&A for further details on normalization adjustments.

# Six Months Ended June 30

Normalized EBITDA for the first half of 2026 was $1,209 million, compared to $1,031 million for the same period in 2025. The increase was largely driven by strong results from both the Midstream and Utilities segments.

In the Midstream segment, the increase in normalized EBITDA was mainly driven by stronger contributions from the global exports business due to higher margins and tolling volumes, contributions from Pipestone II, which was placed into service in December 2025, and higher contributions from the fractionation and liquids handling business supported by improved marketing margins. These factors were partially offset by higher operating and administrative expenses, lower earnings at the extraction facilities due to lower realized frac spreads, and lower processing and fractionation revenue at Harmattan due to a planned turnaround in the second quarter of 2026. Please refer to the Midstream Segment section of this MD&A for more details on the factors impacting Midstream results.

In the Utilities segment, the increase in normalized EBITDA was primarily due to the impacts of the 2024 D.C. and 2025 Virginia rate cases, the gain on partial settlement of Washington Gas' post-retirement benefit pension plan in the first quarter of 2026, increased asset optimization activities at Washington Gas, and higher revenue associated with ARP investments. These factors were partially offset by higher operating and administrative expenses and lower contributions from WGL's retail business. 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, the decrease in normalized EBITDA was mainly driven by higher employee incentive compensation expense, primarily as a result of the increasing share price in the first half of 2026, as well as increased personnel costs. 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 half of 2026 was $590 million, compared to $739 million for the same period in 2025. The decrease was mainly due to unrealized losses on risk management contracts compared to unrealized gains in the same period in 2025, higher depreciation and amortization expense, and higher interest expense, partially offset by the same previously referenced factors impacting normalized EBITDA and lower transition and restructuring costs. Net income applicable to common shares for the first half of 2026 was $435 million ($1.40 per share), compared to $567 million ($1.90 per share) for the same period in 2025. The decrease was mainly due to the same previously referenced factors impacting income before income taxes, partially offset by lower income tax expense and lower preferred share dividends.

Normalized funds from operations for the first half of 2026 was $934 million ($2.99 per share), compared to $779 million ($2.61 per share) for the same period in 2025. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and lower normalized current tax expense, partially offset by higher non-cash items included in normalized EBITDA, higher interest expense, and lower distributions from equity investments.

Cash from operations for the first half of 2026 was $1,064 million ($3.42 per share), compared to $992 million ($3.32 per share) for the same period in 2025. The increase was mainly due to higher net income after taxes (after adjusting for non-cash items), 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, as well as lower 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 half of 2026 was $236 million, compared to $229 million for the same period in 2025. The increase was mainly due to the issuance of additional subordinated hybrid notes in the third quarter of 2025, higher average debt balances, and lower capitalized interest, partially offset by the impact of a lower average U.S./Canadian dollar exchange rate. For the six months ended June 30, 2026, AltaGas recorded total interest expense of $73 million on the subordinated hybrid notes compared to $68 million for the same period in 2025.

AltaGas recorded income tax expense of $146 million for the first half of 2026, compared to $157 million for the same period in 2025. The decrease in tax expense was mainly due to lower income before income taxes.

Normalized net income was $512 million ($1.64 per share) for the first half of 2026, compared to $423 million ($1.41 per share) for the same period in 2025. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and lower preferred share dividends, partially offset by higher income tax expense after normalization adjustments, higher depreciation and amortization expense, unfavourable variances in foreign exchange losses after foreign exchange related normalizations, and higher interest expense. Please refer to the Non-GAAP Financial Measures section of this MD&A for further details on normalization adjustments.

# 2026 Outlook

Given AltaGas' strong financial and operating performance in the first half of 2026, AltaGas is increasing its normalized EBITDA guidance to $2.0 billion to $2.1 billion, up from the previous range of $1.925 to $2.025 billion. Similarly, normalized earnings per share guidance has been increased to $2.35 to $2.60, up from the previous range of $2.20 to $2.45. This compares to actual normalized EBITDA of $1.863 billion and normalized earnings per share of $2.23 in 2025, as well as GAAP net income per share of $2.48 in 2025. For the year ended December 31, 2025, income before income taxes was $1,029 million while net income applicable to common shares was $747 million.

The Utilities segment is expected to contribute approximately 50 percent of normalized EBITDA in 2026, with year-over-year expected growth primarily driven by continued rate base growth through new rates in Virginia, D.C., and Maryland, ongoing capital investments in asset modernization programs on behalf of AltaGas' customers, and positive contribution from new customer growth, partially offset by lower expected gains related to the partial settlements of Washington Gas' post-retirement benefit pension plan, lower expected performance from WGL's retail business, as well as higher operating and administrative expenses. The Midstream segment is expected to contribute approximately 50 percent of normalized EBITDA, with year-over-year expected growth driven primarily by stronger expected global export volumes and margins and a full year of contributions from the Pipestone II facility, partially offset by lower frac spreads. The Corporate/Other segment is expected to be a modest offset to normalized EBITDA due to the increase in incentive compensation expenses driven by AltaGas' rising share price.

The anticipated increase in normalized earnings per share from $2.23 in 2025 to a range of $2.35 to $2.60 in 2026 is expected to be driven primarily by the same factors supporting growth in normalized EBITDA, partially offset by higher income tax expense after normalization adjustments, increased depreciation and amortization, and higher interest expense.

The outlook for normalized EBITDA and normalized earnings per share incorporates assumptions regarding the Canadian/U.S. dollar exchange rate and AltaGas' existing foreign exchange hedging program. Actual results may vary based on the performance of underlying businesses within each segment and changes to key assumptions. For additional information regarding risks and uncertainties that may impact results, please refer to the Risk Factors section of AltaGas' 2025 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 2026, 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 | Q3 2026 | Q4 2026 | Remainder of 2026 |
|---|---|---|---|
| Global Exports volumes hedged (%) (1) | 96 | 85 | 91 |
| Average propane/butane Far East Index ("FEI") to North America hedge (US$/Bbl) (2) (3) | 21.23 | 22.57 | 21.81 |
| Fractionation volumes hedged (%) (3) | 88 | 81 | 84 |
| Frac spread hedge rate (US$/Bbl) (3) | 20.95 | 23.50 | 22.34 |

(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, foreign exchange rates, and weather. The following table illustrates the approximate effect of these key variables on AltaGas' expected normalized results for the remainder of 2026:

| Factor | Increase or decrease | Approximate impact on normalized results for the remainder of 2026 ($ millions) |
|---|---|---|
| Degree day variance from normal - Utilities (1) (2) | 5 percent | 4 |
| 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 | 3 |

(1) Represents expected impact on normalized EBITDA for the remainder of 2026.
(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 expected impact on normalized net income for the remainder of 2026.
(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 approximately $1.8 billion of invested capital in 2026. The increase from the previous estimate of $1.7 billion is due to an increase in expected capital related to the construction of REEF and additional Midstream capital associated with new growth projects.

| | **2026 Estimated** | 2025 Actuals |
|---|---|---|
| Invested Capital | **$1.8 billion** | $1.4 billion |
| Split by segment: | | |
| Utilities | **61 %** | 52 % |
| Midstream | **36 %** | 45 % |
| Corporate | **3 %** | 3 % |

In 2026, Utilities capital expenditures are expected to be focused primarily on safety and reliability initiatives, including asset modernization and pipeline replacement programs, system betterment projects, and new customer additions. The increase in expected Utilities capital spending is primarily driven by construction of the Keweenaw Connector Pipeline in Michigan and ARP investments in Virginia under the approved SAVE plan.

In the Midstream segment, capital expenditures are expected to be directed towards growth and optimization projects, including REEF, REEF Optimization I, the Dimsdale Phase I and Phase II expansions, and the RIPET Methanol Removal Project, as well as maintenance, administrative, and other optimization capital across the existing asset base.

AltaGas remains focused on capital-efficient organic growth, disciplined capital allocation, and enhancing balance sheet strength and financial flexibility.

AltaGas' 2026 committed capital program is expected to be funded through internally-generated cash flows, driven by higher annual investment capacity from growing normalized EBITDA, and enhanced financial flexibility as a result of AltaGas' stronger balance sheet.

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** | | | | |
| REEF | 50% | The total estimated project cost for REEF has been increased from $1.35 billion to approximately $1.5 billion, on a gross basis. The capital cost will be allocated between AltaGas and Vopak according to their respective ownership interests, subject to final adjustments for certain cost categories. | REEF is a large-scale LPG and bulk liquids export terminal with supporting marine infrastructure currently under construction on Ridley Island, British Columbia, adjacent to RIPET. The project is being developed by AltaGas and Vopak and will have export capacity of approximately 56,000 Bbl/d.<br><br>Construction continues to advance across all major work fronts, with the project approximately 85 percent complete and activities increasingly focused on completion and readiness for commissioning. Engineering is complete, all major process equipment – including the LPG accumulators and bullets – has been installed, and remaining fabrication required for project completion has been delivered or is progressing to site in line with the construction schedule. Mechanical construction activities are nearing completion, supporting the planned demobilization of contractors and the transition to commissioning. Mitigation efforts remain focused on maintaining alignment with the revised execution schedule with commercial operations expected to commence before the end of the first quarter in 2027. | First quarter of 2027 |
| REEF Optimization I | 50% | $110 million, on a gross basis. AltaGas’ cost is expected to be approximately $55 million on a net basis. | REEF Optimization I will increase REEF's throughput capacity by approximately 30,000 Bbl/d. Detailed engineering is progressing and long-lead equipment has been awarded. The partnership is also advancing engineering, permitting, and stakeholder engagement activities for REEF Optimization II, which could support an additional 25,000 to 65,000 Bbls/d of throughput capacity, with timing aligned to market fundamentals and customer demand. Detailed engineering and procurement activities for Optimization I continue to progress as planned. Design, fabrication, and construction activities associated with scope integrated into the active REEF project area have advanced to align with the broader REEF execution schedule, supporting efficiencies across both projects. In areas outside the REEF facility, the site foundations contractor has begun mobilization as planned in support of the overall project schedule. | 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% | $53 million, on a gross basis. AltaGas' cost is expected to be approximately $37 million on a net basis. | AltaGas reached a positive FID on the RIPET Methanol Removal Project in April 2025. This project will expand RIPET's access to all Asian markets while ensuring fungible propane specifications between RIPET and REEF. The engineering, procurement, and fabrication contract has been awarded and equipment fabrication is underway. In October 2025, AltaGas and Vopak finalized commercial terms for Vopak's participation in the project, with Vopak funding 30 percent of total project costs through its proportionate ownership in the RIPET partnership. Construction activities have commenced, with equipment shipments expected to begin in the third quarter of 2026. | 2026 Year-end |
| Dimsdale Phase I Expansion | 100% | $65 million | AltaGas reached a positive FID on the Phase I expansion of the Company's Dimsdale Gas Storage Facility in August 2025. The 6 Bcf expansion is supported by two 10-year firm storage contracts. Phase I includes a direct connection to the NGTL mainline through a new high-capacity pipeline, facility debottlenecking initiatives, including new dehydration equipment, and a new meter station. These investments are expected to expand capacity, enhance reliability, and reduce operating costs. Construction of the pipeline system for Phase I is mechanically complete and brownfield construction activities have commenced and are progressing as planned. | 2026 Year-end |
| Dimsdale Phase II Expansion | 100% | $165 million | AltaGas reached a positive FID on the Phase II expansion of the Company's Dimsdale Gas Storage Facility in January 2026. The 30 Bcf expansion is supported by multi-year, take-or-pay firm storage service contracts. Phase II includes the construction of additional compression and dehydration capacity, as well as the drilling of five new storage wells, increasing gas storage capacity in the Alberta Montney region. Drilling of the new storage wells is expected to commence in the third quarter of 2026. | Mid 2027 |
| NEBC Liquids Expansion | 100% | $125 million | AltaGas has reached positive FID on a liquids expansion and debottlenecking project that will expand NEBC liquids handling and fractionation capacity by 6,000 Bbls/d. The project includes a depropanizer and mercaptan treating at Townsend, debutanizer upgrades, additional loading capacity and additional bullet storage at North Pine, and is expected to be completed by mid-2028. | Mid 2028 |

| Project | AltaGas' Ownership Interest | Estimated Cost [(1)] | Project Description and Status | Expected In-Service Date |
|---|---|---|---|---|
| **Midstream Projects, continued** | | | | |
| MVP Mainline Expansion Project ("MVP Boost") | 10% | The total estimated project cost for MVP Boost is approximately US$400 million to US$540 million, which will be split amongst the partners according to their respective ownership interests. AltaGas' net capital investment is expected to be approximately US$40 million to US$54 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 2.6 Bcf/d (a 30 percent uplift). The FEED study is complete and following a highly oversubscribed open season, the partners have increased the size of the proposed MVP Boost expansion. In October 2025, the project sponsors filed a formal application with the Federal Energy Regulatory Commission ("FERC") seeking authorization to construct the project, which includes compression upgrades at existing facilities and one new compressor station. The project is targeting a mid-2028 in-service date, which is a year earlier than previously expected. The entire 600 MMcf/d of incremental capacity is 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. | Mid 2028 |
| MVP Southgate Project | 5% | Approximately US$370 million to US$430 million, on a gross basis. AltaGas' cost is expected to be approximately US$19 million to US$22 million on a net basis. | The MVP Southgate Project is an interstate natural gas pipeline in which AltaGas holds a 5.1 percent equity interest. Redesigned in 2023, the project will extend MVP approximately 31 miles from Pittsylvania County, Virginia to Rockingham County, North Carolina. Following temporary administrative stays related to Clean Water Act Section 401 Water Quality Certifications in Virginia and North Carolina, the 4th U.S. Circuit Court of Appeals lifted the stays in April 2026, allowing construction activities to proceed. Construction subsequently commenced in Virginia, and in June 2026, FERC authorized the commencement of construction activities in North Carolina after determining that all applicable pre-construction requirements had been satisfied. All key regulatory approvals have now been secured, construction activities are advancing, and the project is targeting completion by year-end 2026. AltaGas remains confident that MVP Southgate will be completed and placed into service and continues to support the project as it enables downstream customer connectivity to critical natural gas transportation infrastructure and enhances U.S. energy security. | 2026 Year-end |

| 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$136 million for the period from March 2024 through December 2026 for PROJECT*pipes* 2, plus additional expenditures for District SAFE upon final approval. | The Public Service Commission of the District of Columbia ("PSC of D.C.") has issued several orders extending the second phase of Washington Gas' ARP in D.C. On June 16, 2026, Washington Gas filed an application with the PSC of D.C. to extend PROJECT*pipes* 2 through December 31, 2026, with an additional spending limit of US$25 million. On June 30, 2026, the PSC of D.C. approved the extension of PROJECT*pipes* 2 through December 31, 2026 due to the extension of the District SAFE procedural schedule, with an authorized spending limit of US$18 million for previously approved projects. On September 27, 2024, Washington Gas filed its restructured plan for the third phase of its ARP in D.C., District SAFE, requesting US$215 million for the period from March 1, 2025 through December 31, 2027. On March 4, 2026, the PSC of D.C. approved District SAFE, with modifications, for the period from July 1, 2026 through June 30, 2029, with a total allowed spend of US$150 million. On May 4, 2026, the PSC of D.C. granted reconsideration of its approval of District SAFE. Hearings were held in July 2026 and post-hearing briefs are due in August 2026. A final order in the District SAFE case is expected in the second half of 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 US$330 million. On June 1, 2025, the Maryland Next Generation Energy Act ("NGEA") became 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. Washington Gas made a responsive Compliance Filing on December 20, 2025. On December 29, 2025, the PSC of MD issued a Letter Order limiting further STRIDE work in 2026 to those projects that were active as of the issuance of the Order, pending the PSC of MD's consideration of the NGEA Compliance Filing. On February 26, 2026, the PSC of MD approved the Company's 2026 Project List and surcharges and directed Commission Staff to file proposed regulations to establish standards for NGEA compliance. The 2026 Project List outlook is approximately US$60 million. | Individual assets are placed into service throughout the program and are captured in rate base through rate riders. |

| Project | AltaGas' Ownership Interest | Estimated Cost (1) | Project Description and Status | Expected In-Service Date |
|---|---|---|---|---|
| **Utilities Projects, continued (2)** | | | | |
| Accelerated Utility Pipe Replacement Programs – ***Washington Gas - Virginia*** | 100% | Estimated US$700 million over the three year period from January 2026 to December 2028, plus additional expenditures for subsequent phases upon approval. | On May 26, 2022, the Virginia State Corporation Commission ("SCC of VA") approved Washington Gas' proposed amendment for the 2023 to 2027 SAVE Plan with a total five-year spending cap of US$878 million, which may be exceeded by up to 5 percent. On November 25, 2025, the SCC of VA issued an order shortening the previous five-year authorization by two years, reducing the spending cap from approximately US$878 million to US$413 million through December 2025. This has been replaced with a new three-year authorization of US$700 million, which may be exceeded by up to 5 percent, for the period from 2026 to 2028. | Individual assets are placed into service throughout the program and are captured in rate base through rate riders. |
| Accelerated Mains Replacement program ("MRP") and Infrastructure Reliability Improvement Program ("IRIP") – ***SEMCO ENERGY - Michigan*** | 100% | Estimated US$99 million from 2025 to 2027, plus additional expenditures for subsequent phases upon approval. | In September 2024, the Michigan Public Service Commission ("MPSC") approved the extension of SEMCO's MRP and IRIP programs for US$46 million and US$68 million, respectively, for the period from 2025 to 2027, which includes US$15 million of spend for 2025 approved through the previous program. In its base rate application filed in February 2026, SEMCO proposed to reset both programs and requested an estimated spend of US$284 million for the period from 2027 to 2031. This would replace the currently approved US$40 million planned for 2027 under the existing programs. A decision is expected in the fourth quarter of 2026. | 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 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 design have been completed. The material and construction contracts have been awarded and pipeline construction has begun. | 2026 Year-end |

(1) These amounts are estimates and are subject to change based on various factors. Unless otherwise noted, 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.

# Utilities

## Financial Results

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Normalized EBITDA | **$ 142** | $ 134 | **$ 697** | $ 635 |
| Income before income taxes | **$ 33** | $ 95 | **$ 491** | $ 541 |
| Revenue | **$ 971** | $ 1,016 | **$ 3,001** | $ 2,886 |

## Operating Statistics

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Natural gas deliveries - end-use (Bcf) (1) | **16.1** | 16.4 | **82.9** | 89.9 |
| Natural gas deliveries - transportation (Bcf) (1) | **26.2** | 20.7 | **68.2** | 65.2 |
| Service sites (thousands) (2) | **1,575** | 1,567 | **1,575** | 1,567 |
| Degree day variance from normal - SEMCO (Michigan) (%) (3) | **(8.5)** | 3.6 | **(2.3)** | 0.5 |
| Degree day variance from normal - Washington Gas (D.C.) (%) (3) (4) | **(14.2)** | (31.1) | **2.2** | (8.5) |
| Retail energy marketing - gas sales volumes (Mmcf) | **8,583** | 11,572 | **31,844** | 34,077 |
| Retail energy marketing - electricity sales volumes (GWh) | **3,688** | 3,575 | **7,501** | 7,264 |

(1) Bcf is one billion cubic feet.

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

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

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

## Three Months Ended June 30

Normalized EBITDA in the Utilities segment was $142 million in the second quarter of 2026, compared to $134 million in the same quarter of 2025. The increase in normalized EBITDA was mainly due to higher contributions from WGL's retail business, higher revenue associated with ARP investments, the positive net impact of the 2024 D.C. and 2025 Virginia rate cases, and customer growth. These factors were partially offset by higher operating and administrative expenses, including long-term incentive compensation due to AltaGas' rising share price, and decreased asset optimization activities at Washington Gas.

The Utilities segment income before income taxes was $33 million in the second quarter of 2026, compared to $95 million in the same quarter of 2025. The decrease was mainly due to unrealized losses on risk management contracts compared to unrealized gains for the same quarter of 2025 and higher depreciation and amortization expense, partially offset by the same previously referenced factors impacting normalized EBITDA.

## Six Months Ended June 30

The Utilities segment reported normalized EBITDA of $697 million in the first half of 2026, compared to $635 million in the same period in 2025. The increase in normalized EBITDA was mainly due to the positive net impact of the 2024 D.C. and 2025 Virginia rate cases, the gain on partial settlement of Washington Gas' post-retirement benefit pension plan in the first quarter of 2026, increased asset optimization activities at Washington Gas, higher revenue associated with ARP investments, and customer growth. These factors were partially offset by higher operating and administrative expenses, including long-term incentive compensation due to AltaGas' rising share price, the impact of the lower average U.S./Canadian dollar exchange rate, and lower contributions from WGL's retail business.

The Utilities segment income before income taxes was $491 million in the first half of 2026, compared to $541 million in the same period in 2025. The decrease was mainly due to unrealized losses on risk management contracts compared to unrealized gains in the same period of 2025 and higher depreciation and amortization expense, partially offset by the same previously referenced factors impacting normalized EBITDA and lower transition and restructuring costs.

# Utilities Regulatory Updates

| Utility/ Jurisdiction | Date Filed | Request | Status | Expected Timing of Decision |
|---|---|---|---|---|
| Washington Gas - Virginia | July 2025 | US$104 million gross increase in base rates, including US$39 million currently collected through the SAVE surcharge. On a net basis, the incremental amount of the base rate increase requested was US$65 million. | On July 31, 2025, Washington Gas filed an application with the SCC of VA seeking authority to increase existing rates and charges for natural gas service in the Commonwealth of Virginia. The application requested an annual revenue increase of approximately US$104 million based on a 10.9 percent return on equity. Of the requested increase, US$39 million related to rolling expenditures incurred under the SAVE Plan to base rates and resetting the associated surcharge, while US$65 million represented an increase to base rate revenues. Under the Order for Notice and Hearing issued on September 5, 2025, Washington Gas implemented interim rates, subject to refund, effective December 30, 2025. Intervenor testimony was received in April 2026 and Washington Gas filed rebuttal testimony on May 15, 2026. Washington Gas, Commission Staff, and the City of Alexandria subsequently entered into a stipulation agreement, reflecting an annual revenue increase of US$74 million, inclusive of the US$39 million SAVE roll-in to base rates, and a 9.8 percent return on equity. A hearing on the stipulation was held on June 9, 2026. On July 13, 2026, the Hearing Examiner issued a report recommending that the SCC of VA approve the proposed stipulation. | Second half of 2026. |
| Washington Gas - Maryland | December 2025 | US$82 million gross increase in base rates, including US$15 million currently collected through the STRIDE surcharge. On a net basis, the incremental amount of the base rate increase requested was US$67 million. | On December 29, 2025, Washington Gas filed an application seeking authority to increase existing rates and charges for natural gas service in Maryland. The application requests an annual revenue increase of approximately US$82 million based on a 10.9 percent return on equity. Of the requested increase, US$15 million relates to costs currently recovered through the STRIDE Plan surcharge, while US$67 million represents an increase in base rate revenues. Intervenor testimony was filed on March 31, 2026 and Washington Gas submitted rebuttal testimony on April 28, 2026. An evidentiary hearing was held during the week of May 18, 2026, and post-hearing briefs have been filed. On July 27, 2026, the PSC of MD issued a Final Order approving an annual revenue increase of approximately US$38 million, inclusive of certain costs currently recovered through the STRIDE Plan surcharge, based on a 9.4 percent return on equity. Washington Gas continues to review the impact of the order and requests for reconsideration are due by August 26, 2026. The PSC of MD also initiated a Phase II proceeding to address unresolved matters. New rates are authorized to go into effect for service rendered on or after July 27, 2026. | Final decision issued July 2026. |

| Utility/ Jurisdiction | Date Filed | Request | Status | Expected Timing of Decision |
|---|---|---|---|---|
| SEMCO | February 2026 | US$61 million increase in base rates. | On February 26, 2026, SEMCO filed an application with the MPSC seeking authority to increase base rates by approximately US$61 million on a normalized annual basis using a forecasted 2027 test year. The requested increase reflects inflationary impacts on operations and maintenance expenses since the 2025 historical test year, capital investments made since SEMCO's last rate order became effective on January 1, 2020, and investments associated with the Keweenaw Connector Pipeline. SEMCO is also seeking approval to extend its MRP and IRIP programs through 2031 to continue modernizing its system and mitigating safety and reliability risks associated with aging infrastructure. In addition, SEMCO has proposed a weather normalization adjustment mechanism intended to provide customers with more predictable utility bills while reducing weather-related revenue volatility. The MPSC is required to issue a final order within 10 months of the filing date. Accordingly, the proceeding is expected to conclude no later than December 26, 2026, with new rates effective January 1, 2027. | December 2026 |

## Other Regulatory Updates

### Climate Regulation

In D.C., D.C. Law 24-177 requires the Mayor to issue final regulations by December 31, 2026 that require 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. On March 26, 2026, the District Court issued an opinion concluding that the D.C. law is not preempted by the federal Energy Policy and Conservation Act (“EPCA”). On April 14, 2026, plaintiffs filed a Notice of Appeal to the District of Columbia Circuit Court of Appeals.

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. On March 25, 2026, the District Court issued an opinion that the Montgomery County law is not preempted by the federal EPCA. On April 14, 2026, plaintiffs filed a Notice of Appeal to the Fourth Circuit Court of Appeals.

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 March 31, 2026, the District Court issued an opinion that the Maryland BEPS are not preempted by federal EPCA. On April 29, 2026, plaintiffs filed a Notice of Appeal to the Fourth Circuit Court of Appeals.

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

## Financial Results

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Normalized EBITDA | **$ 285** | $ 215 | **$ 558** | $ 412 |
| Income before income taxes | **$ 509** | $ 263 | **$ 398** | $ 467 |
| Revenue | **$ 2,813** | $ 1,813 | **$ 4,738** | $ 3,897 |

## Operating Statistics

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| LPG export volumes (Bbls/d) (1) | **144,420** | 127,814 | **134,790** | 123,552 |
| Total inlet gas processed (Mmcf/d) (1) | **1,395** | 1,531 | **1,531** | 1,541 |
| Extracted ethane volumes (Bbls/d) (1) | **14,463** | 23,231 | **18,297** | 28,163 |
| Extracted NGL volumes (Bbls/d) (1) (2) | **57,486** | 50,982 | **58,034** | 50,175 |
| Fractionation volumes (Bbls/d) (1) (3) | **38,673** | 42,625 | **41,502** | 42,820 |
| Frac spread - realized ($/Bbl) (1) (4) | **16.14** | 24.48 | **14.97** | 26.15 |
| Frac spread - average spot price ($/Bbl) (1) (5) | **26.48** | 24.46 | **22.13** | 28.35 |
| Propane FEI to Mont Belvieu spread (US$/Bbl) (1) (6) | **31.47** | 10.15 | **28.75** | 11.16 |
| Butane FEI to Mont Belvieu spread (US$/Bbl) (1) (7) | **36.30** | 11.57 | **33.04** | 11.99 |

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

## Three Months Ended June 30

The Midstream segment reported normalized EBITDA of $285 million in the second quarter of 2026, compared to $215 million in the same quarter of 2025. The increase in normalized EBITDA was primarily due to stronger global exports volumes and margins, partially offset by higher operating expenses. Normalized EBITDA in the Midstream segment was also impacted by contributions from Pipestone II, which was placed into service in December 2025, and higher contributions from the fractionation and liquids handling business supported by improved marketing margins. These factors were partially offset by higher general and administrative expenses, including higher long-term incentive costs associated with AltaGas' rising share price, lower earnings at the extraction facilities due to lower realized frac spreads, and lower processing and fractionation revenue at Harmattan due to a planned turnaround.

Income before income taxes in the Midstream segment was $509 million in the second quarter of 2026, compared to income before income taxes of $263 million in the same quarter of 2025. The increase was mainly due to higher unrealized gains on risk management contracts and the same previously referenced factors impacting normalized EBITDA, partially offset by higher depreciation and amortization expense.

## Six Months Ended June 30

The Midstream segment reported normalized EBITDA of $558 million in the first half of 2026, compared to $412 million in the same period in 2025. The increase in normalized EBITDA was primarily due to stronger performance from the global exports business as a result of higher export margins and increased tolling volumes. In addition, normalized EBITDA in the Midstream segment was impacted by contributions from Pipestone II, which was placed into service in December 2025, and stronger contributions from the fractionation and liquids handling business supported by improved marketing margins. These factors were partially offset by lower earnings at the extraction facilities due to lower realized frac spreads, higher operating and administrative expenses, including higher long-term incentive costs associated with AltaGas' rising share price, and lower processing and fractionation revenue at Harmattan due to a planned turnaround in the second quarter of 2026.

Income before income taxes in the Midstream segment was $398 million in the first half of 2026, compared to $467 million in the same period in 2025. The decrease was mainly due to unrealized losses on risk management contracts compared to unrealized gains in the same period of 2025 and higher depreciation and amortization expense, partially offset by the same previously referenced factors impacting normalized EBITDA.

## Midstream Hedges

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Frac spread exposed volumes (Bbls/d) | **11,015** | 10,953 | **11,310** | 11,183 |
| NGL volumes hedged (Bbls/d) | **9,658** | 8,091 | **9,637** | 8,577 |
| Frac exposed volumes hedged (%) | **88 %** | 74 % | **85 %** | 77 % |
| Average price of NGL volumes hedged ($/Bbl) [(1)] | **31** | 37 | **30** | 38 |
| Average FEI to North American NGL price spread for volumes hedged (US$/Bbl) | **18** | 17 | **18** | 16 |

(1) Excludes basis differential.

# Corporate/Other

## Financial Results

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Normalized EBITDA (loss) | **$ (36)** | $ (7) | **$ (46)** | $ (16) |
| Loss before income taxes | **$ 159** | $ 132 | **$ 299** | $ 269 |
| Revenue | **$ 13** | $ 15 | **$ 28** | $ 30 |

## Three Months Ended June 30

In the Corporate/Other segment, normalized EBITDA for the second quarter of 2026 was a loss of $36 million, compared to a loss of $7 million in the same quarter of 2025. The decrease in normalized EBITDA was mainly due to higher employee incentive compensation expense, primarily as a result of the increasing share price in the second quarter of 2026, as well as increased personnel costs.

Loss before income taxes in the Corporate/Other segment was $159 million in the second quarter of 2026, compared to $132 million in the same quarter of 2025. The increased loss was mainly due to the same previously referenced factors impacting normalized EBITDA and higher interest expense.

## Six Months Ended June 30

In the Corporate/Other segment, normalized EBITDA for the first half of 2026 was a loss of $46 million, compared to a loss of $16 million in the same period in 2025. The decrease in normalized EBITDA was mainly due to higher employee incentive compensation expense, primarily as a result of the increasing share price in the first half of 2026, as well as increased personnel costs.

Loss before income taxes in the Corporate/Other segment was $299 million in the first half of 2026, compared to $269 million in the same period in 2025. The higher loss was due to the same previously referenced factors impacting normalized EBITDA and higher interest expense, partially offset by lower depreciation and amortization expense.

# 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 June 30, 2026 |
|---|---|---|---|---|
| ***($ millions)*** | **Utilities** | **Midstream** | **Corporate/ Other** | **Total** |
| Invested capital: | | | | |
| Property, plant and equipment | **$ 225** | **$ 151** | **$ 2** | **$ 378** |
| Intangible assets | **14** | **2** | **4** | **20** |
| Long-term investments | **—** | **9** | **—** | **9** |
| **Invested capital** | **$ 239** | **$ 162** | **$ 6** | **$ 407** |
| Disposals: | | | | |
| Equity method investments | **—** | **(2)** | **—** | **(2)** |
| **Net invested capital** | **$ 239** | **$ 160** | **$ 6** | **$ 405** |

| | | | | Three Months Ended June 30, 2025 |
|---|---|---|---|---|
| *($ millions)* | Utilities | Midstream | Corporate/ Other | Total |
| Invested capital: | | | | |
| Property, plant and equipment | $ 160 | $ 161 | $ 3 | $ 324 |
| Intangible assets | — | 1 | 3 | 4 |
| Long-term investments | — | 2 | — | 2 |
| **Invested capital and net invested capital** | $ 160 | $ 164 | $ 6 | $ 330 |

During the second quarter of 2026, AltaGas’ invested capital was $407 million, compared to $330 million in the same quarter of 2025. The increase in invested capital was primarily due to higher spend within the Utilities segment as a result of higher investment in system betterment programs at WGL and SEMCO, higher ARP and general plant program spend at WGL, and higher spend on IRIP programs at SEMCO. In the Midstream segment, lower capital spend was primarily related to a decrease in growth capital spend, partially offset by an increase in maintenance capital spend and higher additions to long-term investments as a result of capital cash calls related to certain growth capital projects. The decrease in growth capital spend primarily reflected lower spend on Pipestone II, which was placed into service in December 2025, REEF, and Ferndale, partially offset by higher spend related to the Dimsdale Phase I and Phase II expansions and REEF Optimization I. Across all segments, additions to intangible assets increased primarily due to continued investment in digital projects.

Invested capital in the second quarter of 2026 included maintenance capital of $37 million (2025 - $24 million) in the Midstream segment and $2 million (2025 - $nil) related to Blythe in the Corporate/Other segment. The increase in Midstream maintenance capital in the second quarter of 2026 was primarily due to planned turnaround and maintenance capital spend at Harmattan, partially offset by the absence of planned turnarounds that were present at RIPET and several NEBC facilities in the second quarter of 2025.

During the second quarter of 2026, AltaGas' cash flow used in investing activities was an outflow of $438 million compared to $357 million in the same quarter of 2025. 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.

| ($ millions) | Utilities | Midstream | Corporate/ Other | Total |
|---|---|---|---|---|
| | | | | **Six Months Ended June 30, 2026** |
| Invested capital: | | | | |
| Property, plant and equipment | $ 364 | $ 280 | $ 4 | $ 648 |
| Intangible assets | 21 | 3 | 9 | 33 |
| Long-term investments | — | 14 | — | 14 |
| **Invested capital** | **$ 385** | **$ 297** | **$ 13** | **$ 695** |
| Disposals: | | | | |
| Equity method investments | — | (2) | — | (2) |
| **Net invested capital** | **$ 385** | **$ 295** | **$ 13** | **$ 693** |

| ($ millions) | Utilities | Midstream | Corporate/ Other | Total |
|---|---|---|---|---|
| | | | | **Six Months Ended June 30, 2025** |
| Invested capital: | | | | |
| Property, plant and equipment | $ 287 | $ 273 | $ 12 | $ 572 |
| Intangible assets | — | 1 | 6 | 7 |
| Long-term investments | — | 3 | — | 3 |
| **Invested capital and net invested capital** | $ 287 | $ 277 | $ 18 | $ 582 |

In the first half of 2026, AltaGas' invested capital was $695 million, compared to $582 million in the same period in 2025. The increase in invested capital was primarily due to higher spend within the Utilities segment as a result of higher investment in system betterment programs at WGL and SEMCO, higher ARP investments at WGL, and higher investments in IRIP programs at SEMCO. In the Midstream segment, the increase in capital spend was primarily related to higher maintenance capital spend and higher additions to long-term investments as a result of capital cash calls related to certain growth capital projects, partially offset by a decrease in growth capital spend. The decrease in growth capital spend in the Midstream segment primarily reflected lower spend on Pipestone II, which was placed into service in December 2025, REEF, and Ferndale, partially offset by an increase in spend related to the Dimsdale Phase I and Phase II expansions, REEF Optimization I, and the RIPET methanol removal project. In the Corporate/Other segment, the decrease in capital spend was primarily due to the completion of the Calgary office relocation in the second quarter of 2025. Across all segments, additions to intangible assets increased primarily due to continued investment in digital projects.

Invested capital in the first half of 2026 included maintenance capital of $42 million (2025 - $28 million) in the Midstream segment and $3 million (2025 - $1 million) related to Blythe in the Corporate/Other segment. The increase in Midstream maintenance capital in the first half of 2026 was primarily due to planned turnaround and maintenance capital spend at Harmattan, partially offset by the absence of planned turnarounds that were present at RIPET and several NEBC facilities in the second quarter of 2025.

During the first half of 2026, AltaGas' cash flow from investing activities was an outflow of $889 million, compared to $709 million in the first half of 2025. 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 and normal course borrowings on existing committed credit facilities.

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Cash from operations | **$ 490** | $ 365 | **$ 1,064** | $ 992 |
| Investing activities | **(438)** | (357) | **(889)** | (709) |
| Financing activities | **(84)** | 114 | **(144)** | (50) |
| **Increase (decrease) in cash, cash equivalents, and restricted cash** | **$ (32)** | $ 122 | **$ 31** | $ 233 |

## Cash From Operations

Cash from operations increased by $72 million for the six months ended June 30, 2026 compared to the same period of 2025, primarily due to higher net income after taxes (after adjusting for non-cash items), partially offset by unfavourable variances in the net change in operating assets and liabilities. The majority of the variance in the net change in operating assets and liabilities was driven by higher cash outflows associated with net regulatory liabilities due to higher gas purchase costs. Inventory, prepaid expenses, and risk management contracts also provided a lower source of cash compared to the prior year. These impacts were partially offset by lower cash outflows related to accounts payable and accrued liabilities due to commodity price fluctuations.

## Working Capital

| *($ millions, except working capital ratio)* | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| Current assets | **$ 2,607** | $ 2,907 |
| Current liabilities | **3,028** | 3,559 |
| **Working deficiency** | **$ (421)** | $ (652) |
| **Working capital ratio [(1)]** | **0.86** | 0.82 |

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

The increase in the working capital ratio was primarily due to decreases in short-term debt, current portion of long-term debt, accounts payable and accrued liabilities, regulatory 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, as well as increases in risk management liabilities. 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 six months ended June 30, 2026 was $889 million, compared to $709 million in the same period of 2025. Investing activities for the six months ended June 30, 2026 included expenditures of $877 million for property, plant and equipment and intangible assets, as well as $14 million of contributions to equity investments, partially offset by $2 million of proceeds from the disposition of equity investments. Investing activities for the six months ended June 30, 2025 included expenditures of $707 million for property, plant and equipment and intangible assets, as well as $2 million of contributions to equity investments.

## Financing Activities

Cash used in financing activities for the six months ended June 30, 2026 was $144 million, compared to $50 million in the same period of 2025. Financing activities for the six months ended June 30, 2026 included repayments of long-term debt and finance lease liabilities of $411 million, dividends of $215 million, net repayments under credit facilities of $144 million, and distributions to non-controlling interests of $9 million, partially offset by long-term debt issuances (net of debt issuance costs) of $498 million, contributions from non-controlling interests of $122 million, and net proceeds from common shares issued on the exercise of options granted pursuant to AltaGas' share option plan ("Share Options") of $15 million. Financing activities for the six months ended June 30, 2025 were primarily comprised of repayments of long-term debt and finance lease liabilities of $815 million, dividends of $199 million, and distributions to non-controlling interests of $9 million, partially offset by net borrowings under credit facilities of $645 million, contributions from non-controlling interests of $168 million, long-term debt issuances (net of debt issuance costs) of $136 million, and net proceeds from common shares issued on the exercise of Share Options of $24 million.

# Capital Resources

AltaGas' objective for managing capital is to maintain 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 June 30, 2026, AltaGas’ total debt primarily consisted of outstanding medium term notes ("MTNs") of $3.0 billion (December 31, 2025 - $3.4 billion), WGL and Washington Gas MTNs and private placement notes of $3.4 billion (December 31, 2025 - $3.3 billion), reflecting fair value adjustments on acquisition, SEMCO First Mortgage Bonds of $422 million (December 31, 2025 - $406 million), $2.2 billion of subordinated hybrid notes (December 31, 2025 - $2.2 billion), $955 million drawn under the bank credit facilities (December 31, 2025 - $386 million), and commercial paper of $31 million outstanding for WGL and Washington Gas (December 31, 2025 - $231 million). In addition, AltaGas had $207 million of letters of credit outstanding (December 31, 2025 - $185 million).

As at June 30, 2026, AltaGas’ total market capitalization was approximately $16.3 billion based on approximately 312 million common shares outstanding and a closing trading price of $52.39 per common share.

AltaGas' earnings interest coverage for the rolling twelve months ended June 30, 2026 was 2.6 times (twelve months ended June 30, 2025 - 2.8 times).

| **Credit Facilities**<br>**($ millions)** | **Borrowing capacity** | **Drawn at June 30, 2026** | **Drawn at December 31, 2025** |
|---|---|---|---|
| AltaGas demand credit facilities (1) (2) | $ 70 | **$ —** | $ — |
| AltaGas revolving credit facilities (1) (2) | 2,300 | **455** | 385 |
| AltaGas term credit facility | 500 | **500** | — |
| SEMCO Energy US$150 million credit facilities (1) (2) | 213 | **—** | 1 |
| WGL US$300 million revolving credit facility (1) (2) (3) | 426 | **—** | 13 |
| Washington Gas US$450 million revolving credit facility (1) (2) (3) | 639 | **31** | 218 |
| | $ 4,148 | **$ 986** | $ 617 |

(1) Amount drawn at June 30, 2026 converted at the month-end rate of 1 U.S. dollar = 1.4210 Canadian dollar (December 31, 2025 - 1 U.S. dollar = 1.3706 Canadian dollar).
(2) All US$ borrowing capacity was converted at the June 30, 2026 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 $458 million (December 31, 2025 - $441 million). As at June 30, 2026, there were letters of credit for $206 million (December 31, 2025 - $184 million) issued on these facilities and less than $1 million (December 31, 2025 - 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 June 30, 2026 and December 31, 2025.

### Other Financing Activities

On July 15, 2026, pursuant to the April 28, 2026 bond purchase agreement, SEMCO issued US$86 million of First Mortgage Bonds with a coupon rate of 5.16 percent, maturing on July 15, 2036. In September 2026, SEMCO also expects to issue US$100 million of First Mortgage Bonds with a coupon rate of 5.87 percent, maturing on

September 15, 2056. The proceeds will be used to fund construction of the Keweenaw Connector Pipeline, other capital expenditures, and general corporate purposes.

On June 30, 2026, Washington Gas executed a note purchase agreement to issue US$200 million in private placement notes on September 15, 2026. US$100 million of these notes will be issued at 5.42 percent with a maturity date of September 15, 2036, and the remaining US$100 million will be issued at 6.03 percent with a maturity date of September 15, 2056. The proceeds will be used to repay existing indebtedness and for general corporate purposes.

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

| Ratios | Debt covenant requirements | As at June 30, 2026 |
|---|---|---|
| Bank debt-to-capitalization (1) (2) | not greater than 65% | less than 41% |
| 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 40% |
| Bank EBITDA-to-interest expense (SEMCO Energy) (2) (3) | not less than 2.25x | greater than 8.0x |
| Bank debt-to-capitalization (WGL) (2) (4) | not greater than 65% | less than 45% |
| Bank debt-to-capitalization (Washington Gas) (2) (4) | not greater than 65% | less than 45% |

(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 28 of the 2025 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, Ridley Island Energy Export Facility 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' 2025 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 June 30, 2026 and December 31, 2025, the fair values of the Corporation's derivatives were as follows:

| ($ millions) | | June 30, 2026 | | December 31, 2025 |
|---|---|---|---|---|
| Natural gas | $ | 23 | $ | 3 |
| Energy exports | | 36 | | 52 |
| NGL frac spread | | (6) | | 2 |
| Power | | (42) | | (63) |
| Crude oil and NGLs | | (4) | | 1 |
| Foreign exchange | | (76) | | (32) |
| Net derivative liability | $ | (69) | $ | (37) |

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, as well as interest rate swaps to manage exposure to interest rate fluctuations.

### Commodity Price Contracts

The average indicative spot NGL frac spread for the six months ended June 30, 2026 was approximately $22/Bbl (2025 - $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 six months ended June 30, 2026 was approximately $15/Bbl, inclusive of basis differentials (2025 - $26/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 2026, AltaGas has hedged approximately:

- 91 percent of its remaining 2026 expected global export volumes through a combination of tolls and financial hedges, with the average FEI to North American financial hedge price of US$22/Bbl for non-tolled propane and butane volumes.
- 84 percent of its 2026 expected frac exposed volumes hedged at US$22/Bbl, prior to transportation costs.
- Materially all of AltaGas' expected Baltic freight exposure is protected through time charters, financial hedges, and tolled volumes in 2026.

## Foreign Exchange Contracts

The following foreign exchange related contracts were outstanding as at June 30, 2026:

| | Duration | Fair Value ($ millions) |
|---|---|---|
| **Foreign exchange contracts** | | |
| Forward USD sales (non-deliverable) | **Less than 1 year** | **$ (43)** |
| Forward USD sales (non-deliverable) | **1 - 5 years** | **$ (30)** |
| Foreign exchange option | **Less than 1 year** | **$ (3)** |
| Foreign exchange option | **1 - 2 years** | **$ 3** |
| **Cross-currency swaps** | | |
| Fixed-to-fixed cross-currency swaps | **9 years** | **$ (3)** |

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

| | Duration | Fair Value ($ millions) |
|---|---|---|
| **Foreign exchange contracts** | | |
| Forward USD sales (non-deliverable) | Less than 1 year | $ 4 |
| Forward USD sales (non-deliverable) | 1 - 5 years | $ (8) |
| Foreign exchange option | Less than 1 year | $ (1) |
| Foreign exchange option | 1 - 2 years | $ (2) |
| **Cross-currency swaps** | | |
| Fixed-to-fixed cross-currency swaps | 9 years | $ (25) |

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

| | Three Months Ended June 30, 2026 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 |
|---|---|---|---|---|
| **Objective of foreign exchange contract** | **Losses** | Gains | **Losses** | Gains |
| Cash management (1) | **$ (2)** | $ — | **$ (4)** | $ — |
| Income statement risk management (2) | **$ (42)** | $ 74 | **$ (71)** | $ 68 |

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

For the three and six months ended June 30, 2026, after-tax gains of $1 million and $22 million, respectively (three and six months ended June 30, 2025 - after-tax losses of $51 million and $34 million, respectively) related to the cross-currency swaps were recorded in AOCI.

## Weather Instruments

For the three and six months ended June 30, 2026, pre-tax gains of $1 million and $11 million, respectively (three and six months ended June 30, 2025 - $nil) were recorded related to heating degree day ("HDD") and cooling degree day ("CDD") instruments.

### The Effects of Derivative Instruments on the Consolidated Statements of Income

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

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Natural gas | **$ —** | $ (4) | **$ 6** | $ (2) |
| Energy exports | **277** | 53 | **(21)** | 94 |
| Crude oil and NGLs | **(8)** | 4 | **(4)** | 9 |
| NGL frac spread | **21** | 6 | **(8)** | 5 |
| Power | **(1)** | 1 | **(6)** | 20 |
| Foreign exchange | **(39)** | 71 | **(66)** | 90 |
| | **$ 250** | $ 131 | **$ (99)** | $ 216 |

Please refer to Note 21 of the 2025 Annual Consolidated Financial Statements and Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 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 June 30, 2026:

**Common Share Dividends**

| **Year ended December 31** | | |
|---|---|---|
| *($ per common share)* | **2026** | 2025 |
| First quarter | **$ 0.334000** | $ 0.315000 |
| Second quarter | **0.334000** | 0.315000 |
| Third quarter | **—** | 0.315000 |
| Fourth quarter | **—** | 0.315000 |
| **Total** | **$ 0.668000** | $ 1.260000 |

**Series A Preferred Share Dividends (1)**

| **Year ended December 31** | | |
|---|---|---|
| *($ per preferred share)* | **2026** | 2025 |
| First quarter | **$ —** | $ 0.191250 |
| Second quarter | **—** | 0.191250 |
| Third quarter | **—** | 0.191250 |
| Fourth quarter | **—** | — |
| **Total** | **$ —** | $ 0.573750 |

(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)* | **2026** | 2025 |
| First quarter | **$ —** | $ 0.378550 |
| Second quarter | **—** | 0.342680 |
| Third quarter | **—** | 0.334220 |
| Fourth quarter | **—** | — |
| **Total** | **$ —** | $ 1.055450 |

(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)* | **2026** | 2025 |
| First quarter | **$ 0.376063** | $ 0.376063 |
| Second quarter | **0.376063** | 0.376063 |
| Third quarter | **—** | 0.376063 |
| Fourth quarter | **—** | 0.376063 |
| **Total** | **$ 0.752126** | $ 1.504252 |

# 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 2025 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 2025 Annual Consolidated Financial Statements. There have been no material changes to AltaGas' critical estimates and judgements during the six months ended June 30, 2026.

Refer to Note 2 of the unaudited condensed interim Consolidated Financial Statements as at and for the six months ended June 30, 2026 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 six months ended June 30, 2026. Reference should be made to the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2025 for further information on off-balance sheet arrangements.

# Disclosure Controls and Procedures and Internal Control Over Financial Reporting

Management of AltaGas ("management"), including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining Disclosure Controls and Procedures ("DCP") and Internal Controls over Financial Reporting ("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 United States generally accepted accounting principles ("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 July 24, 2026** |
|---|---:|
| **Issued and outstanding** | |
| Common shares | 312,005,563 |
| Preferred Shares | |
| Series G | 8,000,000 |
| **Issued** | |
| Share Options | 59,465 |
| Share Options exercisable | 59,465 |

# Summary of Consolidated Results for the Eight Most Recent Quarters (1)

| ($ millions) | **Q2-26** | Q1-26 | Q4-25 | Q3-25 | Q2-25 | Q1-25 | Q4-24 | Q3-24 |
|---|---:|---:|---:|---:|---:|---:|---:|---:|
| Total revenue | **3,797** | 3,970 | 3,294 | 2,598 | 2,844 | 3,969 | 3,259 | 2,759 |
| Normalized EBITDA | **391** | 818 | 564 | 268 | 342 | 689 | 520 | 294 |
| Net income (loss) applicable to common shares | **288** | 147 | 205 | (25) | 175 | 392 | 203 | 9 |
| ($ per share) | **Q2-26** | Q1-26 | Q4-25 | Q3-25 | Q2-25 | Q1-25 | Q4-24 | Q3-24 |
| Net income (loss) per common share | | | | | | | | |
| Basic | **0.92** | 0.47 | 0.67 | (0.08) | 0.59 | 1.31 | 0.68 | 0.03 |
| Diluted | **0.92** | 0.47 | 0.67 | (0.08) | 0.58 | 1.31 | 0.68 | 0.03 |
| Dividends declared | **0.33** | 0.33 | 0.32 | 0.32 | 0.32 | 0.32 | 0.30 | 0.30 |

(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 Pipestone II being placed into service in December 2025.

Net income (loss) applicable to common shares is also affected by non-cash items such as deferred income tax expense, 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, 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 assets and/or equity investments of $2 million, $8 million, and $3 million incurred in the first half of 2026, throughout 2025, and the last half of 2024, respectively;
- After-tax transition and restructuring costs of $7 million, $46 million, and $28 million incurred in the first half of 2026, throughout 2025, and the last half of 2024, respectively;
- The gains on partial settlement of Washington Gas' post-retirement benefit pension plan recorded in the third quarter of 2024, the fourth quarter of 2025, and the first quarter of 2026;
- 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
- Current tax expense of $34 million recorded in the fourth quarter of 2025 related to legal entity restructuring.

# 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 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, net debt, adjusted net debt, adjusted net debt to normalized EBITDA, invested capital, and net invested capital throughout this MD&A have the meanings as set out in this section.

## Normalized EBITDA

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Income before income taxes (GAAP financial measure) | **$ 383** | $ 226 | **$ 590** | $ 739 |
| Add: | | | | |
| Depreciation and amortization | **137** | 126 | **272** | 254 |
| Interest expense | **117** | 114 | **236** | 229 |
| **EBITDA** | **$ 637** | $ 466 | **$ 1,098** | $ 1,222 |
| Add (deduct): | | | | |
| Transaction costs related to acquisitions and dispositions (1) | **1** | 2 | **2** | 2 |
| Unrealized losses (gains) on risk management contracts (2) | **(250)** | (131) | **99** | (216) |
| Losses (gains) on sale of assets (3) | **(2)** | 1 | **(2)** | 3 |
| Transition and restructuring costs (4) | **2** | 2 | **9** | 13 |
| Provisions on assets | **—** | — | **—** | 2 |
| Accretion expenses | **2** | 1 | **3** | 2 |
| Foreign exchange losses (5) | **1** | 1 | **—** | 3 |
| **Normalized EBITDA** | **$ 391** | $ 342 | **$ 1,209** | $ 1,031 |

(1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. These costs are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.
(2) Included in the "revenue", "cost of sales", and "foreign exchange losses" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 for further details regarding AltaGas' risk management activities.
(3) Included in the "other income" line item on the Consolidated Statements of Income.
(4) Comprised of transition and restructuring costs (including CFO transition). These costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.
(5) Excludes unrealized losses (gains) on foreign exchange contracts that have been entered into for the purpose of cash management. These losses (gains) 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 using income before income taxes adjusted for pre-tax depreciation and amortization, and interest expense.

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

## Normalized Net Income

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Net income applicable to common shares (GAAP financial measure) | **$ 288** | $ 175 | **$ 435** | $ 567 |
| Add (deduct) after-tax: | | | | |
| Transaction costs related to acquisitions and dispositions [(1)] | **1** | 1 | **2** | 1 |
| Unrealized losses (gains) on risk management contracts [(2)] | **(190)** | (100) | **76** | (165) |
| Losses (gains) on sale of assets [(3)] | **(1)** | 1 | **(1)** | 2 |
| Provisions on assets | **—** | — | **—** | 1 |
| Transition and restructuring costs [(4)] | **1** | 1 | **7** | 10 |
| Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances [(5)] | **(2)** | 3 | **(7)** | 7 |
| **Normalized net income** | **$ 97** | $ 81 | **$ 512** | $ 423 |

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

(2) The pre-tax amounts are included in the "revenue", "cost of sales", and "foreign exchange losses" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 for further details regarding AltaGas' risk management activities.

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

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

(5) Relates to unrealized foreign exchange losses (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 losses" line item on the Consolidated Statements of Income.

Normalized net income and normalized net income per share are used by Management to enhance the comparability of AltaGas' earnings, as these metrics reflect the underlying performance of AltaGas' business activities. Normalized EPS is calculated as normalized net income divided by the average number of shares outstanding during the period.

## Normalized Funds from Operations

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Cash from operations (GAAP financial measure) | **$ 490** | $ 365 | **$ 1,064** | $ 992 |
| Add (deduct): | | | | |
| Net change in operating assets and liabilities | **(212)** | (142) | **(143)** | (229) |
| Asset retirement obligations settled | **2** | 1 | **2** | 1 |
| **Funds from operations** | **$ 280** | $ 224 | **$ 923** | $ 764 |
| Add (deduct): | | | | |
| Transaction costs related to acquisitions and dispositions [(1)] | **1** | 2 | **2** | 2 |
| Transition and restructuring costs [(2)] | **2** | 2 | **9** | 13 |
| **Normalized funds from operations** | **$ 283** | $ 228 | **$ 934** | $ 779 |

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

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

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

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

## 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 12 month period.

| *($ millions, except adjusted net debt to normalized EBITDA)* | | **June 30, 2026** | | December 31, 2025 |
|---|---|---|---|---|
| Short-term debt | **$** | **31** | $ | 231 |
| Current portion of long-term debt [1] | | **318** | | 469 |
| Current portion of finance lease liabilities | | **26** | | 24 |
| Long-term debt [2] | | **7,465** | | 7,010 |
| Finance lease liabilities | | **126** | | 124 |
| Subordinated hybrid notes [3] | | **2,205** | | 2,159 |
| **Total debt** | | **10,171** | | 10,017 |
| Less: cash and cash equivalents | | **(131)** | | (99) |
| **Net debt** | **$** | **10,040** | $ | 9,918 |
| Add (deduct): | | | | |
| Current portion of finance lease liabilities | | **(26)** | | (24) |
| Finance lease liabilities | | **(126)** | | (124) |
| 50 percent debt treatment of subordinated hybrid notes | | **(1,103)** | | (1,080) |
| 50 percent debt treatment of preferred shares | | **98** | | 98 |
| **Adjusted net debt** | **$** | **8,883** | $ | 8,788 |
| | | | | |
| **Adjusted net debt to normalized EBITDA [4]** | | **4.4** | | 4.7 |

(1) Net of debt issuance costs, unamortized premiums, and unamortized discounts of less than $1 million as at June 30, 2026 (December 31, 2025 - less than $1 million).
(2) Net of debt issuance costs, unamortized premiums, and unamortized discounts of $30 million as at June 30, 2026 (December 31, 2025 - $29 million).
(3) Net of debt issuance costs of $24 million as at June 30, 2026 (December 31, 2025 - $25 million).
(4) Calculated as adjusted net debt at the balance sheet date, divided by normalized EBITDA for the preceding 12 month period.

## Invested Capital and Net Invested Capital

| | **Three Months Ended June 30** | | | | **Six Months Ended June 30** | | | |
|---|---|---|---|---|---|---|---|---|
| *($ millions)* | | **2026** | | 2025 | | **2026** | | 2025 |
| Cash used in investing activities (GAAP financial measure) | **$** | **438** | $ | 357 | **$** | **889** | $ | 709 |
| Add (deduct): | | | | | | | | |
| Net change in non-cash capital expenditures [1] | | **29** | | 49 | | **(56)** | | 19 |
| Contributions from non-controlling interests [2] | | **(62)** | | (76) | | **(140)** | | (146) |
| **Net invested capital** | **$** | **405** | $ | 330 | **$** | **693** | $ | 582 |
| Disposals of equity investments | | **2** | | — | | **2** | | — |
| **Invested capital** | **$** | **407** | $ | 330 | **$** | **695** | $ | 582 |

(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 six months ended June 30, 2026 for further details.
(2) Excludes cash received from advance cash calls related to forecasted capital spend.

Invested capital is a measure of AltaGas' use of funds for capital expenditure activities. It includes expenditures relating to property, plant, and equipment and intangible assets, capital contributed to long-term investments, and contributions from non-controlling interests. Net invested capital is invested capital presented net of cash paid for business acquisitions and proceeds from disposals of assets and equity investments in the period. Net invested capital is calculated based on the investing activities section in the Consolidated Statements of Cash Flows, adjusted for items such as non-cash capital expenditures, 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 June 30** | | **Six Months Ended June 30** | |
|---|---|---|---|---|
| *($ millions)* | **2026** | 2025 | **2026** | 2025 |
| Normalized EBITDA | **$ 391** | $ 342 | **$ 1,209** | $ 1,031 |
| Add (deduct): | | | | |
| Depreciation and amortization | **(137)** | (126) | **(272)** | (254) |
| Interest expense | **(117)** | (114) | **(236)** | (229) |
| Income tax expense | **(91)** | (44) | **(146)** | (157) |
| Normalizing items impacting income taxes (1) | **60** | 28 | **(23)** | 43 |
| Accretion expenses | **(2)** | (1) | **(3)** | (2) |
| Foreign exchange losses | **(1)** | (1) | **—** | (3) |
| Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances | **(2)** | 4 | **(8)** | 9 |
| Net income applicable to non-controlling interests | **(1)** | (2) | **(3)** | (5) |
| Preferred share dividends | **(3)** | (5) | **(6)** | (10) |
| **Normalized net income** | **$ 97** | $ 81 | **$ 512** | $ 423 |

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

# Forward-Looking Information and Statements

*This MD&A dated July 29, 2026 is provided to enable readers to assess the results of operations, liquidity, and capital resources of AltaGas as at and for the three and six months ended June 30, 2026. 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 six months ended June 30, 2026 and the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2025.*

*The Consolidated Financial Statements and comparative information have been prepared in accordance with 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, 2025 or the Annual Information Form for the year ended December 31, 2025.*

*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 Groundbirch Rail Terminal, including expected commercial arrangements; progress on REEF, including the anticipated timing, benefits and capital cost thereof and related execution plan and capital and schedule contingencies; the NEBC Liquids Expansion, including the anticipated timing, benefits and capital cost thereof; SEMCO's issuance of First Mortgage Bonds, including expected issuance dates and use of proceeds therefrom; Washington Gas' issuance of private placement notes, including expected issuance date and use of proceeds therefrom; 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; AltaGas' focus on capital efficient organic growth and disciplined capital allocation; AltaGas' targeted leverage range; AltaGas' 2026 guidance including normalized earnings per share of $2.35 to $2.60 and normalized EBITDA of $2.0 billion to $2.1 billion; the expected normalized EBITDA contributions of the Utilities, Midstream, and Corporate/Other segments; expected growth drivers of normalized EBITDA in the Utilities segment; expected growth drivers of normalized EBITDA in the Midstream segment; expected growth drivers of 2026 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' 2026 Midstream Hedge Program quarterly estimates; estimated impact of changes in commodity prices, exchange rates, and weather on normalized annual results for 2026; AltaGas' commitment to maintaining a disciplined capital program; expected invested capital expenditures of approximately $1.8 billion in 2026; anticipated segment allocation and focus of capital expenditures in 2026; the expectation that AltaGas' 2026 committed capital program will be funded through internally-generated cash flows and enhanced financial flexibility as a result of AltaGas' stronger balance sheet; 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 and the anticipated benefits therefrom; 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, 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: AltaGas' 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 including tariffs; internal credit risk; capital market and liquidity risks; interest rates; foreign exchange risk; debt financing, refinancing, and debt service risk; counterparty and supplier risk; construction and development; cybersecurity, information, and control systems; regulatory risks; changes in law; climate-related risks; environmental regulation risks; Indigenous and treaty rights; litigation; dependence on certain partners; political uncertainty, activism, civil unrest, terrorist attacks and threats, escalation of military activity and acts of war; risks related to conflict; decommissioning, abandonment and reclamation costs; reputation risk; weather data; technical systems and processes incidents; growth strategy risk; failure to realize anticipated benefits of acquisitions and dispositions; 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, 2025 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 Ltd.

## Condensed Interim Consolidated Financial Statements

**(unaudited)**

**As at and for the three and six months ended June 30, 2026**

**Dated: July 29, 2026**

# Consolidated Balance Sheets

(condensed and unaudited)

| As at *($ millions)* | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Cash and cash equivalents *(note 18)* | **$ 131** | $ 99 |
| Accounts receivable *(net of credit losses of $46 million) (note 12)* | **1,544** | 1,864 |
| Inventory *(note 3)* | **630** | 633 |
| Regulatory assets | **37** | 67 |
| Risk management assets *(note 12)* | **117** | 56 |
| Prepaid expenses and other current assets *(note 18)* | **148** | 188 |
| | **2,607** | 2,907 |
| **Property, plant and equipment** | **16,452** | 15,462 |
| **Intangible assets** | **125** | 110 |
| **Operating right of use assets** | **541** | 481 |
| **Goodwill** *(note 4)* | **5,627** | 5,448 |
| **Regulatory assets** | **262** | 327 |
| **Risk management assets** *(note 12)* | **103** | 127 |
| **Prepaid post-retirement benefits** | **963** | 913 |
| **Long-term investments and other assets** *(net of credit losses of $1 million) (notes 5, 12, and 18)* | **261** | 257 |
| **Investments accounted for by the equity method** *(note 7)* | **771** | 738 |
| | **$ 27,712** | $ 26,770 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current liabilities** | | |
| Accounts payable and accrued liabilities | **$ 2,179** | $ 2,300 |
| Short-term debt | **31** | 231 |
| Current portion of long-term debt *(notes 8 and 12)* | **318** | 469 |
| Customer deposits | **80** | 91 |
| Regulatory liabilities | **68** | 159 |
| Risk management liabilities *(note 12)* | **156** | 89 |
| Current portion of finance lease liabilities *(note 12)* | **26** | 24 |
| Current portion of operating lease liabilities | **139** | 126 |
| Other current liabilities *(note 12)* | **31** | 70 |
| | **3,028** | 3,559 |
| **Long-term debt** *(notes 8 and 12)* | **7,465** | 7,010 |
| **Asset retirement obligations** | **501** | 488 |
| **Unamortized investment tax credits** | **1** | 1 |
| **Deferred income taxes** | **2,152** | 1,947 |
| **Subordinated hybrid notes** *(notes 9 and 12)* | **2,205** | 2,159 |
| **Regulatory liabilities** | **1,205** | 1,220 |
| **Risk management liabilities** *(note 12)* | **133** | 131 |
| **Finance lease liabilities** *(note 12)* | **126** | 124 |
| **Operating lease liabilities** | **459** | 399 |
| **Other long-term liabilities** | **115** | 139 |
| **Future employee obligations** | **42** | 45 |
| | **$ 17,432** | $ 17,222 |

| As at *($ millions)* | | **June 30, 2026** | | December 31, 2025 |
|---|---|---|---|---|
| | | | | |
| **Shareholders' equity** | | | | |
| Common shares, no par values, unlimited shares authorized; 2026 - 312.0 million and 2025 - 311.2 million issued and outstanding *(note 14)* | **$** | **7,679** | $ | 7,661 |
| Preferred shares *(note 14)* | | **195** | | 195 |
| Contributed surplus | | **610** | | 613 |
| Accumulated deficit | | **—** | | (226) |
| Accumulated other comprehensive income ("AOCI") *(note 10)* | | **1,047** | | 672 |
| **Total shareholders' equity** | | **9,531** | | 8,915 |
| **Non-controlling interests** | | **749** | | 633 |
| **Total equity** | **$** | **10,280** | $ | 9,548 |
| | **$** | **27,712** | $ | 26,770 |

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

*See accompanying notes to the Consolidated Financial Statements.*

# Consolidated Statements of Income

(condensed and unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **REVENUE** *(note 11)* | **$ 3,797** | $ 2,844 | **$ 7,767** | $ 6,813 |
| | | | | |
| **EXPENSES** | | | | |
| Cost of sales, exclusive of items shown separately | **2,705** | 1,982 | **5,779** | 4,746 |
| Operating and administrative | **496** | 430 | **1,000** | 911 |
| Accretion expenses | **2** | 1 | **3** | 2 |
| Depreciation and amortization | **137** | 126 | **272** | 254 |
| Provisions on assets | **—** | — | **—** | 2 |
| | **3,340** | 2,539 | **7,054** | 5,915 |
| | | | | |
| **Income from equity investments** *(note 7)* | **14** | 15 | **31** | 31 |
| **Other income** | **30** | 21 | **82** | 42 |
| **Foreign exchange losses** | **(1)** | (1) | **—** | (3) |
| **Interest expense** | **(117)** | (114) | **(236)** | (229) |
| **Income before income taxes** | **383** | 226 | **590** | 739 |
| **Income tax expense (recovery)** | | | | |
| Current | **(7)** | 2 | **11** | 36 |
| Deferred | **98** | 42 | **135** | 121 |
| **Net income after taxes** | **292** | 182 | **444** | 582 |
| | | | | |
| **Net income applicable to non-controlling interests** | **1** | 2 | **3** | 5 |
| **Net income applicable to controlling interests** | **291** | 180 | **441** | 577 |
| **Preferred share dividends** | **(3)** | (5) | **(6)** | (10) |
| **Net income applicable to common shares** | **$ 288** | $ 175 | **$ 435** | $ 567 |
| | | | | |
| **Net income per common share** *(note 15)* | | | | |
| Basic | **$ 0.92** | $ 0.59 | **$ 1.40** | $ 1.90 |
| Diluted | **$ 0.92** | $ 0.58 | **$ 1.40** | $ 1.89 |
| | | | | |
| **Weighted average number of common shares outstanding** (millions) *(note 15)* | | | | |
| Basic | **311.7** | 299.1 | **311.5** | 298.6 |
| Diluted | **311.9** | 299.8 | **311.8** | 299.5 |

*See accompanying notes to the Consolidated Financial Statements.*

# Consolidated Statements of Comprehensive Income (Loss)

(condensed and unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **Net income after taxes** | **$ 292** | $ 182 | **$ 444** | $ 582 |
| Other comprehensive income (loss), net of taxes | | | | |
| Gains (losses) on foreign currency translation | **237** | (611) | **440** | (623) |
| Unrealized gains (losses) on net investment hedge *(note 12)* | **(18)** | 47 | **(33)** | 48 |
| Gains (losses) on cash flow hedges *(note 12)* | **(9)** | (63) | **14** | (27) |
| Reclassification of losses (gains) on cash flow hedges *(note 12)* | **(19)** | 65 | **(45)** | 66 |
| Reclassification of gain on partial settlement of PRB plan (*note 17)* | **—** | — | **(1)** | — |
| **Total other comprehensive income (loss) ("OCI"), net of taxes** | **$ 191** | $ (562) | **$ 375** | $ (536) |
| **Comprehensive income (loss) attributable to controlling interests and non-controlling interests, net of taxes** | **$ 483** | $ (380) | **$ 819** | $ 46 |
| | | | | |
| **Comprehensive income (loss) attributable to:** | | | | |
| Non-controlling interests | **$ 1** | $ 2 | **$ 3** | $ 5 |
| Controlling interests | **482** | (382) | **816** | 41 |
| | **$ 483** | $ (380) | **$ 819** | $ 46 |

*See accompanying notes to the Consolidated Financial Statements.*

# Consolidated Statements of Equity

(condensed and unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **Common shares** *(note 14)* | | | | |
| Balance, beginning of period | **$ 7,666** | $ 7,201 | **$ 7,661** | $ 7,180 |
| Shares issued for cash on exercise of options | **13** | 7 | **18** | 28 |
| Balance, end of period | **$ 7,679** | $ 7,208 | **$ 7,679** | $ 7,208 |
| **Preferred shares** *(note 14)* | | | | |
| Balance, beginning of period | **$ 195** | $ 391 | **$ 195** | $ 391 |
| Balance, end of period | **$ 195** | $ 391 | **$ 195** | $ 391 |
| **Contributed surplus** | | | | |
| Balance, beginning of period | **$ 612** | $ 615 | **$ 613** | $ 618 |
| Exercise of share options | **(2)** | (1) | **(3)** | (4) |
| Balance, end of period | **$ 610** | $ 614 | **$ 610** | $ 614 |
| **Accumulated deficit** | | | | |
| Balance, beginning of period | **$ (184)** | $ (294) | **$ (226)** | $ (592) |
| Net income applicable to controlling interests | **291** | 180 | **441** | 577 |
| Common share dividends | **(104)** | (95) | **(209)** | (189) |
| Preferred share dividends | **(3)** | (5) | **(6)** | (10) |
| Balance, end of period | **$ —** | $ (214) | **$ —** | $ (214) |
| **AOCI** *(note 10)* | | | | |
| Balance, beginning of period | **$ 856** | $ 1,181 | **$ 672** | $ 1,155 |
| Other comprehensive income (loss) | **191** | (562) | **375** | (536) |
| Balance, end of period | **$ 1,047** | $ 619 | **$ 1,047** | $ 619 |
| **Total shareholders' equity** | **$ 9,531** | $ 8,618 | **$ 9,531** | $ 8,618 |
| | | | | |
| **Non-controlling interests** | | | | |
| Balance, beginning of period | **$ 719** | $ 380 | **$ 633** | $ 294 |
| Net income applicable to non-controlling interests | **1** | 2 | **3** | 5 |
| Contributions from non-controlling interests to subsidiaries | **34** | 81 | **122** | 168 |
| Distributions by subsidiaries to non-controlling interests | **(5)** | (5) | **(9)** | (9) |
| Balance, end of period | **$ 749** | $ 458 | **$ 749** | $ 458 |
| **Total equity** | **$ 10,280** | $ 9,076 | **$ 10,280** | $ 9,076 |

*See accompanying notes to the Consolidated Financial Statements.*

# Consolidated Statements of Cash Flows

(condensed and unaudited)

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| **Cash from operations** | | | | |
| Net income after taxes | **$ 292** | $ 182 | **$ 444** | $ 582 |
| Items not involving cash: | | | | |
| Depreciation and amortization | **137** | 126 | **272** | 254 |
| Provisions on assets | **—** | — | **—** | 2 |
| Accretion expenses | **2** | 1 | **3** | 2 |
| Deferred income tax expense | **98** | 42 | **135** | 121 |
| Losses (gains) on sale of assets | **(2)** | 1 | **(2)** | 3 |
| Income from equity investments *(note 7)* | **(14)** | (15) | **(31)** | (31) |
| Unrealized losses (gains) on risk management contracts *(note 12)* | **(250)** | (131) | **99** | (216) |
| Amortization of deferred financing costs | **1** | 2 | **3** | 3 |
| Allowance for credit losses *(note 12)* | **6** | 4 | **21** | 18 |
| Change in pension and other post-retirement benefits | **(16)** | (15) | **(67)** | (32) |
| Other | **6** | 7 | **12** | 18 |
| Asset retirement obligations settled | **(2)** | (1) | **(2)** | (1) |
| Distributions from equity investments | **20** | 20 | **34** | 40 |
| Changes in operating assets and liabilities *(note 18)* | **212** | 142 | **143** | 229 |
| | **$ 490** | $ 365 | **$ 1,064** | $ 992 |
| **Investing activities** | | | | |
| Capital expenditures - property, plant and equipment | **(411)** | (352) | **(844)** | (700) |
| Capital expenditures - intangible assets | **(20)** | (4) | **(33)** | (7) |
| Contributions to equity investments | **(9)** | (1) | **(14)** | (2) |
| Proceeds from disposition of equity investments | **2** | — | **2** | — |
| | **$ (438)** | $ (357) | **$ (889)** | $ (709) |
| **Financing activities** | | | | |
| Issuance of long-term debt, net of debt issuance costs | **—** | 136 | **498** | 136 |
| Repayment of long-term debt and finance lease liabilities | **(54)** | (507) | **(411)** | (815) |
| Net borrowing (repayment) under credit facilities | **27** | 503 | **(144)** | 645 |
| Dividends - common shares | **(104)** | (95) | **(209)** | (189) |
| Dividends - preferred shares | **(3)** | (5) | **(6)** | (10) |
| Distributions to non-controlling interests | **(5)** | (5) | **(9)** | (9) |
| Contributions from non-controlling interests | **44** | 81 | **122** | 168 |
| Net proceeds from shares issued on exercise of options *(note 14)* | **11** | 6 | **15** | 24 |
| | **$ (84)** | $ 114 | **$ (144)** | $ (50) |
| **Change in cash, cash equivalents, and restricted cash** | **(32)** | 122 | **31** | 233 |
| **Effect of exchange rate changes on cash, cash equivalents, and restricted cash** | **—** | — | **1** | — |
| **Cash, cash equivalents, and restricted cash, beginning of period** | **166** | 203 | **102** | 92 |
| **Cash, cash equivalents, and restricted cash, end of period** *(note 18)* | **$ 134** | $ 325 | **$ 134** | $ 325 |

*See accompanying notes to the Consolidated Financial Statements.*

# Notes to the Condensed Interim Consolidated Financial Statements

(unaudited)

*(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, Ridley Island Energy Export Facility 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 Ltd. ("AltaGas", the "Company", or the "Corporation") 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, and 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$5.6 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 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 Liquefied 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 2025 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.

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 due to its rate-regulated operations. In May 2026, the International Accounting Standards Board ("IASB") issued International Financial Reporting Standard ("IFRS") 20, Regulatory Assets and Regulatory Liabilities, with an effective date of January 1, 2029. Based on the terms of

AltaGas' current exemptive relief, the exemption is expected to expire on January 1, 2031, unless further exemptive relief is obtained.

### 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 2025 annual audited Consolidated Financial Statements. There have been no material changes to AltaGas' critical estimates and judgements during the six months ended June 30, 2026.

## 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 2025 annual audited Consolidated Financial Statements.

### Adoption of New Accounting Standards

Effective January 1, 2026, AltaGas adopted the following Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU"):

- 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. The adoption of this ASU did not have a material impact on AltaGas' consolidated financial statements; and
- 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 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 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 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 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. The adoption of this ASU is not expected to have a material impact on AltaGas' 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. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

In November 2025, FASB issued ASU 2025-08 "Financial Instruments—Credit Losses (Topic 326): Purchased Loans". This ASU requires entities to apply the gross-up approach in ASC 326 to all “purchased seasoned loans”. Purchased seasoned loans are loans (excluding purchased financial assets with credit deterioration, credit card receivables, debt securities and trade receivables) that are (1) acquired in a business combination or (2) obtained through a transfer that is not a business combination or initially recognized through the consolidation of a VIE, if certain seasoning criteria are met. A loan is considered seasoned if it is obtained more than 90 days after its origination date and the transferee was not involved in the origination. The amendments are effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods within those annual reporting periods. Early adoption is permitted. The amendments in this ASU should be applied prospectively to loans that are acquired on or after the initial application date. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

In November 2025, FASB issued ASU 2025-09 "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements". The amendments in this ASU address five key areas: (1) expands the types of hedged risks that can be aggregated for cash flow hedges, (2) provides a model for hedging forecasted interest payments on variable rate debt instruments that allow borrowers to change the interest rate index and tenor, (3) expands hedge accounting for forecasted purchases and sales of nonfinancial assets, (4) eliminates the requirement to apply the net written option test for certain compound derivatives, and (5) eliminates the recognition and presentation mismatch associated with dual hedge strategies involving foreign-currency-denominated debt. The amendments are effective for annual periods beginning after December 15, 2026 and must be applied prospectively. Early adoption is permitted. Transition guidance allows entities to modify certain aspects of existing hedging relationships without de-designating the hedge. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

In December 2025, FASB issued ASU 2025-10 "Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities". The amendments apply to transfers of monetary or tangible non-monetary assets from governments to business entities (excluding not-for-profit entities and employee benefit plans) and excludes income taxes, below-market interest rate loans, or government guarantees. A grant related to an asset may be recognized using either the deferred income approach (presented as deferred income and recognized in earnings over the periods in which related costs are incurred) or the cost accumulation approach (reflected as an adjustment to the asset’s carrying amount). A grant related to income should be recognized in earnings on a systematic and rational basis over the periods in which the related costs are recognized and may be presented as other income or as a reduction from related expenses. The amendments require disclosure of the grant's nature and terms, accounting policies, and the fair value of any tangible non-monetary asset received. For public business entities, the guidance is effective for annual periods beginning after December 15, 2028, with early adoption permitted. Transition options include modified prospective, modified retrospective, or full retrospective application. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

In December 2025, FASB issued ASU 2025-11 "Interim Reporting (Topic 270): Narrow-Scope Improvements". This ASU provides a comprehensive list of interim disclosures in ASC 270 that are required in interim financial statements and the accompanying notes under U.S. GAAP. The amendments also incorporate a principle requiring entities to disclose events and changes that occur after the end of the most recent annual reporting period that have a material impact on the entity in the interim period. The amendments are effective for public business entities for interim reporting periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The ASU may be applied prospectively or retrospectively by all entities that provide interim financial statements and notes in accordance with U.S. GAAP. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

In December 2025, FASB issued ASU 2025-12 "Codification Improvements". This ASU provides various technical corrections, clarifications, and other improvements. Key areas include: (1) clarifying diluted EPS calculations (Topic 260), (2) excluding lease receivables from enhanced credit loss disclosures introduced by ASU 2022-02 (Topic 310), (3) clarifying calculations of beneficial interest reference amounts (Topic 325), (4) updating guidance for transfers of receivables from contracts with customers that meet the definition of financial assets (Topic 860), and (5) several other miscellaneous reference updates. The guidance is effective for fiscal years beginning after December 15, 2026 and interim periods within those years, with early adoption permitted. Entities should apply the amendments to ASC 260 retrospectively, while all other amendments may be applied prospectively or retrospectively. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

In April 2026, FASB issued ASU 2026-01 "Equity (Topic 505): Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock". This ASU provides guidance on the initial measurement of paid-in-kind dividends on equity-classified preferred stock, requiring such dividends to be measured based on the dividend rate stated in the preferred stock agreement. The amendments are effective for annual reporting periods beginning after December 15, 2026 and interim reporting periods within those annual reporting periods. Early adoption is permitted. The adoption of this ASU is not expected to have a material impact on AltaGas’ consolidated financial statements.

In May 2026, FASB issued ASU 2026-02 "Environmental Credits and Environmental Credit Obligations (Topic 818)". This ASU establishes guidance for the recognition, measurement, presentation, and disclosure of environmental credits and environmental credit obligations (“ECOs”). The standard introduces a model for recognizing environmental credits based on intended use and requires entities to recognize ECOs as regulatory compliance obligations are incurred. The ASU also requires gross presentation of environmental credits and ECOs, as well as enhanced disclosure requirements. For public business entities, the amendments are effective for annual reporting periods beginning after December 15, 2027 and interim reporting periods within those annual reporting periods. Early adoption is permitted. AltaGas is currently assessing the impact of this ASU on its consolidated financial statements.

## 3. Inventory

| As at | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Natural gas held in storage [(a)] | **$ 184** | $ 216 |
| Renewable energy credits and emission compliance instruments | **166** | 175 |
| Natural gas liquids | **148** | 108 |
| Materials and supplies | **71** | 71 |
| Crude oil and condensate | **55** | 56 |
| Processed finished products | **6** | 7 |
| | **$ 630** | $ 633 |

(a) As at June 30, 2026, $150 million of the natural gas held in storage was held by rate-regulated utilities (December 31, 2025 - $187 million).

## 4. Goodwill

| As at | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Balance, beginning of period | **$ 5,448** | $ 5,691 |
| Foreign exchange translation | **179** | (243) |
| **Balance, end of period** | **$ 5,627** | $ 5,448 |

## 5. Long-term Investments and Other Assets

| As at | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Deferred lease receivable | **$ 16** | $ 16 |
| Debt issuance costs associated with credit facilities | **7** | 5 |
| Refundable deposits | **10** | 10 |
| Prepayment on long-term service agreements | **61** | 60 |
| Deferred information technology costs | **63** | 54 |
| Cash calls from joint venture partners | **11** | 13 |
| Contract asset *(net of credit losses of $1 million) (notes 11 and 12)* | **1** | 2 |
| Rabbi trust *(note 18)* | **3** | 3 |
| Capitalized contract costs | **4** | 4 |
| Deferred energy program payments | **8** | 8 |
| Financial transmission rights | **34** | 35 |
| Blend-and-extend contract | **23** | 25 |
| Other | **20** | 22 |
| | **$ 261** | $ 257 |

## 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** | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| Current assets | **$ 21** | $ 7 |
| Property, plant and equipment | **357** | 348 |
| Long-term investments and other assets | **34** | 36 |
| Current liabilities | **(26)** | (21) |
| Asset retirement obligations | **(4)** | (4) |
| Net assets | **$ 382** | $ 366 |

### 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, subject to final adjustments for certain cost categories. 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 | June 30, 2026 | December 31, 2025 |
|---|---|---|
| Current assets | **$ 38** | $ 78 |
| Property, plant and equipment | **1,283** | 1,013 |
| Operating right of use assets | **55** | 55 |
| Current liabilities | **(3)** | — |
| Current portion of operating lease liabilities | **(4)** | (4) |
| Asset retirement obligations | **(1)** | (1) |
| Operating lease liabilities | **(53)** | (54) |
| Other long-term liabilities | **(1)** | (1) |
| Net assets | **$ 1,314** | $ 1,086 |

**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. AltaGas also receives NGL storage services from SSLP under storage agreements for three caverns. The arrangements are accounted for as operating leases, with one expiring in the fourth quarter of 2026 and the remaining two in the second quarter of 2028.

As at June 30, 2026, AltaGas held a 40 percent equity investment in SSLP with a carrying value of $127 million (December 31, 2025 - $126 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** | **June 30, 2026** | December 31, 2025 |
| Eaton Rapids Gas Storage System | United States | **50** | **$ 30** | $ 29 |
| Mountain Valley Pipeline, LLC ("MVP") [(a)] | United States | **10** | **597** | 566 |
| Sarnia Airport Storage Pool LP | Canada | **50** | **16** | 16 |
| Petrogas Terminals Penn LLC | United States | **50** | **1** | 1 |
| SSLP | Canada | **40** | **127** | 126 |
| | | | **$ 771** | $ 738 |

(a) The equity method is considered appropriate because MVP is an LLC with specific ownership accounts and ownership between five and ten 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 June 30** | | **Equity income for the six months ended June 30** | |
|---|---|---|---|---|---|---|
| | **Location** | **Ownership Percentage** | **2026** | 2025 | **2026** | 2025 |
| Eaton Rapids Gas Storage System | United States | **50** | **$ 1** | $ 1 | **$ 2** | $ 2 |
| MVP [(a)] | United States | **10** | **11** | 12 | **25** | 25 |
| Sarnia Airport Storage Pool LP | Canada | **50** | **1** | 1 | **1** | 1 |
| SSLP | Canada | **40** | **1** | 1 | **3** | 3 |
| | | | **$ 14** | $ 15 | **$ 31** | $ 31 |

(a) Equity income includes equity earnings from income generated by MVP and 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 | June 30, 2026 | December 31, 2025 |
|---|---|---|---|
| Credit facilities | | | |
| $2.3 billion unsecured extendible revolving facility | 24-Jun-2031 | **$ 455** | $ 385 |
| $500 million term loan | 26-Jan-2031 | **500** | — |
| US$150 million unsecured extendible revolving facility | 21-Nov-2030 | **—** | 1 |
| AltaGas Ltd. medium-term notes ("MTNs") | | | |
| $350 million Senior unsecured - 4.12 percent | 7-Apr-2026 | **—** | 350 |
| $47 million Senior unsecured - 4.64 percent | 15-May-2026 | **—** | 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 - 3.03 percent | 10-Nov-2027 | **500** | 500 |
| $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$53 million Senior unsecured - 6.62 to 6.82 percent | Oct 2026 | **75** | 72 |
| US$72 million Senior unsecured - 6.40 to 6.57 percent | Feb - Sep 2027 | **102** | 99 |
| US$52 million Senior unsecured - 6.57 to 6.85 percent | Jan - Mar 2028 | **74** | 71 |
| US$9 million Senior unsecured - 7.50 percent | 1-Apr-2030 | **12** | 12 |
| US$150 million Senior unsecured - 6.06 percent | 14-Oct-2033 | **213** | 206 |
| US$100 million Senior unsecured - 4.84 percent | 1-Apr-2035 | **142** | 137 |
| US$50 million Senior unsecured - 5.70 to 5.78 percent | Jan - Mar 2036 | **71** | 69 |
| US$75 million Senior unsecured - 5.21 percent | 3-Dec-2040 | **107** | 103 |
| US$75 million Senior unsecured - 5.00 percent | 15-Dec-2043 | **107** | 103 |
| US$300 million Senior unsecured - 4.22 to 4.60 percent | Sep - Dec 2044 | **426** | 411 |
| US$450 million Senior unsecured - 3.80 percent | 15-Sep-2046 | **639** | 617 |
| US$400 million Senior unsecured - 3.65 percent | 15-Sep-2049 | **568** | 548 |
| US$200 million Senior unsecured - 2.98 percent | 15-Dec-2051 | **284** | 274 |
| US$25 million Senior unsecured - 5.25 percent | 29-Dec-2042 | **36** | 34 |
| US$175 million Senior unsecured - 5.33 percent | 29-Dec-2052 | **249** | 240 |
| US$50 million Senior unsecured - 6.43 percent | 15-Oct-2053 | **71** | 69 |
| US$100 million Senior unsecured - 5.40 percent | 1-Oct-2054 | **142** | 137 |
| SEMCO long-term debt | | | |
| US$225 million First Mortgage Bonds - 2.45 percent [(a)] | 21-Apr-2030 | **102** | 99 |
| US$225 million First Mortgage Bonds - 3.15 percent [(a)] | 21-Apr-2050 | **320** | 307 |
| Fair value adjustment on WGL Acquisition | | **71** | 70 |
| | | **$ 7,813** | $ 7,508 |
| Less: unamortized premiums, discounts, and debt issuance costs | | **(30)** | (29) |
| | | **$ 7,783** | $ 7,479 |
| Less: current portion | | **(318)** | (469) |
| | | **$ 7,465** | $ 7,010 |

(a) The First Mortgage Bonds are secured by certain assets of SEMCO.

On April 28, 2026, SEMCO entered into a bond purchase agreement to issue US$186 million of First Mortgage Bonds, comprised of a US$86 million 10-year tranche with a coupon rate of 5.16 percent, maturing on July 15, 2036, and a US$100 million 30-year tranche with a coupon rate of 5.87 percent, maturing on September 15, 2056. The 10-year tranche was issued on July 15, 2026 and the 30-year tranche is scheduled to be issued on September 15, 2026.

On June 30, 2026, Washington Gas executed a note purchase agreement to issue US$200 million in private placement notes on September 15, 2026. US$100 million of these notes will be issued at 5.42 percent with a maturity date of September 15, 2036, and the remaining US$100 million will be issued at 6.03 percent with a maturity date of September 15, 2056. The proceeds will be used to repay existing indebtedness and for general corporate purposes.

## 9. Subordinated Hybrid Notes

| As at | Maturity date | | June 30, 2026 | | December 31, 2025 |
|---|---|---|---|---|---|
| $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** | | 200 |
| US$900 million Subordinated Notes - 7.20 percent [(e)] [(f)] | 15-Oct-2054 | | **1,279** | | 1,234 |
| | | **$** | **2,229** | $ | 2,184 |
| Less: debt issuance costs | | | **(24)** | | (25) |
| | | **$** | **2,205** | $ | 2,159 |

(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 six months ended June 30, 2026, AltaGas recorded interest expense of $36 million and $73 million, respectively, on the subordinated hybrid notes (three and six months ended June 30, 2025 - $34 million and $68 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, 2026** | **$ (45)** | **$ (4)** | **$ (188)** | **$ 909** | **$ 672** |
| OCI before reclassification | **11** | **—** | **(33)** | **440** | **418** |
| Amounts reclassified from OCI | **(45)** | **(1)** | **—** | **—** | **(46)** |
| Current period OCI (pre-tax) | **$ (34)** | **$ (1)** | **$ (33)** | **$ 440** | **$ 372** |
| Income tax on amounts retained in AOCI | **3** | **—** | **—** | **—** | **3** |
| Net current period OCI | **$ (31)** | **$ (1)** | **$ (33)** | **$ 440** | **$ 375** |
| **Ending balance, June 30, 2026** | **$ (76)** | **$ (5)** | **$ (221)** | **$ 1,349** | **$ 1,047** |
| | | | | | |
| Opening balance, January 1, 2025 | $ (92) | $ (4) | $ (232) | $ 1,483 | $ 1,155 |
| OCI before reclassification | (25) | — | 48 | (623) | (600) |
| Amounts reclassified from OCI | 66 | — | — | — | 66 |
| Current period OCI (pre-tax) | $ 41 | $ — | $ 48 | $ (623) | $ (534) |
| Income tax on amounts retained in AOCI | (2) | — | — | — | (2) |
| Net current period OCI | $ 39 | $ — | $ 48 | $ (623) | $ (536) |
| Ending balance, June 30, 2025 | $ (53) | $ (4) | $ (184) | $ 860 | $ 619 |

### Reclassification From Accumulated Other Comprehensive Income (Loss)

| AOCI components reclassified | Income statement line item | Three Months Ended June 30, 2026 | Three Months Ended June 30, 2025 |
|---|---|---|---|
| | | **Gains (losses)** | Gains (losses) |
| Cash flow hedges - commodity contracts | Cost of sales | **$ (5)** | $ 1 |
| Cash flow hedges - cross-currency swaps | Foreign exchange losses | **24** | (66) |
| | | **$ 19** | $ (65) |

| AOCI components reclassified | Income statement line item | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 |
|---|---|---|---|
| | | **Gains** | Gains (losses) |
| Cash flow hedges - commodity contracts | Cost of sales | **$ —** | $ 1 |
| Cash flow hedges - cross-currency swaps | Foreign exchange losses | **45** | (67) |
| DB pension and PRB plans [(a)] | Other income | **1** | — |
| | | **$ 46** | $ (66) |

(a) Reclassification from AOCI for the six months ended June 30, 2026 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 June 30, 2026 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate/ Other | Total |
| **Revenue from contracts with customers** | | | | |
| Commodity sales contracts | **$ 576** | **$ 2,052** | **$ 1** | **$ 2,629** |
| Midstream service contracts | **—** | **531** | **—** | **531** |
| Gas sales and transportation services | **408** | **—** | **—** | **408** |
| Storage services | **—** | **23** | **—** | **23** |
| Other [(a)] | **3** | **—** | **12** | **15** |
| **Total revenue from contracts with customers** | **$ 987** | **$ 2,606** | **$ 13** | **$ 3,606** |
| | | | | |
| **Other sources of revenue** | | | | |
| Revenue from alternative revenue programs [(b)] | **$ 29** | **$ —** | **$ —** | **$ 29** |
| Leasing revenue [(c)] | **—** | **69** | **—** | **69** |
| Risk management and trading activities [(d)] | **(45)** | **138** | **—** | **93** |
| **Total revenue from other sources** | **$ (16)** | **$ 207** | **$ —** | **$ 191** |
| **Total revenue** | **$ 971** | **$ 2,813** | **$ 13** | **$ 3,797** |

(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 June 30, 2025 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate/ Other | Total |
| **Revenue from contracts with customers** | | | | |
| Commodity sales contracts | $ 496 | $ 1,304 | $ 2 | $ 1,802 |
| Midstream service contracts | — | 280 | — | 280 |
| Gas sales and transportation services | 425 | — | — | 425 |
| Storage services | — | 17 | — | 17 |
| Other [(a)] | 3 | — | 13 | 16 |
| **Total revenue from contracts with customers** | $ 924 | $ 1,601 | $ 15 | $ 2,540 |
| | | | | |
| **Other sources of revenue** | | | | |
| Revenue from alternative revenue programs [(b)] | $ 30 | $ — | $ — | $ 30 |
| Leasing revenue [(c)] | — | 78 | — | 78 |
| Risk management and trading activities [(d)] | 62 | 131 | — | 193 |
| Other | — | 3 | — | 3 |
| **Total revenue from other sources** | $ 92 | $ 212 | $ — | $ 304 |
| **Total revenue** | $ 1,016 | $ 1,813 | $ 15 | $ 2,844 |

(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.

| | Six Months Ended June 30, 2026 | | | |
|---|---|---|---|---|
| | **Utilities** | **Midstream** | **Corporate / Other** | **Total** |
| **Revenue from contracts with customers** | | | | |
| Commodity sales contracts | **$ 1,392** | **$ 3,946** | **$ 4** | **$ 5,342** |
| Midstream service contracts | **—** | **915** | **—** | **915** |
| Gas sales and transportation services | **1,653** | **—** | **—** | **1,653** |
| Storage services | **—** | **44** | **—** | **44** |
| Other [(a)] | **6** | **—** | **24** | **30** |
| **Total revenue from contracts with customers** | **$ 3,051** | **$ 4,905** | **$ 28** | **$ 7,984** |
| | | | | |
| **Other sources of revenue** | | | | |
| Revenue from alternative revenue programs [(b)] | **$ 34** | **$ —** | **$ —** | **$ 34** |
| Leasing revenue [(c)] | **—** | **134** | **—** | **134** |
| Risk management and trading activities [(d)] | **(77)** | **(301)** | **—** | **(378)** |
| Other | **(7)** | **—** | **—** | **(7)** |
| **Total revenue from other sources** | **$ (50)** | **$ (167)** | **$ —** | **$ (217)** |
| **Total revenue** | **$ 3,001** | **$ 4,738** | **$ 28** | **$ 7,767** |

(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.

| | Six Months Ended June 30, 2025 | | | |
|---|---|---|---|---|
| | **Utilities** | **Midstream** | **Corporate/ Other** | **Total** |
| **Revenue from contracts with customers** | | | | |
| Commodity sales contracts | $ 1,148 | $ 2,963 | $ 4 | $ 4,115 |
| Midstream service contracts | — | 604 | — | 604 |
| Gas sales and transportation services | 1,668 | — | — | 1,668 |
| Storage services | — | 35 | — | 35 |
| Other [(a)] | 5 | — | 26 | 31 |
| **Total revenue from contracts with customers** | $ 2,821 | $ 3,602 | $ 30 | $ 6,453 |
| | | | | |
| **Other sources of revenue** | | | | |
| Revenue from alternative revenue programs [(b)] | $ 54 | $ — | $ — | $ 54 |
| Leasing revenue [(c)] | — | 143 | — | 143 |
| Risk management and trading activities [(d)] | 17 | 148 | — | 165 |
| Other | (6) | 4 | — | (2) |
| **Total revenue from other sources** | $ 65 | $ 295 | $ — | $ 360 |
| **Total revenue** | $ 2,886 | $ 3,897 | $ 30 | $ 6,813 |

(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.

## 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.

In June 2026, WGL Midstream entered into an asset management agreement to release a portion of excess MVP pipeline capacity through June 30, 2044 in exchange for fixed monthly capacity fees, with the counterparty holding an option to convert the arrangement to a permanent release. The arrangement will be accounted for under ASC 606, with revenue recognized over time as the capacity service is provided.

### 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 Services

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.

### Contract Assets

| As at | | June 30, 2026 | | December 31, 2025 |
|---|---|---|---|---|
| Balance, beginning of period | $ | 2 | $ | 3 |
| Amortization | | (1) | | (1) |
| **Balance, end of period** | **$** | **1** | $ | 2 |

### Contract Liabilities

| As at | | June 30, 2026 | | December 31, 2025 |
|---|---|---|---|---|
| Balance, beginning of period | $ | 4 | $ | — |
| Additions | | — | | 4 |
| Revenue recognized from contract liabilities | | (2) | | — |
| **Balance, end of period** | **$** | **2** | $ | 4 |

### 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 June 30, 2026:

| | | Remainder of 2026 | | 2027 | | 2028 | | 2029 | | 2030 | | 2031 & beyond | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Commodity sales contracts | $ | — | $ | 19 | $ | 26 | $ | 26 | $ | 26 | $ | 164 | **$** | **261** |
| Midstream service contracts | | 98 | | 195 | | 185 | | 165 | | 138 | | 728 | | **1,509** |
| Storage services | | 4 | | 22 | | 27 | | 27 | | 26 | | 90 | | **196** |
| Other revenue from contracts with customers | | 28 | | 57 | | 5 | | 5 | | 5 | | 22 | | **122** |
| | $ | 130 | $ | 293 | $ | 243 | $ | 223 | $ | 195 | $ | 1,004 | **$** | **2,088** |

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 valuation models, indicative broker quotes, and other appropriate 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 risk management assets and liabilities are determined using the valuation techniques and inputs described in the fair value hierarchy discussion above.

| As at | June 30, 2026 | | | | |
|---|---|---|---|---|---|
| | 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 | $ 112 | $ — | $ 108 | $ 4 | $ 112 |
| Risk management assets - non-current | 67 | — | 34 | 33 | 67 |
| Fair value through regulatory assets [(a)] | | | | | |
| Risk management assets - current | 5 | — | 2 | 3 | 5 |
| Risk management assets - non-current | 36 | — | — | 36 | 36 |
| | $ 220 | $ — | $ 144 | $ 76 | $ 220 |
| **Financial liabilities** | | | | | |
| Fair value through net income [(a) (b) (c)] | | | | | |
| Risk management liabilities - current | $ 140 | $ — | $ 69 | $ 71 | $ 140 |
| Risk management liabilities - non-current | 116 | — | 41 | 75 | 116 |
| Fair value through regulatory liabilities [(a)] | | | | | |
| Risk management liabilities - current | 16 | — | 5 | 11 | 16 |
| Risk management liabilities - non-current | 17 | — | 3 | 14 | 17 |
| Amortized cost | | | | | |
| Current portion of long-term debt | 318 | — | 318 | — | 318 |
| Current portion of finance lease liabilities | 26 | — | 26 | — | 26 |
| Long-term debt | 7,465 | — | 6,733 | — | 6,733 |
| Finance lease liabilities | 126 | — | 126 | — | 126 |
| Subordinated hybrid notes | 2,205 | — | 2,318 | — | 2,318 |
| Other current liabilities [(d)] | 30 | — | 30 | — | 30 |
| | $ 10,459 | $ — | $ 9,669 | $ 171 | $ 9,840 |

(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 $16 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 $3 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, 2025 | | | | |
|---|---|---|---|---|---|
| | Carrying Amount | Level 1 | Level 2 | Level 3 | Total Fair Value |
| **Financial assets** | | | | | |
| Fair value through net income [(a)] [(b)] | | | | | |
| Risk management assets - current | $ 51 | $ — | $ 48 | $ 3 | $ 51 |
| Risk management assets - non-current | 94 | — | 66 | 28 | 94 |
| Fair value through regulatory assets [(a)] | | | | | |
| Risk management assets - current | 5 | — | 4 | 1 | 5 |
| Risk management assets - non-current | 33 | — | — | 33 | 33 |
| | $ 183 | $ — | $ 118 | $ 65 | $ 183 |
| **Financial liabilities** | | | | | |
| Fair value through net income [(a)] [(b)] [(c)] | | | | | |
| Risk management liabilities - current | $ 72 | $ — | $ 26 | $ 46 | $ 72 |
| Risk management liabilities - non-current | 108 | — | 35 | 73 | 108 |
| Fair value through regulatory liabilities [(a)] | | | | | |
| Risk management liabilities - current | 17 | — | 7 | 10 | 17 |
| Risk management liabilities - non-current | 23 | — | 7 | 16 | 23 |
| Amortized cost | | | | | |
| Current portion of long-term debt | 469 | — | 469 | — | 469 |
| Current portion of finance lease liabilities | 24 | — | 24 | — | 24 |
| Long-term debt | 7,010 | — | 6,328 | — | 6,328 |
| Finance lease liabilities | 124 | — | 124 | — | 124 |
| Subordinated hybrid notes | 2,159 | — | 2,262 | — | 2,262 |
| Other current liabilities [(d)] | 67 | — | 67 | — | 67 |
| | $ 10,073 | $ — | $ 9,349 | $ 145 | $ 9,494 |

(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 $8 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 $25 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 and accrued liabilities. The carrying value of these financial instruments approximates 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 June 30, 2026:

| | Net Fair Value | Valuation Technique | Unobservable Inputs | Range | | | Weighted Average [a] |
|---|---|---|---|---|---|---|---|
| Natural gas | $ 27 | Discounted Cash Flow | Natural Gas Basis Price (per Dth) | $ (6.68) | - | $ 7.93 | $ 0.03 |
| Natural gas | $ (1) | Option Model | Natural Gas Basis Price (per Dth) | $ (1.68) | - | $ 7.28 | $ 0.37 |
| | | | Annualized Volatility of Spot Market Natural Gas | 4 % | - | 43 % | 19 % |
| Electricity | $ (121) | Discounted Cash Flow | Electricity Congestion Price (per MWh) | $ (93.37) | - | $ 225.02 | $ 15.99 |

(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** | **June 30, 2026** | | | **June 30, 2025** | | |
|---|---|---|---|---|---|---|
| | **Natural Gas** | **Electricity** | **Total** | **Natural Gas** | **Electricity** | **Total** |
| Balance, beginning of period | **$ 32** | **$ (126)** | **$ (94)** | $ (63) | $ (79) | $ (142) |
| Gains (losses): | | | | | | |
| Recorded in income [a] | **(5)** | **49** | **44** | — | 53 | 53 |
| Recorded in regulatory assets [b] | **(5)** | **—** | **(5)** | (7) | — | (7) |
| Purchases | **—** | **(39)** | **(39)** | — | (15) | (15) |
| Settlements | **4** | **(3)** | **1** | 5 | (10) | (5) |
| Foreign exchange translation | **—** | **(2)** | **(2)** | 4 | 4 | 8 |
| Balance, end of period | **$ 26** | **$ (121)** | **$ (95)** | $ (61) | $ (47) | $ (108) |

(a) Includes unrealized losses of $1 million and unrealized gains of $35 million for the three months ended June 30, 2026 and 2025, respectively.
(b) Includes unrealized losses of $3 million and $6 million for the three months ended June 30, 2026 and 2025, respectively.

| **Six Months Ended** | **June 30, 2026** | | | **June 30, 2025** | | |
|---|---|---|---|---|---|---|
| | **Natural Gas** | **Electricity** | **Total** | **Natural Gas** | **Electricity** | **Total** |
| Balance, beginning of period | **$ 13** | **$ (93)** | **$ (80)** | $ (36) | $ (41) | $ (77) |
| Gains (losses): | | | | | | |
| Recorded in income [a] | **(7)** | **(24)** | **(31)** | (10) | 17 | 7 |
| Recorded in regulatory assets [b] | **(4)** | **—** | **(4)** | (23) | — | (23) |
| Purchases | **—** | **(33)** | **(33)** | — | (14) | (14) |
| Settlements | **24** | **32** | **56** | 4 | (10) | (6) |
| Foreign exchange translation | **—** | **(3)** | **(3)** | 4 | 1 | 5 |
| Balance, end of period | **$ 26** | **$ (121)** | **$ (95)** | $ (61) | $ (47) | $ (108) |

(a) Includes unrealized losses of $29 million and $6 million for the six months ended June 30, 2026 and 2025, respectively.
(b) Includes unrealized gains of $5 million and unrealized losses of $20 million for the six months ended June 30, 2026 and 2025, respectively.

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

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

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Natural gas | **$ —** | $ (4) | **$ 6** | $ (2) |
| Energy exports | **277** | 53 | **(21)** | 94 |
| Crude oil and NGLs | **(8)** | 4 | **(4)** | 9 |
| NGL frac spread | **21** | 6 | **(8)** | 5 |
| Power | **(1)** | 1 | **(6)** | 20 |
| Foreign exchange | **(39)** | 71 | **(66)** | 90 |
| | **$ 250** | $ 131 | **$ (99)** | $ 216 |

## 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** | **June 30, 2026** | | | | |
|---|---|---|---|---|---|
| | **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 | **$ 173** | **$ 1** | **$ (95)** | **$ —** | **$ 79** |
| Energy exports | **124** | **—** | **(76)** | **—** | **48** |
| Crude oil and NGLs | **6** | **—** | **(6)** | **—** | **—** |
| NGL frac spread | **2** | **—** | **(2)** | **—** | **—** |
| Power | **122** | **—** | **(36)** | **(3)** | **83** |
| Foreign exchange | **5** | **5** | **—** | **—** | **10** |
| | **$ 432** | **$ 6** | **$ (215)** | **$ (3)** | **$ 220** |
| | | | | | |
| Risk management liabilities [(b)] | | | | | |
| Natural gas | **$ 148** | **$ 17** | **$ (95)** | **$ (14)** | **$ 56** |
| Energy exports | **95** | **—** | **(76)** | **(7)** | **12** |
| Crude oil and NGLs | **10** | **—** | **(6)** | **—** | **4** |
| NGL frac spread | **8** | **—** | **(2)** | **—** | **6** |
| Power | **161** | **—** | **(36)** | **—** | **125** |
| Foreign exchange | **78** | **8** | **—** | **—** | **86** |
| | **$ 500** | **$ 25** | **$ (215)** | **$ (21)** | **$ 289** |

(a) Net amount of risk management assets on the Balance Sheet is comprised of risk management assets (current) balance of $117 million and risk management assets (non-current) balance of $103 million.

(b) Net amount of risk management liabilities on the Balance Sheet is comprised of risk management liabilities (current) balance of $156 million and risk management liabilities (non-current) balance of $133 million.

| As at | December 31, 2025 | | | | |
|---|---|---|---|---|---|
| | Derivative instruments not designated as hedging instruments | Derivative instruments designated as hedging instruments | | | |
| | Gross amounts of recognized assets/liabilities | Gross amounts of recognized assets/liabilities | Gross amounts offset in balance sheet | Netting of collateral | Net amounts presented in balance sheet |
| Risk management assets [(a)] | | | | | |
| Natural gas | $ 138 | $ 2 | $ (71) | $ — | $ 69 |
| Energy exports | 126 | — | (67) | — | 59 |
| Crude oil and NGLs | 3 | — | (2) | — | 1 |
| NGL frac spread | 3 | — | (1) | — | 2 |
| Power | 57 | — | (18) | — | 39 |
| Foreign exchange | 13 | — | — | — | 13 |
| | $ 340 | $ 2 | $ (159) | $ — | $ 183 |
| | | | | | |
| Risk management liabilities [(b)] | | | | | |
| Natural gas | $ 134 | $ 10 | $ (71) | $ (7) | $ 66 |
| Energy exports | 74 | — | (67) | — | 7 |
| Crude oil and NGLs | 2 | — | (2) | — | — |
| NGL frac spread | 1 | — | (1) | — | — |
| Power | 120 | — | (18) | — | 102 |
| Foreign exchange | 20 | 25 | — | — | 45 |
| | $ 351 | $ 35 | $ (159) | $ (7) | $ 220 |

(a) Net amount of risk management assets on the Balance Sheet is comprised of risk management assets (current) balance of $56 million and risk management assets (non-current) balance of $127 million.

(b) Net amount of risk management liabilities on the Balance Sheet is comprised of risk management liabilities (current) balance of $89 million and risk management liabilities (non-current) balance of $131 million.

## Cash Collateral

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

| As at | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| Collateral posted with counterparties | **$ 13** | $ 29 |

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 June 30, 2026 and December 31, 2025, 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 | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| Risk management liabilities with credit-risk-contingent features | **$ 99** | $ 122 |
| Maximum potential collateral requirements | **$ 87** | $ 43 |

## Notional Summary

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

| As at | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| **Natural Gas** | | |
| Sales | **249,431,001 GJ** | 193,228,983 GJ |
| Purchases | **434,889,470 GJ** | 454,309,955 GJ |
| Swaps [(a)] | **99,339,800 GJ** | 64,216,853 GJ |
| **Crude Oil and NGLs** | | |
| Swaps | **1,799,765 Bbl** | 1,165,671 Bbl |
| **Energy Exports** | | |
| Purchases | **13,203,502 Bbl** | 15,514,000 Bbl |
| Propane and butane swaps | **41,953,685 Bbl** | 51,015,743 Bbl |
| **NGL Frac Spread** | | |
| Propane swaps | **1,347,034 Bbl** | 586,444 Bbl |
| Crude oil swaps | **270,615 Bbl** | 116,952 Bbl |
| Natural gas swaps | **7,945,655 GJ** | 3,434,170 GJ |
| **Power** | | |
| Sales | **4,948,201 MWh** | 4,245,786 MWh |
| Purchases | **5,024,228 MWh** | 4,454,126 MWh |
| Swaps | **18,083,947 MWh** | 16,229,764 MWh |

(a) Includes approximately 53,305,860 GJ of natural gas swaps at June 30, 2026 designated as hedging instruments that have terms extending until 2032.

## 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.

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 June 30, 2026, AltaGas has designated US$645 million of outstanding loans as a net investment hedge (December 31, 2025 - US$645 million). For the three and six months ended June 30, 2026, unrealized after-tax losses on the net investment hedge of $18 million and $33 million, respectively, were recorded in OCI (three and six months ended June 30, 2025 - unrealized after-tax gains of $47 million and $48 million, respectively).

The following foreign exchange related contracts were outstanding as at June 30, 2026:

| | **Duration** | | **Fair Value ($ millions)** |
|---|---|---|---|
| **Foreign exchange contracts** | | | |
| Forward USD sales (non-deliverable) | **Less than 1 year** | **$** | **(43)** |
| Forward USD sales (non-deliverable) | **1 - 5 years** | **$** | **(30)** |
| Foreign exchange option | **Less than 1 year** | **$** | **(3)** |
| Foreign exchange option | **1 - 2 years** | **$** | **3** |
| **Cross-currency swaps** | | | |
| Fixed-to-fixed cross-currency swaps | **9 years** | **$** | **(3)** |

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

| | Duration | Fair Value ($ millions) |
|---|---|---|
| **Foreign exchange contracts** | | |
| Forward USD sales (non-deliverable) | Less than 1 year | $ 4 |
| Forward USD sales (non-deliverable) | 1 - 5 years | $ (8) |
| Foreign exchange option | Less than 1 year | $ (1) |
| Foreign exchange option | 1 - 2 years | $ (2) |
| **Cross-currency swaps** | | |
| Fixed-to-fixed cross-currency swaps | 9 years | $ (25) |

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

| | **Three Months Ended June 30, 2026** | **Three Months Ended June 30, 2025** | **Six Months Ended June 30, 2026** | **Six Months Ended June 30, 2025** |
|---|---|---|---|---|
| **Objective of foreign exchange contract** | **Losses** | Gains | **Losses** | Gains |
| Cash management [(a)] | **$ (2)** | $ — | **$ (4)** | $ — |
| Income statement risk management [(b)] | **$ (42)** | $ 74 | **$ (71)** | $ 68 |

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

## Cash Flow Hedges

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

For hedging relationships that qualify as highly effective, the change in fair value of the hedging instrument will be recorded to AOCI. Amounts in AOCI will be reclassified into earnings in the same period the hedged forecasted transactions affect earnings, or when non-regulated cost of energy-related sales is recorded. For swaps that settle the month ahead of the physical transaction, the swap impact will be reclassified into earnings in the subsequent month when the associated hedged transaction is recorded into earnings. For storage inventory purchases, such reclassification into earnings will be based on WGL Energy Services' inventory turnover schedules for finished goods in which the hedged natural gas purchases are used. When applicable, the ineffective portion of a commodity cash flow hedge will immediately be recognized in earnings. As at June 30, 2026, the estimated amount of existing losses related to commodity cash flow hedges expected to be reclassified to the income statement in the next 12 months is $3 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 June 30, 2026, 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.

In 2024, 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

June 30, 2026, the estimated amount of existing losses related to the cross-currency swaps expected to be reclassified to the income statement in the next 12 months is $8 million. Actual amounts reclassified to earnings depends on the movement in foreign exchange rates.

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

| | Three Months Ended June 30, 2026 | Three Months Ended June 30, 2025 | Six Months Ended June 30, 2026 | Six Months Ended June 30, 2025 |
|---|---|---|---|---|
| **Designated cash flow hedges [a]** | **Gains (losses)** | Losses | **Gains (losses)** | Gains (losses) |
| Cross-currency swaps | **$ 1** | $ (51) | **$ 22** | $ (34) |
| Commodity contracts | **$ (10)** | $ (12) | **$ (8)** | $ 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 six months ended June 30, 2026 and 2025.

## Weather Related Instruments

WGL Energy Services utilizes heating degree day ("HDD") instruments from time to time to manage weather and price risks related to its natural gas and electricity sales during the winter heating season. WGL Energy Services also utilizes cooling degree day ("CDD") instruments and other instruments to manage weather and price risks related to its electricity sales during the summer cooling season. These instruments cover a portion of estimated revenue or energy-related cost exposure to variations in HDDs or CDDs. For the three and six months ended June 30, 2026, there were pre-tax gains of $1 million and $11 million, respectively, recorded related to these instruments (three and six months ended June 30, 2025 - $nil).

## Allowance for Credit Losses

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

| | Three Months Ended June 30, 2026 | | |
|---|---|---|---|
| | **Accounts Receivable** | **Contract Assets [a]** | **Total** |
| **Utilities** | | | |
| Balance, beginning of period | **$ 44** | **$ —** | **$ 44** |
| Foreign exchange translation | **1** | **—** | **1** |
| Adjustments to allowance | **6** | **—** | **6** |
| Written off | **(7)** | **—** | **(7)** |
| Recoveries collected | **1** | **—** | **1** |
| Balance, end of period | **$ 45** | **$ —** | **$ 45** |
| **Midstream** | | | |
| Balance, beginning of period | **$ 1** | **$ 1** | **$ 2** |
| Balance, end of period | **$ 1** | **$ 1** | **$ 2** |
| **Total** | **$ 46** | **$ 1** | **$ 47** |

(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 June 30, 2025 | | |
|---|---|---|---|
| | Accounts Receivable | Contract Assets [(a)] | Total |
| **Utilities** | | | |
| Balance, beginning of period | $ 38 | $ — | $ 38 |
| Foreign exchange translation | (2) | — | (2) |
| Adjustments to allowance | 4 | — | 4 |
| Written off | (6) | — | (6) |
| Balance, end of period | $ 34 | $ — | $ 34 |
| **Midstream** | | | |
| Balance, beginning of period | $ 1 | $ 1 | $ 2 |
| Balance, end of period | $ 1 | $ 1 | $ 2 |
| **Total** | $ 35 | $ 1 | $ 36 |

(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.

| | Six Months Ended June 30, 2026 | | |
|---|---|---|---|
| | Accounts Receivable | Contract Assets [(a)] | Total |
| **Utilities** | | | |
| Balance, beginning of period | **$ 34** | **$ —** | **$ 34** |
| Foreign exchange translation | **2** | **—** | **2** |
| Adjustments to allowance | **21** | **—** | **21** |
| Written off | **(14)** | **—** | **(14)** |
| Recoveries collected | **2** | **—** | **2** |
| Balance, end of period | **$ 45** | **$ —** | **$ 45** |
| **Midstream** | | | |
| Balance, beginning of period | **$ 1** | **$ 1** | **$ 2** |
| Balance, end of period | **$ 1** | **$ 1** | **$ 2** |
| **Total** | **$ 46** | **$ 1** | **$ 47** |

(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.

| | Six Months Ended June 30, 2025 | | |
|---|---|---|---|
| | Accounts Receivable | Contract Assets [(a)] | Total |
| **Utilities** | | | |
| Balance, beginning of period | $ 30 | $ — | $ 30 |
| Foreign exchange translation | (2) | — | (2) |
| Adjustments to allowance | 18 | — | 18 |
| Written off | (14) | — | (14) |
| Recoveries collected | 2 | — | 2 |
| Balance, end of period | $ 34 | $ — | $ 34 |
| **Midstream** | | | |
| Balance, beginning of period | $ 1 | $ 1 | $ 2 |
| Balance, end of period | $ 1 | $ 1 | $ 2 |
| **Total** | $ 35 | $ 1 | $ 36 |

(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 June 30, 2026.

## Monetization of Accounts Receivable

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 as sales in accordance with ASC Topic 860, as the receivables are legally isolated from the Company and the third-party financial institution has the right to the assets received. AltaGas' only continuing involvement with the transferred receivables is as the collection and servicing agent. When the receivables are transferred, they are derecognized from the "accounts receivable" line on the Consolidated Balance Sheets. As a result, the accounts receivable balance is presented net of the transferred amount.

Proceeds from the sale reflect the amount of the receivables less discount fees, which are recorded to the Consolidated Statements of Income under the line item "other income". The fair value of the receivables sold approximates the book value due to their short-term nature. For the three and six months ended June 30, 2026, accounts receivables sold under a receivables purchase agreement were US$59 million and US$253 million, respectively (three and six months ended June 30, 2025 - US$123 million and US$203 million, respectively).

# 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 has 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, 2025 | 297,925,015 | $ 7,180 |
| Shares issued for cash on exercise of options | 1,637,181 | 36 |
| Shares issued in bought deal offering, net of issuance costs | 11,615,000 | 441 |
| Deferred taxes on share issuance costs | — | 4 |
| December 31, 2025 | 311,177,196 | $ 7,661 |
| Shares issued for cash on exercise of options | 818,367 | 18 |
| **Issued and outstanding at June 30, 2026** | **311,995,563** | **$ 7,679** |

(a) Dividends declared per share for the three and six months ended June 30, 2026 were $0.334 and $0.668, respectively (three and six months ended June 30, 2025 - $0.315 and $0.63, respectively).

## Preferred Shares

| As at | June 30, 2026 | | December 31, 2025 | |
|---|---|---|---|---|
| **Issued and Outstanding [(a) (b) (c)]** | **Number of shares** | **Amount** | Number of shares | Amount |
| Series G Preferred Shares ("Series G Shares") | **8,000,000** | **$ 200** | 8,000,000 | $ 200 |
| Share issuance costs, net of taxes | | **(5)** | | (5) |
| | **8,000,000** | **$ 195** | 8,000,000 | $ 195 |

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

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

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

## Share Option Plan

AltaGas has an employee share option plan under which officers, employees, and service providers (as defined by the TSX) are eligible to receive grants. As at June 30, 2026, 5,331,074 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 June 30, 2026, 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 June 30, 2026 and December 31, 2025, 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 | June 30, 2026 | | | December 31, 2025 | | |
|---|---|---|---|---|---|---|
| | **Number of options** | | **Exercise price (a)** | Number of options | | Exercise price (a) |
| Share options outstanding, beginning of period | **887,832** | **$** | **18.82** | 2,525,013 | $ | 19.17 |
| Exercised | **(818,367)** | | **18.83** | (1,637,181) | | 19.36 |
| **Share options outstanding, end of period** | **69,465** | **$** | **18.72** | 887,832 | $ | 18.82 |
| **Share options exercisable, end of period** | **69,465** | **$** | **18.72** | 887,832 | $ | 18.82 |

(a) Weighted average.

As at June 30, 2026, the aggregate intrinsic value of the total share options exercisable was $2 million (December 31, 2025 - $20 million), the total intrinsic value of share options outstanding was $2 million (December 31, 2025 - $20 million), and the total intrinsic value of share options exercised was $26 million (December 31, 2025 - $33 million).

The following table summarizes the employee share option plan as at June 30, 2026:

| | Options outstanding | | | | Options exercisable | | | |
|---|---|---|---|---|---|---|---|---|
| **Price** | **Number outstanding** | | **Weighted average exercise price** | **Weighted average remaining contractual life** | **Number exercisable** | | **Weighted average exercise price** | **Weighted average remaining contractual life** |
| $18.72 | 69,465 | $ | 18.72 | 0.51 | 69,465 | $ | 18.72 | 0.51 |
| | **69,465** | **$** | **18.72** | **0.51** | **69,465** | **$** | **18.72** | **0.51** |

## 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)* | **June 30, 2026** | December 31, 2025 |
|---|---|---|
| Balance, beginning of year | **5,689,280** | 4,957,515 |
| Granted (a) | **1,038,485** | 2,481,163 |
| Vested and paid out | **(2,184,817)** | (1,631,673) |
| Forfeited and expired | **(156,728)** | (257,851) |
| Units in lieu of dividends | **50,459** | 140,126 |
| **Outstanding, end of period** | **4,436,679** | 5,689,280 |

(a) Includes amounts previously presented as "Additional units added by performance factor". Prior period amounts have been updated to conform to current year presentation.

For the three and six months ended June 30, 2026, the compensation expense recorded for the Phantom Plan and DSUP was $44 million and $75 million, respectively (three and six months ended June 30, 2025 - $21 million and $45 million, respectively). As at June 30, 2026, the unrecognized compensation expense relating to the remaining vesting period for the Phantom Plan was $110 million (December 31, 2025 - $68 million) and is expected to be recognized over the vesting period.

## 15. Net Income Per Common Share

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

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Numerator: | | | | |
| Net income applicable to controlling interests | **$ 291** | $ 180 | **$ 441** | $ 577 |
| Less: Preferred share dividends | **(3)** | (5) | **(6)** | (10) |
| Net income applicable to common shares | **$ 288** | $ 175 | **$ 435** | $ 567 |
| Denominator: | | | | |
| *(millions of shares)* | | | | |
| Weighted average number of common shares outstanding | **311.7** | 299.1 | **311.5** | 298.6 |
| Dilutive equity instruments [(a)] | **0.2** | 0.7 | **0.3** | 0.9 |
| Weighted average number of common shares outstanding - diluted | **311.9** | 299.8 | **311.8** | 299.5 |
| Basic net income per common share | **$ 0.92** | $ 0.59 | **$ 1.40** | $ 1.90 |
| Diluted net income per common share | **$ 0.92** | $ 0.58 | **$ 1.40** | $ 1.89 |

(a) Determined using the treasury stock method.

For the three and six months ended June 30, 2026 and 2025, no share options were excluded from the diluted net income per common share calculation.

## 16. Commitments, Guarantees, and Contingencies

### Commitments

AltaGas has long-term natural gas purchase and transportation arrangements, LPG purchase agreements, crude oil and condensate purchase agreements, service agreements, pipeline and storage service contracts, capital commitments, environmental commitments, merger commitments, finance leases, 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 27 of the 2025 Annual Consolidated Financial Statements for further details regarding AltaGas' commitments.

At June 30, 2026, AltaGas has US$145 million in future undiscounted cash flows associated with an operating lease not yet commenced. The lease is for the use of a VLGC expected to commence in the fourth quarter of 2026. The lessor is primarily involved in the design and construction of the VLGC.

### Guarantees

AltaGas has guaranteed payments primarily for certain commitments on behalf of some of its subsidiaries. As at June 30, 2026, 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 26 of the 2025 Annual Consolidated Financial Statements.

In the first quarter of 2026, Washington Gas partially settled one of its post-retirement benefit plans by purchasing a guaranteed life insurance funding account, which transferred all of the future financial and administrative responsibilities to the insurance carriers, effective January 2026. As a result, AltaGas recognized a settlement credit under the line item "other income".

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

| | Three Months Ended June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | 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 | 2 | 18 | 2 |
| Expected return on plan assets [b] | — | — | (21) | (12) | (21) | (12) |
| Amortization of past service credit [b] | — | — | — | (6) | — | (6) |
| Amortization of net actuarial gain [b] | — | — | — | (1) | — | (1) |
| Net benefit cost (income) recognized | $ 1 | $ — | $ (1) | $ (16) | $ — | $ (16) |

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

| | Three Months Ended June 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] | $ — | $ — | $ 3 | $ 1 | $ 3 | $ 1 |
| Interest cost [b] | 1 | — | 18 | 3 | 19 | 3 |
| Expected return on plan assets [b] | — | — | (22) | (12) | (22) | (12) |
| Amortization of past service credit [b] | — | — | — | (6) | — | (6) |
| Amortization of net actuarial gain [b] | — | — | — | (1) | — | (1) |
| Net benefit cost (income) recognized | $ 1 | $ — | $ (1) | $ (15) | $ — | $ (15) |

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

| | Six Months Ended June 30, 2026 | | | | | |
|---|---|---|---|---|---|---|
| | Canada | | United States | | Total | |
| | **Defined Benefit** | **Post-retirement Benefits** | **Defined Benefit** | **Post-retirement Benefits** | **Defined Benefit** | **Post-retirement Benefits** |
| Current service cost [a] | **$ —** | **$ —** | **$ 6** | **$ 2** | **$ 6** | **$ 2** |
| Interest cost [b] | **1** | **—** | **35** | **5** | **36** | **5** |
| Expected return on plan assets [b] | **—** | **—** | **(43)** | **(24)** | **(43)** | **(24)** |
| Amortization of past service credit [b] | **—** | **—** | **—** | **(12)** | **—** | **(12)** |
| Amortization of net actuarial gain [b] | **—** | **—** | **—** | **(2)** | **—** | **(2)** |
| Plan settlements [b] [c] | **—** | **—** | **—** | **(35)** | **—** | **(35)** |
| Net benefit cost (income) recognized | **$ 1** | **$ —** | **$ (2)** | **$ (66)** | **$ (1)** | **$ (66)** |

(a) Recorded under the line item "operating and administrative" expenses on the Consolidated Statements of Income.
(b) Recorded under the line item "other income" on the Consolidated Statements of Income.
(c) Relates to the partial settlement of Washington Gas' post-retirement benefit plan in the first quarter of 2026, as discussed above.

| | Six Months Ended June 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] | $ — | $ — | $ 6 | $ 2 | $ 6 | $ 2 |
| Interest cost [b] | 1 | — | 36 | 6 | 37 | 6 |
| Expected return on plan assets [b] | — | — | (44) | (24) | (44) | (24) |
| Amortization of past service credit [b] | — | — | — | (12) | — | (12) |
| Amortization of net actuarial gain [b] | — | — | — | (2) | — | (2) |
| Net benefit cost (income) recognized | $ 1 | $ — | $ (2) | $ (30) | $ (1) | $ (30) |

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

## 18. Supplemental Cash Flow Information

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

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Source (use) of cash: | | | | |
| Accounts receivable | **$ 464** | $ 376 | **$ 349** | $ 333 |
| Inventory | **(98)** | (82) | **23** | 79 |
| Risk management assets - current | **254** | 42 | **(12)** | 60 |
| Prepaid expenses and other current assets | **66** | 27 | **11** | 43 |
| Regulatory assets - current | **(5)** | (20) | **33** | 11 |
| Accounts payable and accrued liabilities | **(279)** | (145) | **(119)** | (262) |
| Customer deposits | **7** | 8 | **(14)** | (27) |
| Regulatory liabilities - current | **(58)** | (43) | **(97)** | (45) |
| Risk management liabilities - current | **(145)** | (23) | **2** | (36) |
| Regulatory assets - non-current | **15** | (11) | **59** | 110 |
| Regulatory liabilities - non-current | **(13)** | (1) | **(16)** | 23 |
| Other current liabilities | **19** | 12 | **(39)** | (30) |
| Other long-term liabilities | **49** | 25 | **26** | (5) |
| Other operating assets and liabilities | **(64)** | (23) | **(63)** | (25) |
| Changes in operating assets and liabilities | **$ 212** | $ 142 | **$ 143** | $ 229 |

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

| | Three Months Ended June 30 | | Six Months Ended June 30 | |
|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 |
| Decrease (increase) of balance: | | | | |
| Exercise of stock options | **$ 2** | $ 1 | **$ 3** | $ 4 |
| Net right-of-use assets obtained in exchange for new operating lease liabilities | **$ (99)** | $ (52) | **$ (119)** | $ (69) |
| Net right-of-use assets obtained in exchange for new finance lease liabilities | **$ (7)** | $ (5) | **$ (10)** | $ (9) |
| Capital expenditures included in accounts payable and accrued liabilities | **$ (29)** | $ (49) | **$ 56** | $ (19) |
| Contributions from non-controlling interests to subsidiaries included in accounts receivable | **$ (28)** | $ — | **$ (18)** | $ — |

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

| **As at June 30** | **2026** | 2025 |
|---|---|---|
| Cash and cash equivalents | **$ 131** | $ 320 |
| Restricted cash included in prepaid expenses and other current assets [(a)] | **—** | 2 |
| Restricted cash included in long-term investments and other assets *(note 5)* [(a)] | **3** | 3 |
| Cash, cash equivalents, and restricted cash per Consolidated Statements of Cash Flows | **$ 134** | $ 325 |

(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;<br>• rate-regulated natural gas storage in the United States; and<br>• 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;<br>• natural gas storage facilities;<br>• LPG export terminals;<br>• transmission pipelines to transport natural gas and NGLs;<br>• natural gas gathering lines and field processing facilities;<br>• purchase and sale of natural gas;<br>• natural gas and NGL marketing;<br>• marketing, storage and distribution of wellsite fluids and fuel, crude oil and condensate diluents; and<br>• 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<br>• 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 in Note 11:

| | Three Months Ended June 30, 2026 | | | |
|---|---|---|---|---|
| | **Utilities** | **Midstream** | **Corporate/ Other** | **Total** |
| External revenue (*note 11*) | **$ 971** | **$ 2,813** | **$ 13** | **$ 3,797** |
| Segment revenue | **$ 971** | **$ 2,813** | **$ 13** | **$ 3,797** |

| | Three Months Ended June 30, 2025 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate/ Other | Total |
| External revenue *(note 11)* | $ 1,016 | $ 1,813 | $ 15 | $ 2,844 |
| Segment revenue | $ 1,016 | $ 1,813 | $ 15 | $ 2,844 |

| | Six Months Ended June 30, 2026 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate/ Other | Total |
| External revenue *(note 11)* | **$ 3,001** | **$ 4,738** | **$ 28** | **$ 7,767** |
| Segment revenue | **$ 3,001** | **$ 4,738** | **$ 28** | **$ 7,767** |

| | Six Months Ended June 30, 2025 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate/ Other | Total |
| External revenue *(note 11)* | $ 2,886 | $ 3,897 | $ 30 | $ 6,813 |
| Segment revenue | $ 2,886 | $ 3,897 | $ 30 | $ 6,813 |

The following tables show the composition by segment:

| | Three Months Ended June 30, 2026 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate/ Other | Total |
| Segment revenue *(note 11)* | **$ 971** | **$ 2,813** | **$ 13** | **$ 3,797** |
| Cost of sales | **(609)** | **(2,096)** | **—** | **(2,705)** |
| Operating and administrative | **(262)** | **(188)** | **(46)** | **(496)** |
| Accretion expenses | **—** | **(2)** | **—** | **(2)** |
| Depreciation and amortization | **(86)** | **(44)** | **(7)** | **(137)** |
| Income from equity investments *(note 7)* | **1** | **13** | **—** | **14** |
| Other income [(a)] | **18** | **13** | **(1)** | **30** |
| Foreign exchange losses | **—** | **—** | **(1)** | **(1)** |
| Interest expense | **—** | **—** | **(117)** | **(117)** |
| Income (loss) before income taxes | **$ 33** | **$ 509** | **$ (159)** | **$ 383** |
| Net additions to: | | | | |
| Property, plant and equipment [(b)] | **$ 225** | **$ 151** | **$ 2** | **$ 378** |
| Intangible assets [(b)] | **$ 14** | **$ 2** | **$ 4** | **$ 20** |

(a) Other income for each reportable segment is comprised of:
- Utilities – primarily consists of other components of net benefit cost (income) and interest income of $2 million, partially offset by other miscellaneous expenses (note 17).
- Midstream – primarily consists of reimbursement of future remediation costs related to certain equipment at Ferndale and interest income of $1 million, partially offset by other miscellaneous expenses.
- Corporate/Other – primarily other miscellaneous expenses.

(b) 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 timing differences for additions that have been accrued for but not yet paid, as well as additions relating to non-controlling interests.

| | Three Months Ended June 30, 2025 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate/ Other | Total |
| Segment revenue *(note 11)* | $ 1,016 | $ 1,813 | $ 15 | $ 2,844 |
| Cost of sales | (614) | (1,367) | (1) | (1,982) |
| Operating and administrative | (250) | (158) | (22) | (430) |
| Accretion expenses | — | (1) | — | (1) |
| Depreciation and amortization | (79) | (38) | (9) | (126) |
| Income from equity investments *(note 7)* | 1 | 14 | — | 15 |
| Other income [(a)] | 21 | — | — | 21 |
| Foreign exchange losses | — | — | (1) | (1) |
| Interest expense | — | — | (114) | (114) |
| Income (loss) before income taxes | $ 95 | $ 263 | $ (132) | $ 226 |
| Net additions to: | | | | |
| Property, plant and equipment [(b)] | $ 160 | $ 161 | $ 3 | $ 324 |
| Intangible assets [(b)] | $ — | $ 1 | $ 3 | $ 4 |

(a) Other income for each reportable segment is comprised of:
- Utilities – primarily consists of other components of net benefit cost (income) *(note 17)*.
- Midstream – primarily consists of interest income of $2 million, partially offset by other miscellaneous expenses.
- Corporate/Other – interest income of $1 million, offset by other miscellaneous expenses.

(b) 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 timing differences for additions that have been accrued for but not yet paid, as well as additions relating to non-controlling interests.

| | Six Months Ended June 30, 2026 | | | |
|---|---|---|---|---|
| | Utilities | Midstream | Corporate / Other | Total |
| Segment revenue *(note 11)* | **$ 3,001** | **$ 4,738** | **$ 28** | **$ 7,767** |
| Cost of sales | **(1,847)** | **(3,931)** | **(1)** | **(5,779)** |
| Operating and administrative | **(565)** | **(359)** | **(76)** | **(1,000)** |
| Accretion expenses | **—** | **(3)** | **—** | **(3)** |
| Depreciation and amortization | **(169)** | **(89)** | **(14)** | **(272)** |
| Income from equity investments *(note 7)* | **2** | **29** | **—** | **31** |
| Other income [(a)] | **69** | **13** | **—** | **82** |
| Interest expense | **—** | **—** | **(236)** | **(236)** |
| Income (loss) before income taxes | **$ 491** | **$ 398** | **$ (299)** | **$ 590** |
| Net additions to: | | | | |
| Property, plant and equipment [(b)] | **$ 364** | **$ 280** | **$ 4** | **$ 648** |
| Intangible assets [(b)] | **$ 21** | **$ 3** | **$ 9** | **$ 33** |

(a) Other income for each reportable segment is comprised of:
- Utilities – primarily consists of other components of net benefit cost (income) which includes the partial settlement of one of Washington Gas' post-retirement benefit plans, as well as interest income of $2 million, partially offset by other miscellaneous expenses (note 17).
- Midstream – primarily consists of reimbursement of future remediation costs related to certain equipment at Ferndale and interest income of $2 million, partially offset by other miscellaneous expenses.
- Corporate/Other – primarily interest income of $1 million which is offset by other miscellaneous expenses.

(b) 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 timing differences for additions that have been accrued for but not yet paid, as well as additions relating to non-controlling interests.

| | Six Months Ended June 30, 2025 | | | |
|---|---|---|---|---|
| | **Utilities** | **Midstream** | **Corporate/ Other** | **Total** |
| Segment revenue *(note 11)* | $ 2,886 | $ 3,897 | $ 30 | $ 6,813 |
| Cost of sales | (1,680) | (3,065) | (1) | (4,746) |
| Operating and administrative | (547) | (315) | (49) | (911) |
| Accretion expenses | — | (2) | — | (2) |
| Depreciation and amortization | (159) | (77) | (18) | (254) |
| Provisions on assets | — | (2) | — | (2) |
| Income from equity investments *(note 7)* | 2 | 29 | — | 31 |
| Other income [(a)] | 39 | 2 | 1 | 42 |
| Foreign exchange losses | — | — | (3) | (3) |
| Interest expense | — | — | (229) | (229) |
| Income (loss) before income taxes | $ 541 | $ 467 | $ (269) | $ 739 |
| Net additions to: | | | | |
| Property, plant and equipment [(b)] | $ 287 | $ 273 | $ 12 | $ 572 |
| Intangible assets [(b)] | $ — | $ 1 | $ 6 | $ 7 |

(a) Other income for each reportable segment is comprised of:
- Utilities – primarily consists of other components of net benefit cost (income) (note 17).
- Midstream – primarily consists of interest income of $3 million, partially offset by other miscellaneous expenses.
- Corporate/Other – interest income of $2 million, partially offset by other miscellaneous expenses.

(b) 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 timing differences for additions that have been accrued for but not yet paid, as well as additions relating to non-controlling interests.

The following table shows goodwill and total assets by segment:

| | **Utilities** | **Midstream** | **Corporate/ Other** | **Total** |
|---|---|---|---|---|
| **As at June 30, 2026** | | | | |
| Goodwill *(note 4)* | **$ 3,901** | **$ 1,726** | **$ —** | **$ 5,627** |
| Segmented assets | **$ 17,475** | **$ 9,508** | **$ 729** | **$ 27,712** |
| As at December 31, 2025 | | | | |
| Goodwill *(note 4)* | $ 3,762 | $ 1,686 | $ — | $ 5,448 |
| Segmented assets | $ 17,231 | $ 8,881 | $ 658 | $ 26,770 |

## 21. Subsequent Events

On July 15, 2026, pursuant to the April 28, 2026 bond purchase agreement, SEMCO issued US$86 million of First Mortgage Bonds with a coupon rate of 5.16 percent, maturing on July 15, 2036. In September 2026, SEMCO also expects to issue US$100 million of First Mortgage Bonds with a coupon rate of 5.87 percent, maturing on September 15, 2056. The proceeds will be used to fund construction of the Keweenaw Connector Pipeline, other capital expenditures, and general corporate purposes.

Subsequent events have been reviewed through July 29, 2026, the date on which these unaudited condensed interim Consolidated Financial Statements were approved for issuance.

# Supplemental Quarterly Operating Information

| | **Q2-26** | Q1-26 | Q4-25 | Q3-25 | Q2-25 |
|---|---|---|---|---|---|
| **Operating Highlights** | | | | | |
| **Utilities** | | | | | |
| Natural gas deliveries - end use (Bcf) (1) | **16.1** | 66.8 | 47.2 | 8.9 | 16.4 |
| Natural gas deliveries - transportation (Bcf) (1) | **26.2** | 42.1 | 30.8 | 23.4 | 20.7 |
| Service sites (thousands) (2) | **1,575** | 1,578 | 1,576 | 1,567 | 1,567 |
| Degree day variance from normal - SEMCO (Michigan) (%) (3) | **(8.5)** | (0.6) | 6.3 | (13.3) | 3.6 |
| Degree day variance from normal - Washington Gas (%) (3) (4) (5) | **(14.2)** | 4.6 | 7.8 | (100.0) | (31.1) |
| WGL retail energy marketing - gas sales volumes (Mmcf) | **8,583** | 20,192 | 17,644 | 10,046 | 11,572 |
| WGL retail energy marketing - electricity sales volumes (GWh) | **3,688** | 3,070 | 3,381 | 3,840 | 3,575 |
| **Midstream** | | | | | |
| LPG export volumes (Bbls/d) (6) | **144,420** | 124,917 | 124,593 | 133,147 | 127,814 |
| Total inlet gas processed (Mmcf/d) (6) | **1,395** | 1,669 | 1,534 | 1,374 | 1,531 |
| Extracted ethane volumes (Bbls/d) (6) | **14,463** | 22,173 | 27,469 | 25,294 | 23,231 |
| Extracted NGL volumes (Bbls/d) (6) (7) | **57,486** | 58,587 | 49,674 | 43,624 | 50,982 |
| Fractionation volumes (Bbls/d) (6) (8) | **38,673** | 45,476 | 45,908 | 43,038 | 42,625 |
| Frac spread - realized ($/Bbl) (6) (9) | **16.14** | 13.85 | 19.85 | 22.27 | 24.48 |
| Frac spread - average spot price ($/Bbl) (6) (10) | **26.48** | 17.94 | 12.79 | 23.75 | 24.46 |
| Propane Far East Index ("FEI") to Mont Belvieu spread (US$/Bbl) (6) (11) | **31.47** | 26.01 | 13.53 | 12.91 | 10.15 |
| Butane FEI to Mont Belvieu spread (US$/Bbl) (6) (12) | **36.30** | 29.75 | 14.55 | 13.19 | 11.57 |

(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 quarter of 2025 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 quarter of 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) Average butane price spread between FEI and Mont Belvieu TET commercial index.

# Other Information

## Definitions

| | |
|---|---|
| Bbls/d | barrels per day |
| Bcf | billion cubic feet |
| CBM | cubic meter |
| Dth | dekatherm |
| Dth/d | dekatherm per day |
| 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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