

AltaGas Ltd.

Management's Discussion & Analysis

For the three and six months ended June 30, 2026

Dated: July 29, 2026

AltaGas Business Overview and Organization

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

Utilities Segment

AltaGas' Utilities segment owns and operates franchised, cost-of-service, rate-regulated natural gas distribution and storage utilities that are focused on providing safe, reliable, and affordable energy to its customers. In the second quarter of 2026, AltaGas' Utilities provided energy to 1.6 million residential and commercial customers with an average rate base of US\$5.6 billion.

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

- Washington Gas Light Company ("Washington Gas") is the Company's largest operating utility and serves 1.2 million customers across Virginia, Maryland, and the District of Columbia ("D.C."); and
- SEMCO Energy, Inc. ("SEMCO Energy") serves 333,000 customers in Southern Michigan and Michigan's Upper Peninsula.

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

Midstream Segment

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

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

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

- **Global Exports**, which includes AltaGas' two operational LPG export terminals that provide open market access to approximately 70 counterparties, for nameplate export capacity of up to 155,000 Bbl/d of propane and butane to key demand markets in Asia, and a third terminal currently under construction;
- **Natural Gas Gathering, Processing and Extraction**, which includes 1.2 Bcf/d of extraction processing capacity and 1.3 Bcf/d of raw field gas processing capacity, which is heavily focused on the Montney and Deep Basin; and
- **Fractionation and Liquids Handling**, which includes 70 MBbl/d of fractionation capacity and a sizable liquids handling footprint.

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

Corporate/Other Segment

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

Second Quarter Highlights

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

Financial Highlights

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

Guidance and Balance Sheet Update

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

Operational Highlights

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

Business Development and Growth

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

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

Consolidated Financial Review

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

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

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

(2) Dividends declared per common share per quarter: \$0.315 per share beginning March 2025, increased to \$0.334 per share effective March 2026.

(3) Weighted average.

Results of Operations by Reporting Segment

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

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

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

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

Three Months Ended June 30

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

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

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

In the Corporate/Other segment, the decrease in normalized EBITDA was mainly driven by higher expenses related to employee incentive plans, primarily as a result of the increasing share price in the second quarter of 2026, as well as increased personnel costs. Please refer to the Corporate/Other Segment section of this MD&A for more details on the factors impacting Corporate/Other results.

Income before income taxes for the second quarter of 2026 was \$383 million, compared to \$226 million for the same quarter of 2025. The increase was mainly due to higher unrealized gains on risk management contracts and the same previously referenced factors impacting normalized EBITDA, partially offset by higher depreciation and amortization expense, and higher interest expense. Net income applicable to common shares for the second quarter of 2026 was \$288 million (\$0.92 per share), compared to \$175 million (\$0.59 per share) for the same

quarter of 2025. The increase was primarily due to the same previously referenced factors impacting income before income taxes, partially offset by higher income tax expense.

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

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

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

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

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

Six Months Ended June 30

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

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

In the Utilities segment, the increase in normalized EBITDA was primarily due to the impacts of the 2024 D.C. and 2025 Virginia rate cases, the gain on partial settlement of Washington Gas' post-retirement benefit pension plan in the first quarter of 2026, increased asset optimization activities at Washington Gas, and higher revenue associated with ARP investments. These factors were partially offset by higher operating and administrative expenses and lower contributions from WGL's retail business. Please refer to the Utilities Segment section of this MD&A for more details on the factors impacting Utilities results.

In the Corporate/Other segment, the decrease in normalized EBITDA was mainly driven by higher employee incentive compensation expense, primarily as a result of the increasing share price in the first half of 2026, as well as increased personnel costs. Please refer to the Corporate/Other Segment section of this MD&A for more details on the factors impacting Corporate/Other results.

Income before income taxes for the first half of 2026 was \$590 million, compared to \$739 million for the same period in 2025. The decrease was mainly due to unrealized losses on risk management contracts compared to unrealized gains in the same period in 2025, higher depreciation and amortization expense, and higher interest expense, partially offset by the same previously referenced factors impacting normalized EBITDA and lower transition and restructuring costs. Net income applicable to common shares for the first half of 2026 was \$435 million (\$1.40 per share), compared to \$567 million (\$1.90 per share) for the same period in 2025. The decrease was mainly due to the same previously referenced factors impacting income before income taxes, partially offset by lower income tax expense and lower preferred share dividends.

Normalized funds from operations for the first half of 2026 was \$934 million (\$2.99 per share), compared to \$779 million (\$2.61 per share) for the same period in 2025. The increase was mainly due to the same previously

referenced factors impacting normalized EBITDA and lower normalized current tax expense, partially offset by higher non-cash items included in normalized EBITDA, higher interest expense, and lower distributions from equity investments.

Cash from operations for the first half of 2026 was \$1,064 million (\$3.42 per share), compared to \$992 million (\$3.32 per share) for the same period in 2025. The increase was mainly due to higher net income after taxes (after adjusting for non-cash items), partially offset by unfavourable variances in the net change in operating assets and liabilities, primarily as a result of fluctuations in commodity prices and sales volumes, as well as lower distributions from equity investments. Please refer to the Liquidity section of this MD&A for further details on the variance in cash from operations.

Interest expense for the first half of 2026 was \$236 million, compared to \$229 million for the same period in 2025. The increase was mainly due to the issuance of additional subordinated hybrid notes in the third quarter of 2025, higher average debt balances, and lower capitalized interest, partially offset by the impact of a lower average U.S./Canadian dollar exchange rate. For the six months ended June 30, 2026, AltaGas recorded total interest expense of \$73 million on the subordinated hybrid notes compared to \$68 million for the same period in 2025.

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

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

2026 Outlook

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

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

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

The outlook for normalized EBITDA and normalized earnings per share incorporates assumptions regarding the Canadian/U.S. dollar exchange rate and AltaGas' existing foreign exchange hedging program. Actual results may vary based on the performance of underlying businesses within each segment and changes to key assumptions. For additional information regarding risks and uncertainties that may impact results, please refer to the Risk Factors section of AltaGas' 2025 Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

AltaGas continues to focus on de-risking its business and managing direct commodity price exposure to drive predictable and durable results. While the Company has exposure, it maintains an active hedging program that proactively hedges commodity price and spread risk to mitigate the impact of fluctuations in margins and cash flows. For the remainder of 2026, AltaGas has hedged materially all of its expected Baltic freight exposure through time charters, financial hedges, and tolled volumes, in addition to the hedges in the following table:

Midstream Hedge Program	Q3 2026	Q4 2026	Remainder of 2026
Global Exports volumes hedged (%) ⁽¹⁾	96	85	91
Average propane/butane Far East Index ("FEI") to North America hedge (US\$/Bbl) ^{(2) (3)}	21.23	22.57	21.81
Fractionation volumes hedged (%) ⁽³⁾	88	81	84
Frac spread hedge rate (US\$/Bbl) ⁽³⁾	20.95	23.50	22.34

(1) Approximate expected volumes hedged based on AltaGas' internally assumed export volumes. Hedged amounts include contracted tolling volumes and financial hedges.

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

(3) Approximate average for the period.

Sensitivity Analysis

AltaGas' financial performance is affected by factors such as changes in commodity prices, foreign exchange rates, and weather. The following table illustrates the approximate effect of these key variables on AltaGas' expected normalized results for the remainder of 2026:

Factor	Increase or decrease	Approximate impact on normalized results for the remainder of 2026 (\$ millions)
Degree day variance from normal - Utilities ^{(1) (2)}	5 percent	4
Change in Canadian dollar per U.S. dollar exchange rate ^{(3) (4)}	0.05	2
Propane and butane FEI to North America spreads ^{(1) (5)}	US\$1/Bbl	3

(1) Represents expected impact on normalized EBITDA for the remainder of 2026.

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

(3) Represents expected impact on normalized net income for the remainder of 2026.

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

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

Capital Expenditures

AltaGas is maintaining a disciplined capital program and currently expects to deploy approximately \$1.8 billion of invested capital in 2026. The increase from the previous estimate of \$1.7 billion is due to an increase in expected capital related to the construction of REEF and additional Midstream capital associated with new growth projects.

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

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

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

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

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

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

Growth Capital Project Updates

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

Project	AltaGas' Ownership Interest	Estimated Cost ⁽¹⁾	Project Description and Status	Expected In-Service Date
Midstream Projects				
REEF	50%	The total estimated project cost for REEF has been increased from \$1.35 billion to approximately \$1.5 billion, on a gross basis. The capital cost will be allocated between AltaGas and Vopak according to their respective ownership interests, subject to final adjustments for certain cost categories.	REEF is a large-scale LPG and bulk liquids export terminal with supporting marine infrastructure currently under construction on Ridley Island, British Columbia, adjacent to RIPET. The project is being developed by AltaGas and Vopak and will have export capacity of approximately 56,000 Bbl/d. Construction continues to advance across all major work fronts, with the project approximately 85 percent complete and activities increasingly focused on completion and readiness for commissioning. Engineering is complete, all major process equipment – including the LPG accumulators and bullets – has been installed, and remaining fabrication required for project completion has been delivered or is progressing to site in line with the construction schedule. Mechanical construction activities are nearing completion, supporting the planned demobilization of contractors and the transition to commissioning. Mitigation efforts remain focused on maintaining alignment with the revised execution schedule with commercial operations expected to commence before the end of the first quarter in 2027.	First quarter of 2027
REEF Optimization I	50%	\$110 million, on a gross basis. AltaGas' cost is expected to be approximately \$55 million on a net basis.	REEF Optimization I will increase REEF's throughput capacity by approximately 30,000 Bbl/d. Detailed engineering is progressing and long-lead equipment has been awarded. The partnership is also advancing engineering, permitting, and stakeholder engagement activities for REEF Optimization II, which could support an additional 25,000 to 65,000 Bbls/d of throughput capacity, with timing aligned to market fundamentals and customer demand. Detailed engineering and procurement activities for Optimization I continue to progress as planned. Design, fabrication, and construction activities associated with scope integrated into the active REEF project area have advanced to align with the broader REEF execution schedule, supporting efficiencies across both projects. In areas outside the REEF facility, the site foundations contractor has begun mobilization as planned in support of the overall project schedule.	Second half of 2027

Project	AltaGas' Ownership Interest	Estimated Cost ⁽¹⁾	Project Description and Status	Expected In-Service Date
Midstream Projects, continued				
RIPET Methanol Removal Project	70%	\$53 million, on a gross basis. AltaGas' cost is expected to be approximately \$37 million on a net basis.	AltaGas reached a positive FID on the RIPET Methanol Removal Project in April 2025. This project will expand RIPET's access to all Asian markets while ensuring fungible propane specifications between RIPET and REEF. The engineering, procurement, and fabrication contract has been awarded and equipment fabrication is underway. In October 2025, AltaGas and Vopak finalized commercial terms for Vopak's participation in the project, with Vopak funding 30 percent of total project costs through its proportionate ownership in the RIPET partnership. Construction activities have commenced, with equipment shipments expected to begin in the third quarter of 2026.	2026 Year-end
Dimsdale Phase I Expansion	100%	\$65 million	AltaGas reached a positive FID on the Phase I expansion of the Company's Dimsdale Gas Storage Facility in August 2025. The 6 Bcf expansion is supported by two 10-year firm storage contracts. Phase I includes a direct connection to the NGTL mainline through a new high-capacity pipeline, facility debottlenecking initiatives, including new dehydration equipment, and a new meter station. These investments are expected to expand capacity, enhance reliability, and reduce operating costs. Construction of the pipeline system for Phase I is mechanically complete and brownfield construction activities have commenced and are progressing as planned.	2026 Year-end
Dimsdale Phase II Expansion	100%	\$165 million	AltaGas reached a positive FID on the Phase II expansion of the Company's Dimsdale Gas Storage Facility in January 2026. The 30 Bcf expansion is supported by multi-year, take-or-pay firm storage service contracts. Phase II includes the construction of additional compression and dehydration capacity, as well as the drilling of five new storage wells, increasing gas storage capacity in the Alberta Montney region. Drilling of the new storage wells is expected to commence in the third quarter of 2026.	Mid 2027
NEBC Liquids Expansion	100%	\$125 million	AltaGas has reached positive FID on a liquids expansion and debottlenecking project that will expand NEBC liquids handling and fractionation capacity by 6,000 Bbls/d. The project includes a depropanizer and mercaptan treating at Townsend, debutanizer upgrades, additional loading capacity and additional bullet storage at North Pine, and is expected to be completed by mid-2028.	Mid 2028

Project	AltaGas' Ownership Interest	Estimated Cost ⁽¹⁾	Project Description and Status	Expected In-Service Date
Midstream Projects, continued				
MVP Mainline Expansion Project ("MVP Boost")	10%	The total estimated project cost for MVP Boost is approximately US\$400 million to US\$540 million, which will be split amongst the partners according to their respective ownership interests. AltaGas' net capital investment is expected to be approximately US\$40 million to US\$54 million.	The MVP Mainline Expansion is a compression-only upgrade that will add 600 MMcf/d of new firm capacity on the existing 303-mile mainline, increasing firm capacity to 2.6 Bcf/d (a 30 percent uplift). The FEED study is complete and following a highly oversubscribed open season, the partners have increased the size of the proposed MVP Boost expansion. In October 2025, the project sponsors filed a formal application with the Federal Energy Regulatory Commission ("FERC") seeking authorization to construct the project, which includes compression upgrades at existing facilities and one new compressor station. The project is targeting a mid-2028 in-service date, which is a year earlier than previously expected. The entire 600 MMcf/d of incremental capacity is fully contracted by investment grade utilities under 20-year take-or-pay agreements. MVP Boost is a highly economic expansion project with an approximate three times capex to EBITDA build multiple, underpinned by robust power generation and data center demand in Northern Virginia and Southeast markets.	Mid 2028
MVP Southgate Project	5%	Approximately US\$370 million to US\$430 million, on a gross basis. AltaGas' cost is expected to be approximately US\$19 million to US\$22 million on a net basis.	The MVP Southgate Project is an interstate natural gas pipeline in which AltaGas holds a 5.1 percent equity interest. Redesigned in 2023, the project will extend MVP approximately 31 miles from Pittsylvania County, Virginia to Rockingham County, North Carolina. Following temporary administrative stays related to Clean Water Act Section 401 Water Quality Certifications in Virginia and North Carolina, the 4th U.S. Circuit Court of Appeals lifted the stays in April 2026, allowing construction activities to proceed. Construction subsequently commenced in Virginia, and in June 2026, FERC authorized the commencement of construction activities in North Carolina after determining that all applicable pre-construction requirements had been satisfied. All key regulatory approvals have now been secured, construction activities are advancing, and the project is targeting completion by year-end 2026. AltaGas remains confident that MVP Southgate will be completed and placed into service and continues to support the project as it enables downstream customer connectivity to critical natural gas transportation infrastructure and enhances U.S. energy security.	2026 Year-end

Project	AltaGas' Ownership Interest	Estimated Cost ⁽¹⁾	Project Description and Status	Expected In-Service Date
Utilities Projects ⁽²⁾				
Accelerated Utility Pipe Replacement Programs – Washington Gas - D.C.	100%	Estimated US\$136 million for the period from March 2024 through December 2026 for PROJECT <i>pipes</i> 2, plus additional expenditures for District SAFE upon final approval.	The Public Service Commission of the District of Columbia ("PSC of D.C.") has issued several orders extending the second phase of Washington Gas' ARP in D.C. On June 16, 2026, Washington Gas filed an application with the PSC of D.C. to extend PROJECT <i>pipes</i> 2 through December 31, 2026, with an additional spending limit of US\$25 million. On June 30, 2026, the PSC of D.C. approved the extension of PROJECT <i>pipes</i> 2 through December 31, 2026 due to the extension of the District SAFE procedural schedule, with an authorized spending limit of US\$18 million for previously approved projects. On September 27, 2024, Washington Gas filed its restructured plan for the third phase of its ARP in D.C., District SAFE, requesting US\$215 million for the period from March 1, 2025 through December 31, 2027. On March 4, 2026, the PSC of D.C. approved District SAFE, with modifications, for the period from July 1, 2026 through June 30, 2029, with a total allowed spend of US\$150 million. On May 4, 2026, the PSC of D.C. granted reconsideration of its approval of District SAFE. Hearings were held in July 2026 and post-hearing briefs are due in August 2026. A final order in the District SAFE case is expected in the second half of 2026.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Accelerated Utility Pipe Replacement Programs – Washington Gas - Maryland	100%	Estimated US\$330 million over the five year period from January 2024 to December 2028, plus additional expenditures for subsequent phases upon approval.	On December 13, 2023, the Public Service Commission of Maryland ("PSC of MD") affirmed a public law judge's proposed order for the third phase of Washington Gas' ARP ("STRIDE 3") in Maryland, with a total five-year spending cap of US\$330 million. On June 1, 2025, the Maryland Next Generation Energy Act ("NGEA") became effective, which includes amendments to the STRIDE law to include additional requirements for a company to recover costs under STRIDE. On October 21, 2025, the PSC of MD directed Washington Gas to, within sixty days, justify how its current STRIDE 3 Plan complies with the NGEA or submit proposed revisions to its plan that would bring it into compliance with the NGEA. Washington Gas made a responsive Compliance Filing on December 20, 2025. On December 29, 2025, the PSC of MD issued a Letter Order limiting further STRIDE work in 2026 to those projects that were active as of the issuance of the Order, pending the PSC of MD's consideration of the NGEA Compliance Filing. On February 26, 2026, the PSC of MD approved the Company's 2026 Project List and surcharges and directed Commission Staff to file proposed regulations to establish standards for NGEA compliance. The 2026 Project List outlook is approximately US\$60 million.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.

Project	AltaGas' Ownership Interest	Estimated Cost ⁽¹⁾	Project Description and Status	Expected In-Service Date
Utilities Projects, continued ⁽²⁾				
Accelerated Utility Pipe Replacement Programs – Washington Gas - Virginia	100%	Estimated US\$700 million over the three year period from January 2026 to December 2028, plus additional expenditures for subsequent phases upon approval.	On May 26, 2022, the Virginia State Corporation Commission ("SCC of VA") approved Washington Gas' proposed amendment for the 2023 to 2027 SAVE Plan with a total five-year spending cap of US\$878 million, which may be exceeded by up to 5 percent. On November 25, 2025, the SCC of VA issued an order shortening the previous five-year authorization by two years, reducing the spending cap from approximately US\$878 million to US\$413 million through December 2025. This has been replaced with a new three-year authorization of US\$700 million, which may be exceeded by up to 5 percent, for the period from 2026 to 2028.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Accelerated Mains Replacement program ("MRP") and Infrastructure Reliability Improvement Program ("IRIP") – SEMCO ENERGY - Michigan	100%	Estimated US\$99 million from 2025 to 2027, plus additional expenditures for subsequent phases upon approval.	In September 2024, the Michigan Public Service Commission ("MPSC") approved the extension of SEMCO's MRP and IRIP programs for US\$46 million and US\$68 million, respectively, for the period from 2025 to 2027, which includes US\$15 million of spend for 2025 approved through the previous program. In its base rate application filed in February 2026, SEMCO proposed to reset both programs and requested an estimated spend of US\$284 million for the period from 2027 to 2031. This would replace the currently approved US\$40 million planned for 2027 under the existing programs. A decision is expected in the fourth quarter of 2026.	Individual assets are placed into service throughout the program and are captured in rate base through rate riders.
Keweenaw Connector Pipeline – SEMCO ENERGY – Michigan	100%	Estimated US\$135 million	In May 2025, SEMCO obtained regulatory approval for the Keweenaw Connector Pipeline, a system reinforcement project in Michigan's Keweenaw Peninsula. This project is designed to improve system resiliency and ensure reliable natural gas service for 14,000 existing customers in the region. In addition to enhancing reliability, the project also increases system capacity, allowing for future growth in the area. Permitting, property acquisition, and design have been completed. The material and construction contracts have been awarded and pipeline construction has begun.	2026 Year-end

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

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

Utilities

Financial Results

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

Operating Statistics

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

(1) Bcf is one billion cubic feet.

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

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

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

Three Months Ended June 30

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

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

Six Months Ended June 30

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

The Utilities segment income before income taxes was \$491 million in the first half of 2026, compared to \$541 million in the same period in 2025. The decrease was mainly due to unrealized losses on risk management

contracts compared to unrealized gains in the same period of 2025 and higher depreciation and amortization expense, partially offset by the same previously referenced factors impacting normalized EBITDA and lower transition and restructuring costs.

Utilities Regulatory Updates

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

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

Other Regulatory Updates

Climate Regulation

In D.C., D.C. Law 24-177 requires the Mayor to issue final regulations by December 31, 2026 that require all new construction or substantial improvements of commercial buildings (buildings with more than three stories) to be constructed to a net-zero-energy standard, which is defined to prohibit on-site fuel combustion. On October 17, 2024, Washington Gas, joined by co-plaintiffs, filed suit in the U.S. District Court for the District of Columbia challenging the legality of this law. On March 26, 2026, the District Court issued an opinion concluding that the D.C. law is not preempted by the federal Energy Policy and Conservation Act ("EPCA"). On April 14, 2026, plaintiffs filed a Notice of Appeal to the District of Columbia Circuit Court of Appeals.

In Montgomery County, Maryland, Bill 13-22 will require regulations that establish all-electric building standards for all new construction (with limited exceptions) by December 31, 2026. On October 17, 2024, Washington Gas, joined by co-plaintiffs, filed suit in the U.S. District Court for the District of Maryland challenging the legality of this bill. On March 25, 2026, the District Court issued an opinion that the Montgomery County law is not preempted by the federal EPCA. On April 14, 2026, plaintiffs filed a Notice of Appeal to the Fourth Circuit Court of Appeals.

In the State of Maryland, the Maryland Department of Environment promulgated final Building Energy Performance Standards ("BEPS") regulations that will impose carbon dioxide reduction requirements (that will eventually reach zero) for certain covered buildings, effective December 23, 2024. On January 17, 2025, Washington Gas and co-plaintiffs filed suit in the U.S. District Court for the District of Maryland challenging the legality of the regulations. On March 31, 2026, the District Court issued an opinion that the Maryland BEPS are not preempted by federal EPCA. On April 29, 2026, plaintiffs filed a Notice of Appeal to the Fourth Circuit Court of Appeals.

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

Midstream

Financial Results

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

Operating Statistics

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

(1) Average for the period.

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

(3) Fractionation volumes include NGL mix volumes processed.

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

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

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

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

Three Months Ended June 30

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

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

Six Months Ended June 30

The Midstream segment reported normalized EBITDA of \$558 million in the first half of 2026, compared to \$412 million in the same period in 2025. The increase in normalized EBITDA was primarily due to stronger performance from the global exports business as a result of higher export margins and increased tolling volumes. In addition, normalized EBITDA in the Midstream segment was impacted by contributions from Pipestone II, which was placed into service in December 2025, and stronger contributions from the fractionation and liquids handling business

supported by improved marketing margins. These factors were partially offset by lower earnings at the extraction facilities due to lower realized frac spreads, higher operating and administrative expenses, including higher long-term incentive costs associated with AltaGas' rising share price, and lower processing and fractionation revenue at Harmattan due to a planned turnaround in the second quarter of 2026.

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

Midstream Hedges

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

(1) Excludes basis differential.

Corporate/Other

Financial Results

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

Three Months Ended June 30

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

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

Six Months Ended June 30

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

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

Net Invested Capital

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

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

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

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

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

During the second quarter of 2026, AltaGas' cash flow used in investing activities was an outflow of \$438 million compared to \$357 million in the same quarter of 2025. Please refer to the Non-GAAP Financial Measures and Liquidity sections of this MD&A for further information on AltaGas' cash flow from investing activities.

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

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

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

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

During the first half of 2026, AltaGas' cash flow from investing activities was an outflow of \$889 million, compared to \$709 million in the first half of 2025. Please refer to the Non-GAAP Financial Measures and Liquidity sections of this MD&A for further information on AltaGas' cash flow from investing activities.

Liquidity

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

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

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

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

Cash From Operations

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

Working Capital

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

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

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

Investing Activities

Cash used in investing activities for the six months ended June 30, 2026 was \$889 million, compared to \$709 million in the same period of 2025. Investing activities for the six months ended June 30, 2026 included expenditures of \$877 million for property, plant and equipment and intangible assets, as well as \$14 million of contributions to equity investments, partially offset by \$2 million of proceeds from the disposition of equity investments. Investing activities for the six months ended June 30, 2025 included expenditures of \$707 million for property, plant and equipment and intangible assets, as well as \$2 million of contributions to equity investments.

Financing Activities

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

interests of \$168 million, long-term debt issuances (net of debt issuance costs) of \$136 million, and net proceeds from common shares issued on the exercise of Share Options of \$24 million.

Capital Resources

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

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

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

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

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

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

(1) Amount drawn at June 30, 2026 converted at the month-end rate of 1 U.S. dollar = 1.4210 Canadian dollar (December 31, 2025 - 1 U.S. dollar = 1.3706 Canadian dollar).

(2) All US\$ borrowing capacity was converted at the June 30, 2026 Canadian/U.S. dollar month-end exchange rate.

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

In addition to the facilities listed above, AltaGas has demand letter of credit facilities of \$458 million (December 31, 2025 - \$441 million). As at June 30, 2026, there were letters of credit for \$206 million (December 31, 2025 - \$184 million) issued on these facilities and less than \$1 million (December 31, 2025 - less than \$1 million) issued on the Company's revolving credit facilities.

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

All of the borrowing facilities have covenants customary for these types of facilities, which must be met at each quarter end. AltaGas and its subsidiaries have been in compliance with all financial covenants each quarter since the establishment of the facilities. AltaGas and its subsidiaries are also in compliance with trust indenture requirements for its MTNs as at June 30, 2026 and December 31, 2025.

Other Financing Activities

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

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

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

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

Ratios	Debt covenant requirements	As at June 30, 2026
Bank debt-to-capitalization ^{(1) (2)}	not greater than 65%	less than 41%
Bank EBITDA-to-interest expense ^{(1) (2)}	not less than 2.5x	greater than 5.0x
Bank debt-to-capitalization (SEMCO Energy) ^{(2) (3)}	not greater than 60%	less than 40%
Bank EBITDA-to-interest expense (SEMCO Energy) ^{(2) (3)}	not less than 2.25x	greater than 8.0x
Bank debt-to-capitalization (WGL) ^{(2) (4)}	not greater than 65%	less than 45%
Bank debt-to-capitalization (Washington Gas) ^{(2) (4)}	not greater than 65%	less than 45%

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

(2) Estimated, subject to final adjustments.

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

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

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

Related Party Transactions

In the normal course of business, AltaGas transacts with its subsidiaries, affiliates, and joint ventures. There were no significant changes in the nature of the related party transactions described in Note 28 of the 2025 Annual Consolidated Financial Statements.

Subsidiary Entities

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

Risk Management

AltaGas is subject to a variety of risks which could have a material impact on the financial results and operations of the Company. Shareholders and prospective investors should carefully evaluate risk factors noted by the Company before investing in the Company's securities, as each of these risks may negatively affect the trading price of the Company's securities, the amount of dividends paid to shareholders and the ability of the Company to fund its debt obligations, including debt obligations under its outstanding notes and any other debt securities that the Company may issue from time to time. For discussion of the risks and trends that could materially affect the Company's performance please refer to AltaGas' 2025 Annual Information Form, which is available on SEDAR+ at www.sedarplus.ca.

Risk Management Contracts

AltaGas is exposed to various market risks in the normal course of operations that could impact earnings and cash flows. AltaGas enters into physical and financial derivative contracts to manage exposure to fluctuations in commodity prices, foreign exchange rates, and interest rates, as well as to optimize certain owned and managed natural gas assets. These contracts do not eliminate AltaGas' exposure to risk associated with fluctuations in commodity prices, foreign exchange rates, or interest rates. The Board of Directors of AltaGas has established a risk management policy for the Corporation establishing AltaGas' risk management control framework. Derivative instruments are governed under, and subject to, this policy. As at June 30, 2026 and December 31, 2025, the fair values of the Corporation's derivatives were as follows:

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

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

Commodity Price Contracts

The average indicative spot NGL frac spread for the six months ended June 30, 2026 was approximately \$22/Bbl (2025 - \$28/Bbl), inclusive of basis differentials. The average NGL frac spread realized by AltaGas (based on average spot price and realized hedge price inclusive of basis differentials) for the six months ended June 30, 2026 was approximately \$15/Bbl, inclusive of basis differentials (2025 - \$26/Bbl).

AltaGas continues to focus on de-risking its business and managing direct commodity price exposure to drive predictable and durable results. While the Company has exposure, it maintains an active hedging program that proactively hedges commodity price and spread risk to mitigate the impact of fluctuations in margins and cash flows. For the remainder of 2026, AltaGas has hedged approximately:

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

Foreign Exchange Contracts

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

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

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

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

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

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

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

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

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

Weather Instruments

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

The Effects of Derivative Instruments on the Consolidated Statements of Income

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

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

Please refer to Note 21 of the 2025 Annual Consolidated Financial Statements and Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 for further details regarding AltaGas' risk management activities.

Dividends

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

The following tables summarize AltaGas' dividend declaration history as of June 30, 2026:

Common Share Dividends

Year ended December 31

(\$ per common share)	2026	2025
First quarter	\$ 0.334000	\$ 0.315000
Second quarter	0.334000	0.315000
Third quarter	—	0.315000
Fourth quarter	—	0.315000
Total	\$ 0.668000	\$ 1.260000

Series A Preferred Share Dividends ⁽¹⁾

Year ended December 31

(\$ per preferred share)	2026	2025
First quarter	\$ —	\$ 0.191250
Second quarter	—	0.191250
Third quarter	—	0.191250
Fourth quarter	—	—
Total	\$ —	\$ 0.573750

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

Series B Preferred Share Dividends ⁽¹⁾

Year ended December 31

(\$ per preferred share)	2026	2025
First quarter	\$ —	\$ 0.378550
Second quarter	—	0.342680
Third quarter	—	0.334220
Fourth quarter	—	—
Total	\$ —	\$ 1.055450

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

Series G Preferred Share Dividends

Year ended December 31

(\$ per preferred share)	2026	2025
First quarter	\$ 0.376063	\$ 0.376063
Second quarter	0.376063	0.376063
Third quarter	—	0.376063
Fourth quarter	—	0.376063
Total	\$ 0.752126	\$ 1.504252

Critical Accounting Estimates

Since a determination of the value of many assets, liabilities, revenues and expenses is dependent upon future events, the preparation of AltaGas' Consolidated Financial Statements requires the use of estimates and assumptions that have been made using careful judgment. AltaGas' significant accounting policies have remained unchanged and are contained in the notes to the 2025 Annual Consolidated Financial Statements. Certain of these policies involve critical accounting estimates as a result of the requirement to make particularly subjective or complex judgments about matters that are inherently uncertain, and because of the likelihood that materially different amounts could be reported under different conditions or using different assumptions. For a full discussion of AltaGas' critical accounting estimates and judgements, refer to Note 2 of the 2025 Annual Consolidated Financial Statements. There have been no material changes to AltaGas' critical estimates and judgements during the six months ended June 30, 2026.

Refer to Note 2 of the unaudited condensed interim Consolidated Financial Statements as at and for the six months ended June 30, 2026 for discussion of the adoption of new accounting standards and future changes in accounting principles.

Off-Balance Sheet Arrangements

AltaGas did not enter into any material off-balance sheet arrangements during the six months ended June 30, 2026. Reference should be made to the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2025 for further information on off-balance sheet arrangements.

Disclosure Controls and Procedures and Internal Control Over Financial Reporting

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

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

financial statements prepared for external purposes are in accordance with United States generally accepted accounting principles ("U.S. GAAP").

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

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

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

Share Information

As at July 24, 2026	
Issued and outstanding	
Common shares	312,005,563
Preferred Shares	
Series G	8,000,000
Issued	
Share Options	59,465
Share Options exercisable	59,465

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

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

(1) Amounts may not add due to rounding.

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

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

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

- The impact of Pipestone II being placed into service in December 2025.

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

- After-tax transaction costs related to acquisitions and dispositions of assets and/or equity investments of \$2 million, \$8 million, and \$3 million incurred in the first half of 2026, throughout 2025, and the last half of 2024, respectively;
- After-tax transition and restructuring costs of \$7 million, \$46 million, and \$28 million incurred in the first half of 2026, throughout 2025, and the last half of 2024, respectively;
- The gains on partial settlement of Washington Gas' post-retirement benefit pension plan recorded in the third quarter of 2024, the fourth quarter of 2025, and the first quarter of 2026;
- The gain on sale of assets related to the Meade escrow proceeds in the third quarter of 2024;
- Provisions on assets recorded in the fourth quarter of 2024 related to the Edmonton Ethane Extraction Plant ("EEEP") and certain non-operational equipment in the Corporate/Other segment; and
- Current tax expense of \$34 million recorded in the fourth quarter of 2025 related to legal entity restructuring.

Non-GAAP Financial Measures

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

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

Normalized EBITDA

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

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

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

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

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

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

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

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

Normalized Net Income

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

- (1) Comprised of transaction costs related to acquisitions and dispositions of assets and/or equity investments in the period. The pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income. Transaction costs include expenses, such as legal fees, which are directly attributable to the acquisition or disposition.
- (2) The pre-tax amounts are included in the "revenue", "cost of sales", and "foreign exchange losses" line items on the Consolidated Statements of Income. Please refer to Note 12 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 for further details regarding AltaGas' risk management activities.
- (3) The pre-tax amounts are included in the "other income" line item on the Consolidated Statements of Income.
- (4) Comprised of transition and restructuring costs (including CFO transition). These pre-tax costs are included in the "operating and administrative" line item on the Consolidated Statements of Income.
- (5) Relates to unrealized foreign exchange losses (gains) on intercompany accounts receivable and accounts payable balances between a U.S. subsidiary and a Canadian entity, where the impact to the U.S. subsidiary is recorded through accumulated other comprehensive income as a gain (loss) on foreign currency translation, and the impact to the Canadian entity is recorded through the "foreign exchange losses" line item on the Consolidated Statements of Income.

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

Normalized Funds from Operations

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

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

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

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

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

Net debt, adjusted net debt, and adjusted net debt to normalized EBITDA are used by the Corporation to monitor its capital structure and assess its capital structure relative to earnings. It is also used as a measure of the Corporation's overall financial strength and is presented to provide this perspective to analysts and investors. Net debt is defined as short-term debt, plus current and long-term portions of long-term debt, current and long-term portions of finance lease liabilities, and subordinated hybrid notes, less cash and cash equivalents. Adjusted net debt is defined as net debt adjusted for current and long-term portions of finance lease liabilities, 50 percent of subordinated hybrid notes, and 50 percent of preferred shares. Adjusted net debt to normalized EBITDA is calculated by dividing adjusted net debt as defined above by normalized EBITDA for the preceding 12 month period.

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

(1) Net of debt issuance costs, unamortized premiums, and unamortized discounts of less than \$1 million as at June 30, 2026 (December 31, 2025 - less than \$1 million).

(2) Net of debt issuance costs, unamortized premiums, and unamortized discounts of \$30 million as at June 30, 2026 (December 31, 2025 - \$29 million).

(3) Net of debt issuance costs of \$24 million as at June 30, 2026 (December 31, 2025 - \$25 million).

(4) Calculated as adjusted net debt at the balance sheet date, divided by normalized EBITDA for the preceding 12 month period.

Invested Capital and Net Invested Capital

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

(1) Comprised of non-cash capital expenditures included in the "accounts payable and accrued liabilities" line item on the Consolidated Balance Sheets. Please refer to Note 18 of the unaudited condensed interim Consolidated Financial Statements as at and for the three and six months ended June 30, 2026 for further details.

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

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

Supplemental Calculations

Reconciliation of Normalized EBITDA to Normalized Net Income

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

	Three Months Ended June 30		Six Months Ended June 30	
(\$ millions)	2026	2025	2026	2025
Normalized EBITDA	\$ 391	\$ 342	\$ 1,209	\$ 1,031
Add (deduct):				
Depreciation and amortization	(137)	(126)	(272)	(254)
Interest expense	(117)	(114)	(236)	(229)
Income tax expense	(91)	(44)	(146)	(157)
Normalizing items impacting income taxes ⁽¹⁾	60	28	(23)	43
Accretion expenses	(2)	(1)	(3)	(2)
Foreign exchange losses	(1)	(1)	—	(3)
Unrealized foreign exchange losses (gains) on intercompany accounts payable and accounts receivable balances	(2)	4	(8)	9
Net income applicable to non-controlling interests	(1)	(2)	(3)	(5)
Preferred share dividends	(3)	(5)	(6)	(10)
Normalized net income	\$ 97	\$ 81	\$ 512	\$ 423

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

Forward-Looking Information and Statements

This MD&A dated July 29, 2026 is provided to enable readers to assess the results of operations, liquidity, and capital resources of AltaGas as at and for the three and six months ended June 30, 2026. This MD&A should be read in conjunction with the accompanying unaudited condensed interim Consolidated Financial Statements and notes thereto of AltaGas as at and for the three and six months ended June 30, 2026 and the audited Consolidated Financial Statements and MD&A as at and for the year ended December 31, 2025.

The Consolidated Financial Statements and comparative information have been prepared in accordance with U.S. GAAP and in Canadian dollars, unless otherwise indicated. Throughout this MD&A, references to GAAP refer to U.S. GAAP and dollars refer to Canadian dollars, unless otherwise indicated.

Abbreviations, acronyms, and capitalized terms used in this MD&A without express definition shall have the same meanings given to those terms in the MD&A as at and for the year ended December 31, 2025 or the Annual Information Form for the year ended December 31, 2025.

This MD&A contains forward-looking information ("forward-looking statements"). Words such as "may", "can", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "aim", "seek", "propose", "contemplate", "estimate", "focus", "strive", "forecast", "expect", "project", "target", "potential", "objective", "continue", "outlook", "vision", "opportunity" and similar expressions suggesting future events or future performance, as they relate to the Corporation or any affiliate of the Corporation, are intended to identify forward-looking statements. In particular, this

MD&A contains forward-looking statements with respect to, among other things, business objectives, expected growth, results of operations, performance, business projects and opportunities and financial results. Specifically, such forward-looking statements included in this document include, but are not limited to, statements with respect to the following: AltaGas' belief in the role and importance of global resource exports; the Groundbirch Rail Terminal, including expected commercial arrangements; progress on REEF, including the anticipated timing, benefits and capital cost thereof and related execution plan and capital and schedule contingencies; the NEBC Liquids Expansion, including the anticipated timing, benefits and capital cost thereof; SEMCO's issuance of First Mortgage Bonds, including expected issuance dates and use of proceeds therefrom; Washington Gas' issuance of private placement notes, including expected issuance date and use of proceeds therefrom; AltaGas' commitment to advancing growth projects across the Utilities segment including new customer growth and execution of existing asset modernization programs; the Company's focus on operational excellence and cost management at the Utilities and the anticipated benefits thereof; AltaGas' focus on capital efficient organic growth and disciplined capital allocation; AltaGas' targeted leverage range; AltaGas' 2026 guidance including normalized earnings per share of \$2.35 to \$2.60 and normalized EBITDA of \$2.0 billion to \$2.1 billion; the expected normalized EBITDA contributions of the Utilities, Midstream, and Corporate/Other segments; expected growth drivers of normalized EBITDA in the Utilities segment; expected growth drivers of normalized EBITDA in the Midstream segment; expected growth drivers of 2026 normalized earnings per share; AltaGas' focus on de-risking its business and managing direct commodity price exposure and the anticipated benefits therefrom; the Company's intention to maintain an active hedging program and the anticipated outcomes therefrom; AltaGas' 2026 Midstream Hedge Program quarterly estimates; estimated impact of changes in commodity prices, exchange rates, and weather on normalized annual results for 2026; AltaGas' commitment to maintaining a disciplined capital program; expected invested capital expenditures of approximately \$1.8 billion in 2026; anticipated segment allocation and focus of capital expenditures in 2026; the expectation that AltaGas' 2026 committed capital program will be funded through internally-generated cash flows and enhanced financial flexibility as a result of AltaGas' stronger balance sheet; the estimated cost, status and expected in-service dates for growth capital projects in the Midstream and Utilities businesses, including the anticipated benefits of such projects; Washington Gas' ARP replacement programs and the expected benefits therefrom; SEMCO Energy's MRP and IRIP programs and the anticipated benefits therefrom; expected filing, procedure and decision dates for rate cases in the Utilities business; timing of material regulatory filings, proceedings and decisions in the Utilities business; AltaGas' expectation that it can fund its capital expenditure, liquidity and working capital needs through internally-generated cash flow, and normal course borrowings on existing committed credit facilities; the expectation that the restrictions on Washington Gas' ability to pay dividends to AltaGas as a result of certain commitments in respect of the WGL Acquisition will not have an impact on AltaGas' ability to meet its obligations; AltaGas' objective for managing capital and the anticipated benefits therefrom; and AltaGas' dividend policy.

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

AltaGas' forward-looking statements are subject to certain risks and uncertainties which could cause results or events to differ from current expectations, including, without limitation: health and safety risks; operating risks; infrastructure; natural gas supply risks; volume throughput; service interruptions; transportation of petroleum products; market risk; inflation; general economic conditions including tariffs; internal credit risk; capital market and liquidity risks; interest rates; foreign exchange risk; debt financing, refinancing, and debt service risk; counterparty and supplier risk; construction and development; cybersecurity, information, and control systems; regulatory risks; changes in law; climate-related risks; environmental regulation risks; Indigenous and treaty rights; litigation; dependence on certain partners; political uncertainty, activism, civil unrest, terrorist attacks and threats, escalation of military activity and acts of war; risks related to conflict; decommissioning, abandonment and reclamation costs; reputation risk; weather data; technical systems and processes incidents; growth strategy risk; failure to realize anticipated benefits of acquisitions and dispositions; underinsured and uninsured losses; impact of competition in AltaGas' businesses; counterparty credit risk; composition risk; collateral; rep agreements; market value of the Common Shares and other securities; variability of dividends; potential sales of additional shares; labor relations; key personnel; risk management costs and limitations; commitments associated with regulatory approvals for the acquisition of WGL; cost of providing retirement plan benefits; failure of service providers; risks related to pandemics, epidemics or disease outbreaks; and the other factors discussed under the heading "Risk Factors" in the Corporation's

Annual Information Form for the year ended December 31, 2025 and set out in AltaGas' other continuous disclosure documents.

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

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

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

Other Information

Definitions

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

About AltaGas

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

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

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