MANAGEMENT'S DISCUSSION AND ANALYSIS

FORWARD-LOOKING INFORMATION AND STATEMENTS

This Management's Discussion and Analysis ("MD&A") dated October 28, 2025 is provided to enable readers to assess the results of operations, liquidity, and capital resources of AltaGas Ltd. ("AltaGas", the "Company" or the "Corporation") as at and for the three and nine months ended September 30, 2025. This MD&A should be read in conjunction with the accompanying unaudited condensed interim Consolidated Financial Statements and notes thereto of AltaGas as at and for the three and nine months ended September 30, 2025 and the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2024.

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

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

This MD&A contains forward-looking information ("forward-looking statements"). Words such as "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to the Corporation or any affiliate of the Corporation, are intended to identify forward-looking statements. In particular, this MD&A contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: AltaGas' belief in the role and importance of global resource exports; the belief that the long-term outlook for continued production growth across Western Canada and AltaGas' footprint is robust; the SAVE ARP and the expected timing for receipt of an order in respect thereof; progress on the construction of REEF and the expectation that REEF will remain on budget and on track for a 2026 year-end in-service date; REEF Optimization One, including the anticipated capital cost, in-service date and benefits thereof; REEF Optimization Two and the anticipated benefits thereof; the Keweenaw Connector Pipeline project including anticipated capital costs, in-service date and benefits thereof; Phase One expansion of the Dimsdale Gas Storage Facility, including the anticipated capital cost, in-service date and benefits thereof; the advancement of the next Dimsdale expansion project and the anticipated benefits thereof; AltaGas' commitment to advancing organic projects including REEF Optimization Two, Phase Two of the Dimsdale expansion, the North Pine expansion, Pipestone III and other projects and the anticipated benefits thereof; the anticipated benefits of the MVP Boost project, anticipated in-service date and the targeted capex-to-EBITDA build multiple; progress on the MVP Southgate project; the Company's advancement of a potential monetization of its interest in MVP and anticipated timing for updates thereof; the expectation that Pipestone II will remain on track for a year-end 2025 in-service date; the anticipated benefits of Pipestone II; AltaGas' commitment to advancing growth projects across the Utilities segment including new customer growth and execution of existing asset modernization programs; the Company's focus on operational excellence and cost management at the Utilities and the anticipated benefits thereof; the Company's intent to continue pipeline modernization work through PROJECTpipes 2; AltaGas' focus on capital efficient organic growth and disciplined capital allocation; advancement of preliminary work with data center developers and AltaGas' plans with respect to such projects; AltaGas' 2025 guidance including normalized earnings per share of $2.10 to $2.30 and normalized EBITDA of $1.775 to $1.875 billion; the expectation that AltaGas will realize aggregate cash savings of approximately $30 million over the initial five-year term from the issuance of $200 million of 5.375 percent Fixed-to-Fixed Rate Junior Subordinated Hybrid Notes, Series 4 due to lower taxes and financing charges relative to the potential reset rate on the Series A and Series B Preferred Share dividends; the *expectation that the Utilities and Midstream segments will contribute approximately 55 percent and 45 percent of normalized EBITDA in 2025, respectively; expected growth drivers of normalized EBITDA in the Utilities segment; expected growth drivers of normalized EBITDA in the Midstream segment; expected growth drivers of 2025 normalized earnings per share; AltaGas' focus on de-risking its business and managing direct commodity price exposure and the anticipated benefits therefrom; the Company's intention to maintain an active hedging program and the anticipated outcomes therefrom; AltaGas' 2025 Midstream Hedge Program quarterly estimates; estimated impact of changes in commodity prices, exchange rates, and weather on normalized annual results for 2025; AltaGas' commitment to maintaining a disciplined capital program; expected invested capital expenditures of approximately $1.4 billion in 2025; anticipated segment allocation and focus of capital expenditures in 2025; the expectation that AltaGas' 2025 committed capital program will be funded through internally-generated cash flows, the investment capacity associated with higher normalized EBITDA across the enterprise and ongoing capital recycling through the potential divestiture of the Company's equity interest in MVP; asset sales being considered on an opportunistic basis and the anticipated use of proceeds therefrom; the estimated cost, status and expected in-service dates for growth capital projects in the Midstream and Utilities businesses, including the anticipated benefits of such projects; Washington Gas' ARP replacement programs and the expected benefits therefrom; SEMCO Energy's MRP and IRIP programs; expected filing, procedure and decision dates for rate cases in the Utilities business; timing of material regulatory filings, proceedings and decisions in the Utilities business; AltaGas' expectation that it can fund its capital expenditure, liquidity and working capital needs through internally-generated cash flow, asset sales, and normal course borrowings on existing committed credit facilities; the expectation that the restrictions on Washington Gas' ability to pay dividends to AltaGas as a result of certain commitments in respect of the WGL Acquisition will not have an impact on AltaGas' ability to meet its obligations; AltaGas' objective for managing capital and the anticipated benefits therefrom; and AltaGas' dividend policy.*

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

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

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

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

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

ALTAGAS BUSINESS OVERVIEW AND ORGANIZATION

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

Utilities Segment

AltaGas' Utilities segment owns and operates franchised, cost-of-service, rate-regulated natural gas distribution and storage utilities that are focused on providing safe, reliable, and affordable energy to its customers. AltaGas' Utilities provided energy to approximately 1.6 million residential and commercial customers in the third quarter of 2025 with an average rate base of approximately US$5.5 billion.

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

- Washington Gas Light Company ("Washington Gas"), is the Company's largest operating utility that serves approximately 1.2 million customers across Virginia, Maryland, and the District of Columbia ("D.C."); and
- SEMCO Energy, Inc. ("SEMCO Energy"), serves approximately 330,000 customers in Southern Michigan and Michigan's Upper Peninsula.

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

Midstream Segment

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

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

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

- **Global Exports**, which includes AltaGas' two operational LPG export terminals that provide open market access to more than 70 counterparties, for nameplate export capacity of up to 150,000 Bbl/d of propane and butane to key demand markets in Asia, and a third terminal currently under construction;
- **Natural Gas Gathering, Processing and Extraction**, which includes 1.2 Bcf/d of extraction processing capacity and approximately 1.2 Bcf/d of raw field gas processing capacity, which is heavily focused on the Montney and Deep Basin; and
- **Fractionation and Liquids Handling**, which includes 70 MBbl/d of fractionation capacity and a sizable liquids handling footprint.

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

Corporate/Other Segment

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

THIRD QUARTER HIGHLIGHTS

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

Financial Results

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

New Growth Projects

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

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

MVP Update

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

Growth Project Execution

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

Operational and Business Highlights

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

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

2025 Guidance and Other Highlights

- Following AltaGas' strong third quarter results, the Company is reiterating its 2025 full-year guidance, including normalized EBITDA of $1,775 million to $1,875 million and normalized EPS of $2.10 to $2.30.
- On September 5, 2025, AltaGas issued $200 million of 5.375 percent Fixed-to-Fixed Rate Junior Subordinated Hybrid Notes, Series 4, due on December 5, 2055. AltaGas used the proceeds of the hybrid issuance to redeem its Series A and Series B Preferred Shares. AltaGas expects aggregate cash savings of approximately $30 million over the initial five-year term from the issuance due to lower taxes and financing charges relative to the potential reset rate on the Series A and Series B Preferred Share dividends.

CONSOLIDATED FINANCIAL REVIEW

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

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

(1) Non-GAAP financial measure or non-GAAP financial ratio; see discussion in the *Non-GAAP Financial Measures* section of this MD&A.
(2) Dividends declared per common share per quarter: $0.2975 per share beginning March 2024, increased to $0.315 per share effective March 2025.
(3) The increase in the effective income tax rate for the three months ended September 30, 2025 is due to the composition of loss before income taxes.
(4) Weighted average.

RESULTS OF OPERATIONS BY REPORTING SEGMENT

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

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

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

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

THREE MONTHS ENDED SEPTEMBER 30

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

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

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

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

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

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

Cash from operations in the third quarter of 2025 was $34 million ($0.11 per share), compared to $21 million ($0.07 per share) for the same quarter of 2024. The increase was mainly due to higher net income after taxes (after adjusting for non-cash items) and higher distributions from equity investments, partially offset by unfavourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes. Please refer to the *Liquidity* section of this MD&A for further details on the variance in cash from operations.

Interest expense for the third quarter of 2025 was $116 million, compared to $110 million for the same quarter of 2024. The increase was mainly due to a full quarter of interest on the subordinated hybrid notes issued in the third quarter of 2024, the issuance of additional subordinated hybrid notes in the third quarter of 2025, as well as higher average interest rates. These factors were partially offset by a decrease in average debt balances, exclusive of hybrid debt, and higher capitalized interest. Interest expense recorded on the subordinated hybrid notes in the third quarter of 2025 was $35 million, compared to $15 million for the same quarter of 2024.

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

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

NINE MONTHS ENDED SEPTEMBER 30

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

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

In the Midstream segment, the increase in normalized EBITDA was mainly impacted by stronger contributions from the fractionation and liquids handling business, higher cost recoveries and processing volumes from AltaGas' Montney facilities, stronger performance at the extraction facilities due to higher volumes, and higher contributions from the global exports business due to higher export margins and volumes, which were partially offset by lower terminalling fees. These factors were partially offset by higher operating and administrative costs. Please refer to the *Midstream Segment* section of this MD&A for more details on the factors impacting Midstream results.

In the Corporate/Other segment, the increase in normalized EBITDA was mainly driven by higher contributions from Blythe due to the absence of a planned turnaround in the first quarter of 2024. Please refer to the *Corporate/Other Segment* section of this MD&A for more details on the factors impacting Corporate/Other results.

Income before income taxes for the first nine months of 2025 was $719 million, compared to $515 million for the same period in 2024. The increase was mainly due to higher unrealized gains on risk management contracts, the same previously referenced factors impacting normalized EBITDA, lower transition and restructuring costs, and lower transaction costs related to acquisitions and dispositions, partially offset by higher depreciation and amortization expense, higher interest expense, the absence of a gain on sale of assets in the third quarter of 2024, primarily related to the Meade escrow proceeds, and foreign exchange losses compared to foreign exchange gains in the same period in 2024. Net income applicable to common shares for the first nine months of 2025 was $542 million ($1.81 per share), compared to $375 million ($1.26 per share) for the same period in 2024. The increase was mainly due to the same previously referenced factors impacting income before income taxes, partially offset by higher income tax expense and the loss on redemption of Series A and Series B preferred shares in the third quarter of 2025.

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

Cash from operations for the first nine months of 2025 was $1,026 million ($3.43 per share), compared to $1,030 million ($3.48 per share) for the same period in 2024. The decrease was mainly due to unfavourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes, partially offset by higher net income after taxes (after adjusting for non-cash items) and higher distributions from equity investments. Please refer to the *Liquidity* section of this MD&A for further details on the variance in cash from operations.

Interest expense for the first nine months of 2025 was $345 million, compared to $327 million for the same period in 2024. The increase was mainly due to a full nine months of interest on the subordinated hybrid notes issued in the third quarter of 2024 and the issuance of additional subordinated hybrid notes in the third quarter of 2025, partially offset by a decrease in average debt balances, exclusive of hybrid debt, as well as higher capitalized interest. For the nine months ended September 30, 2025, AltaGas recorded total interest expense of $103 million on the subordinated hybrid notes compared to $41 million for the same period in 2024.

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

Normalized net income was $434 million ($1.45 per share) for the first nine months of 2025, compared to $421 million ($1.42 per share) for the same period in 2024. The increase was mainly due to the same previously referenced factors impacting normalized EBITDA and lower normalized income tax expense, partially offset by higher depreciation and amortization expense, higher interest expense, and unfavourable variances in foreign exchange losses after foreign exchange related normalizations. Please refer to the *Non-GAAP Financial Measures* section of this MD&A for further details on normalization adjustments.

2025 OUTLOOK

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

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

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

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

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

Midstream Hedge Program	Remainder of 2025
Global Exports volumes hedged (%) [(1)]	100
Average propane/butane Far East Index ("FEI") to North America hedge (US$/Bbl) [(2)] [(3)]	16.84
Fractionation volumes hedged (%) [(3)]	79
Frac spread hedge rate (US$/Bbl) [(3)]	26.07

(1) Approximate expected volumes hedged based on AltaGas' internally assumed export volumes. Hedged amounts include contracted tolling volumes and financial hedges.
(2) Does not include physical differential to FSK for C3 volumes. Butane is hedged as a percentage of WTI.
(3) Approximate average for the period.

SENSITIVITY ANALYSIS

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

Factor	Increase or decrease	Approximate impact on normalized annual results *($ millions)*
Degree day variance from normal - Utilities [(1)] [(2)]	5 percent	8
Change in Canadian dollar per U.S. dollar exchange rate [(3)] [(4)]	0.05	2
Propane and butane FEI to North America spreads [(1)] [(5)]	US$1/Bbl	—

(1) Represents impact on annual normalized EBITDA.
(2) Degree days – Utilities relate to SEMCO Energy Gas Company ("SEMCO") and D.C. service areas. Degree days are a measure of coldness determined daily as the numbers of degrees the average temperature during the day in question is below 65 degrees Fahrenheit. Degree days for a particular period are the average of degree days during the prior 15 years for SEMCO and during the prior 30 years for Washington Gas.
(3) Represents impact on annual normalized net income in the Utilities segment.
(4) The sensitivity is net of hedges on U.S. denominated earnings currently in place. Refer to the *Risk Management* section of this MD&A for more details.
(5) The sensitivity is calculated on merchant barrels net of hedges currently in place for the remainder of the year. The impact on normalized EBITDA due to changes in the spread will vary and is being managed through an active hedging program.

CAPITAL EXPENDITURES

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

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

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

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

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

Growth Capital Project Updates

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

Project	AltaGas' Ownership Interest	Estimated Cost [(1)]	Project Description and Status	Expected In-Service Date
Midstream Projects				
Pipestone Phase II	100%	$425 million - $450 million	Pipestone Phase II is a 100 MMcf/d sour deep-cut natural gas processing facility with 20,000 Bbls/d of liquids handling capabilities. The project reached a positive FID in December 2023 and is 100 percent contracted under long-term agreements. The project is adjacent to Pipestone Phase I, which AltaGas acquired in December 2023, and is principally being constructed on a fixed price turnkey basis for the majority of the capital costs. Construction continues to be on track for a late 2025 ISD. Pipestone II will provide critical gas processing and liquids handling capacity to the Pipestone region in the Alberta Montney.	2025 Year-end
REEF	50%	$675 million	REEF is a large-scale LPG and bulk liquids export terminal with supporting marine infrastructure that is under construction on Ridley Island, British Columbia. The project is being developed by AltaGas and Vopak and is located adjacent to RIPET. On May 29, 2024, a positive FID for Phase 1 was announced on the project. Construction continues to progress in all areas and is forecasted to remain on budget and schedule to achieve a 2026 year-end in service date. Final engineering deliverables continue to support fabrication and construction activities. Foundation and rail construction are progressing as planned. Equipment and module deliveries have commenced and are advancing on schedule. Jetty construction remains a focus, with marine civil works supporting the trestle module setting sequence—marked by the successful installation of the first two modules in early September. Mitigation efforts continue to ensure alignment with the overall execution schedule.	2026 Year-end
REEF Optimization One	50%	$55 million	AltaGas and Vopak have reached a positive FID on the REEF Optimization One project. The project will increase REEF's Phase I throughput capacity by upwards of 25,000 Bbl/d. The partnership also continues to advance engineering, permitting and stakeholder work for the REEF Optimization Two project that will be able to accommodate up to another 60,000 Bbls/d of incremental throughput, with timing to be aligned with market fundamentals and customer demand.	Second half of 2027

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

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

Project	AltaGas' Ownership Interest	Estimated Cost [1]	Project Description and Status	Expected In-Service Date
Utilities Projects [2]				
Accelerated Utility Pipe Replacement Programs – ***Washington Gas – D.C.***	100%	Estimated US$93 million for the period March 2024 to December 2025. Previous three years totaled US$150 million.	The second phase of Washington Gas' ARP in D.C. was scheduled to end in December 2023. On December 22, 2022, Washington Gas filed an application with the PSC of D.C. for PROJECT*pipes* 3, seeking approval of approximately US$672 million for the five-year period from January 1, 2024 to December 31, 2028. The PSC of D.C. has issued orders extending PROJECT*pipes* 2 through December 2025 with an additional approved spending limit of approximately US$93 million. On October 15, 2025, Washington Gas filed an application with the PSC of D.C. to extend PROJECT*pipes* 2 through June 30, 2026, with an additional spending limit of approximately US$33 million. On June 12, 2024, the PSC of D.C. issued an order dismissing Washington Gas' PROJECT*pipes* 3 application and concurrently opened a new docket and directed Washington Gas to file a new and restructured application that comports with DC's climate goals. On September 27, 2024, Washington Gas filed its restructured plan, District SAFE, requesting US$215 million for the period from March 1, 2025 through December 31, 2027. The procedural schedule in the District SAFE matter has been extended to allow Washington Gas to file supplemental testimony to answer certain risk modeling questions posed by the PSC of D.C., and to file rebuttal testimony to respond to testimony filed by the D.C. government. Parties have served discovery on and responsive testimony to Washington Gas' supplemental and rebuttal testimony, and Washington Gas may file written rejoinder testimony. After review of all testimony, the PSC of D.C. will determine if there are any new material issues of fact in dispute, which will inform whether the hearing scheduled for November 18, 2025 will be evidentiary or legislative in nature. A final order in the District SAFE case is not expected until 2026.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Accelerated Utility Pipe Replacement Programs – **Washington Gas – Maryland**	100%	Estimated US$330 million over the five year period from January 2024 to December 2028, plus additional expenditures for subsequent phases upon approval.	On December 13, 2023, the Public Service Commission of Maryland ("PSC of MD") affirmed a public law judge's proposed order for the third phase of Washington Gas' ARP ("STRIDE 3") in Maryland, with a total five-year spending cap of approximately US$330 million. On June 1, 2025, the Maryland Next Generation Energy Act ("NGEA") was made effective, which includes amendments to the STRIDE law to include additional requirements for a company to recover costs under STRIDE. On October 21, 2025, the PSC of MD directed Washington Gas to, within sixty days, justify how its current STRIDE 3 plan complies with the NGEA or submit proposed revisions to its plan that would bring it into compliance with the NGEA.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.

Project	AltaGas' Ownership Interest	Estimated Cost [1]	Project Description and Status	Expected In-Service Date
Utilities Projects, continued [2]				
Accelerated Utility Pipe Replacement Programs – ***Washington Gas – Virginia***	100%	Estimated US$878 million over the five year period from January 2023 to December 2027, plus additional expenditures for subsequent phases upon approval.	On May 26, 2022, the SCC of VA approved Washington Gas' proposed amendment for the 2023 to 2027 SAVE Plan with a total five-year spending cap of approximately US$878 million, which may be exceeded by up to 5 percent. On August 4, 2025, Washington Gas filed an amended SAVE Plan with a three-year spending cap of approximately US$700 million, for the period January 1, 2026 to December 31, 2028. An order on the filing is expected by 2025 year-end.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Accelerated Mains Replacement and Infrastructure Reliability Improvement Programs – ***SEMCO ENERGY – Michigan***	100%	Estimated US$115 million over five year period from 2021 to 2025, as well as incremental expenditures of US$99 million from 2025 to 2027, plus additional expenditures for subsequent phases upon approval.	A MRP was agreed to in SEMCO's last rate case settled in December 2019. The five-year MRP program began in 2021 with a total spend of approximately US$60 million. In addition to the MRP program, SEMCO was granted an IRIP, which is also a five-year program with a total spend of approximately US$55 million beginning in 2021. In September 2024, the Michigan Public Service Commission ("MPSC") approved the extension of SEMCO's MRP and IRIP programs for approximately US$46 million and US$68 million, respectively, for the period from 2025 to 2027, which includes approximately US$15 million of spend for 2025 approved through the previous program.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Keweenaw Connector Pipeline – ***SEMCO ENERGY – Michigan***	100%	Estimated US$135 million	In May 2025, SEMCO obtained regulatory approval for the Keweenaw Connector Pipeline, a system reinforcement project in Michigan's Keweenaw Peninsula. This project is designed to improve system resiliency and ensure reliable natural gas service for approximately 14,000 existing customers in the region. In addition to enhancing reliability, the project also increases system capacity, allowing for future growth in the area. Permitting, property acquisition and the procurement of contractors and pipeline materials are in process while the design is being finalized for the planned 2026 construction.	First quarter of 2027

(1) These amounts are estimates and are subject to change based on various factors. Where appropriate, the amounts reflect AltaGas' share of the various projects.

(2) The utility accelerated replacement programs are long-term projects with multiple phases for which expenditures are approved by the regulators and managed in multi-year increments.

NON-GAAP FINANCIAL MEASURES

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

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

Change in Composition of Adjusted Net Debt

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

Normalized EBITDA

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

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

(2) Included in the “revenue”, “cost of sales”, and "foreign exchange gains (losses)" line items on the Consolidated Statements of Income (Loss). Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 2025 for further details regarding AltaGas’ risk management activities.

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

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

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

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

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

Normalized Net Income

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

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

(2) The pre-tax amounts are included in the “revenue”, “cost of sales”, and "foreign exchange gains (losses)" line items on the Consolidated Statements of Income (Loss). Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 2025 for further details regarding AltaGas’ risk management activities.

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

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

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

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

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

Normalized Funds from Operations

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

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

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

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

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

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

Normalized Income Tax Expense

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

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

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

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

Net debt, adjusted net debt, and adjusted net debt to normalized EBITDA are used by the Corporation to monitor its capital structure and assess its capital structure relative to earnings. It is also used as a measure of the Corporation's overall financial strength and is presented to provide this perspective to analysts and investors. Net debt is defined as short-term debt, plus current and long-term portions of long-term debt, current and long-term portions of finance lease liabilities, and subordinated hybrid notes, less cash and cash equivalents. Adjusted net debt is defined as net debt adjusted for current and long-term portions of finance lease liabilities, 50 percent of subordinated hybrid notes, and 50 percent of preferred shares. Adjusted net debt to normalized EBITDA is calculated by dividing adjusted net debt as defined above by normalized EBITDA for the preceding twelve month period.

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

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

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

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

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

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

Invested Capital and Net Invested Capital

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

(1) Comprised of non-cash capital expenditures included in the "accounts payable and accrued liabilities" line item on the Consolidated Balance Sheets. Please refer to Note 18 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 2025 for further details.

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

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

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

Supplemental Calculations

Reconciliation of Normalized EBITDA to Normalized Net Income

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

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

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

Calculation of Normalized Effective Income Tax Rate

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

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

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

UTILITIES

Operating Statistics

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

(1) Bcf is one billion cubic feet.

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

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

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

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

Three Months Ended September 30

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

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

Nine Months Ended September 30

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

The Utilities segment income before income taxes was $521 million in the first nine months of 2025, compared to $441 million in the same period in 2024. The increase was mainly due to higher unrealized gains on risk management contracts, the same previously referenced factors impacting normalized EBITDA, and lower transition and restructuring costs, partially offset by higher depreciation and amortization expense.

UTILITIES REGULATORY UPDATES

Utility/ Jurisdiction	Date Filed	Request	Status	Expected Timing of Decision
Washington Gas - D.C.	August 2024	US$46 million increase in base rates, including US$12 million currently collected through the PROJECT*pipes* surcharge. Therefore, the incremental amount of the base rate increase requested was approximately US$34 million.	On August 5, 2024, Washington Gas filed an application for authority to increase existing rates and charges for gas service in D.C. The requested rates are designed to collect approximately US$257 million in total revenues, which represents an increase in Washington Gas' weather-normalized annual revenues of approximately US$46 million. Of the requested revenue increase, approximately US$12 million represents costs currently collected through the PROJECT*pipes* surcharge and approximately US$34 million represents an incremental increase in new base rate revenues. Intervenor testimony was received on January 24, 2025 and Washington Gas rebuttal testimony was filed on March 25, 2025. The evidentiary hearing was held on August 14, 2025. Washington Gas expects to receive a final order from the PSC of D.C. in the fourth quarter of 2025.	Final order expected in the fourth quarter of 2025.
Washington Gas - Virginia	July 2025	US$104 million increase in base rates, including US$39 million currently collected through the SAVE surcharge. Therefore, the incremental amount of the base rate increase requested was approximately US$65 million.	On July 31, 2025, Washington Gas filed an application for authority to increase existing rates and charges for gas service in the Commonwealth of Virginia. The requested rates are designed to collect an incremental US$65 million in total annual revenues requesting a 10.9 percent return on equity. This base rate increase is separate from the US$39 million revenue requirement relating to transferring expenditures incurred under the SAVE plan to base rates and resetting the surcharge. Additionally, Washington Gas requested new depreciation rates effective January 1, 2025. The total base rate increase is US$104 million. Under the Order for Notice and Hearing issued on September 5, 2025, Washington Gas may implement the proposed rates subject to refund for usage on or after December 30, 2025.	Timing of decision not yet known.

Other Regulatory Updates

Climate Regulation

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

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

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

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

MIDSTREAM

Operating Statistics

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

(1) Average for the period.
(2) NGL volumes refer to propane, butane, and condensate.
(3) Fractionation volumes include NGL mix volumes processed.
(4) Realized frac spread or NGL margin, expressed in dollars per barrel of NGL, is derived from sales recorded by the segment during the period for frac spread exposed volumes plus the settlement value of frac hedges settled in the period less extraction premiums, divided by the total frac exposed volumes produced during the period.
(5) Average spot frac spread or NGL margin, expressed in dollars per barrel of NGL, is indicative of the average sales price that AltaGas receives for propane, butane, and condensate less extraction premiums, before accounting for hedges, divided by the respective frac spread exposed volumes for the period.
(6) Average propane price spread between FEI and Mont Belvieu TET commercial index.
(7) Reflects the revision of numbers relating to prior periods in 2024.
(8) Average butane price spread between FEI and Mont Belvieu TET commercial index.

Three Months Ended September 30

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

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

Nine Months Ended September 30

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

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

Midstream Hedges

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

(1) Excludes basis differential.

CORPORATE/OTHER

Three Months Ended September 30

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

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

Nine Months Ended September 30

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

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

NET INVESTED CAPITAL

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

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

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

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

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

During the third quarter of 2025, AltaGas' cash flow used in investing activities was an outflow of $425 million compared to $393 million in the same quarter of 2024. Please refer to the *Non-GAAP Financial Measures* and *Liquidity* sections of this MD&A for further information on AltaGas' cash flow from investing activities.

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

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

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

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

During the first nine months of 2025, AltaGas' cash flow from investing activities was an outflow of $1,134 million, compared to $973 million in the first nine months of 2024. Please refer to the *Non-GAAP Financial Measures* and *Liquidity* sections of this MD&A for further information on AltaGas' cash flow from investing activities.

LIQUIDITY

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

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

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

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

Cash From Operations

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

Working Capital

($ millions, except working capital ratio)		September 30, 2025		December 31, 2024
Current assets	**$**	**2,408**	$	2,819
Current liabilities		**2,745**		3,500
Working deficiency	**$**	**(337)**	$	(681)
Working capital ratio [1]		**0.88**		0.81

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

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

Investing Activities

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

Financing Activities

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

CAPITAL RESOURCES

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

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

As at September 30, 2025, AltaGas' total debt primarily consisted of outstanding medium term notes ("MTNs") of $2.9 billion (December 31, 2024 - $3.7 billion), WGL and Washington Gas MTNs and private placement notes of $3.3 billion (December 31, 2024 - $3.4 billion), reflecting fair value adjustments on acquisition, SEMCO First Mortgage Bonds of $413 million (December 31, 2024 - $427 million), $2.2 billion of subordinated hybrid notes (December 31, 2024 - $2.0 billion), $1.3 billion drawn under the bank credit facilities (December 31, 2024 - $104 million), and commercial paper of $nil outstanding for WGL and Washington Gas (December 31, 2024 – $263 million). In addition, AltaGas had $175 million of letters of credit outstanding (December 31, 2024 - $251 million).

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

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

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

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

(2) All US$ borrowing capacity was converted at the September 30, 2025 Canadian/U.S. dollar month-end exchange rate.

(3) Amounts drawn include commercial paper that is supported by the long term facilities. WGL and Washington Gas have the right to request additional borrowings of up to US$100 million and US$150 million respectively, with the bank's approval, for a total of US$400 million and US$600 million on their respective facilities.

In addition to the facilities listed above, AltaGas has demand letter of credit facilities of $448 million (December 31, 2024 - $463 million). As at September 30, 2025, there were letters of credit for $175 million (December 31, 2024 - $251 million) issued on these facilities and less than $1 million (December 31, 2024 - less than $1 million) issued on the Company's revolving credit facilities.

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

All of the borrowing facilities have covenants customary for these types of facilities, which must be met at each quarter end. AltaGas and its subsidiaries have been in compliance with all financial covenants each quarter since the establishment of the facilities. AltaGas and its subsidiaries are also in compliance with trust indenture requirements for its MTNs as at September 30, 2025 and December 31, 2024.

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

Ratios	Debt covenant requirements	**As at September 30, 2025**
Bank debt-to-capitalization (1) (2)	not greater than 65%	less than 43%
Bank EBITDA-to-interest expense (1) (2)	not less than 2.5x	greater than 5.0x
Bank debt-to-capitalization (SEMCO Energy) (2) (3)	not greater than 60%	less than 41%
Bank EBITDA-to-interest expense (SEMCO Energy) (2) (3)	not less than 2.25x	greater than 8.0x
Bank debt-to-capitalization (WGL) (2) (4)	not greater than 65%	less than 47%
Bank debt-to-capitalization (Washington Gas) (2) (4)	not greater than 65%	less than 47%

(1) Calculated in accordance with the Corporation's $2.3 billion credit facility agreement, which is available on SEDAR+ at www.sedarplus.ca. The covenants are equivalent and applicable to all the Corporation's committed credit facilities.
(2) Estimated, subject to final adjustments.
(3) Bank EBITDA-to-interest expense (SEMCO Energy) and Bank debt-to-capitalization (SEMCO Energy) are calculated based on SEMCO Energy's consolidated financial statements and are calculated similarly to bank debt-to-capitalization and bank EBITDA-to-interest expense.
(4) WGL's bank debt-to-capitalization ratio is calculated based on WGL's consolidated financial statements.

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

RELATED PARTY TRANSACTIONS

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

Subsidiary Entities

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

RISK MANAGEMENT

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

Risk Management Contracts

AltaGas is exposed to various market risks in the normal course of operations that could impact earnings and cash flows. AltaGas enters into physical and financial derivative contracts to manage exposure to fluctuations in commodity prices, foreign exchange rates, and interest rates, as well as to optimize certain owned and managed natural gas assets. These contracts do not eliminate AltaGas' exposure to risk associated with fluctuations in commodity prices, foreign exchange rates, or interest rates. The Board of Directors of AltaGas has established a risk management policy for the Corporation establishing AltaGas' risk management control framework. Derivative instruments are governed under, and subject to, this policy. As at September 30, 2025 and December 31, 2024, the fair values of the Corporation's derivatives were as follows:

($ millions)	**September 30, 2025**	December 31, 2024
Natural gas	**$ (2)**	$ (30)
Energy exports	**45**	(27)
NGL frac spread	**3**	(4)
Power	**(38)**	(63)
Crude oil and NGLs	**1**	(5)
Foreign exchange	**(50)**	(93)
Net derivative liability	**$ (41)**	$ (222)

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

<u>Commodity Price Contracts</u>

The average indicative spot NGL frac spread for the nine months ended September 30, 2025 was approximately $27/Bbl (2024 - $28/Bbl), inclusive of basis differentials. The average NGL frac spread realized by AltaGas (based on average spot price and realized hedge price inclusive of basis differentials) for the nine months ended September 30, 2025 was approximately $25/Bbl inclusive of basis differentials (2024 - $25/Bbl).

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

- Approximately 100 percent of its remaining 2025 expected global export volumes through a combination of tolls and financial hedges, with the average FEI to North American financial hedge price of approximately US$17/Bbl for non-tolled propane and butane volumes.
- Approximately 79 percent of its 2025 expected frac exposed volumes hedged at approximately US$26/Bbl, prior to transportation costs.
- Materially all of AltaGas' expected Baltic freight exposure is protected through time charters, financial hedges, and tolled volumes in 2025.

Foreign Exchange Contracts

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

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

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

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

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

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

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

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

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

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

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

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

Please refer to Note 22 of the 2024 Annual Consolidated Financial Statements and Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and nine months ended September 30, 2025 for further details regarding AltaGas' risk management activities.

DIVIDENDS

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

The following tables summarize AltaGas' dividend declaration history as of September 30, 2025:

Common Share Dividends

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

Series A Preferred Share Dividends (1)

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

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

Series B Preferred Share Dividends [1]

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

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

Series G Preferred Share Dividends

Year ended December 31				
($ per preferred share)		**2025**		2024
First quarter	**$**	**0.376063**	$	0.265125
Second quarter		**0.376063**		0.265125
Third quarter		**0.376063**		0.265125
Fourth quarter		**—**		0.376063
Total	**$**	**1.128189**	$	1.171438

Series H Preferred Share Dividends [1]

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

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

CRITICAL ACCOUNTING ESTIMATES

Since a determination of the value of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of AltaGas' Consolidated Financial Statements requires the use of estimates and assumptions that have been made using careful judgment. AltaGas' significant accounting policies have remained unchanged and are contained in the notes to the 2024 Annual Consolidated Financial Statements. Certain of these policies involve critical accounting estimates as a result of the requirement to make particularly subjective or complex judgments about matters that are inherently uncertain, and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. For a full discussion of AltaGas' critical accounting estimates and judgements, refer to Note 2 of the 2024 Annual Consolidated Financial Statements. There have been no material changes to AltaGas' critical estimates and judgements during the nine months ended September 30, 2025.

Refer to Note 2 of the unaudited condensed interim Consolidated Financial Statements as at and for the nine months ended September 30, 2025 for discussion of the adoption of new accounting standards and future changes in accounting principles.

OFF-BALANCE SHEET ARRANGEMENTS

AltaGas did not enter into any material off-balance sheet arrangements during the nine months ended September 30, 2025. Reference should be made to the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2024 for further information on off-balance sheet arrangements.

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

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

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

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

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

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

SHARE INFORMATION

	As at October 24, 2025
Issued and outstanding	
Common shares	299,486,164
Preferred Shares	
Series G	8,000,000
Issued	
Share Options	963,864
Share Options exercisable	963,864

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

($ millions)	**Q3-25**	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23
Total revenue	**2,598**	2,844	3,969	3,259	2,759	2,775	3,655	3,288
Normalized EBITDA	**268**	342	689	520	294	295	660	502
Net income (loss) applicable to common shares	**(25)**	175	392	203	9	(42)	408	113
($ per share)	**Q3-25**	Q2-25	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24	Q4-23
Net income (loss) per common share								
Basic	**(0.08)**	0.59	1.31	0.68	0.03	(0.14)	1.38	0.40
Diluted	**(0.08)**	0.58	1.31	0.68	0.03	(0.14)	1.37	0.40
Dividends declared	**0.32**	0.32	0.32	0.30	0.30	0.30	0.30	0.28

(1) Amounts may not add due to rounding.

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

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

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

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

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

- After-tax transaction costs related to acquisitions and dispositions of approximately $4 million, $9 million, and $5 million incurred in the first nine months of 2025, throughout 2024, and the last quarter of 2023, respectively, primarily due to asset sales and the Pipestone Acquisition;
- After-tax transition and restructuring costs of approximately $11 million, $52 million, and $11 million incurred in the first nine months of 2025, throughout 2024, and last quarter of 2023, respectively;
- The loss on the redemption of Series E Preferred Shares in the fourth quarter of 2023;
- The gain on partial settlement of Washington Gas' post-retirement benefit pension plan in the third quarter of 2024;
- The gain on sale of assets related to the Meade escrow proceeds in the third quarter of 2024;
- Provisions on assets recorded in the fourth quarter of 2024 related to the Edmonton Ethane Extraction Plant ("EEEP") and certain non-operational equipment in the Corporate/Other segment; and
- The loss on the redemption of Series A and Series B Preferred Shares in the third quarter of 2025.

OTHER INFORMATION

DEFINITIONS

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

ABOUT ALTAGAS

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

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