

NGTL Limited Partnership
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three Months Ended March 31, 2026

May 8, 2026

This management's discussion and analysis (MD&A) contains information to help the reader make investment decisions about NGTL Limited Partnership (NGTL or the Partnership). NGTL is an indirect wholly-owned subsidiary of, as well as operated by, TransCanada Pipelines Limited (TCPL), which itself is a wholly-owned subsidiary of TC Energy Corporation (TC Energy). The Partnership is managed by its general partner, NGTL GP Ltd. (NGTL GP), a direct wholly-owned subsidiary of TCPL. NGTL owns and operates the NGTL System, a natural gas transportation system in Alberta and northeastern British Columbia.

This MD&A discusses our business, operations, financial position, risks and other factors for the three months ended March 31, 2026 and should be read with the accompanying unaudited Condensed financial statements for the three months ended March 31, 2026, which have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP).

This MD&A should also be read in conjunction with our December 31, 2025 audited Financial Statements and notes and management's discussion and analysis (2025 Annual Documents).

Capitalized and abbreviated terms that are used but not otherwise defined herein are defined in our 2025 Annual Documents. All amounts are in Canadian dollars, unless noted otherwise.

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FORWARD-LOOKING INFORMATION

We disclose forward-looking information to help the reader understand management's assessment of our future plans and financial outlook and future prospects overall.

Statements that are **forward looking** are based on certain assumptions and on what we know and expect today and generally include words like **anticipate, expect, believe, may, will, should, estimate** or other similar words.

Forward-looking statements in this MD&A include information about the following, among other things:

- our financial and operational performance
- expectations about strategies and goals for growth and expansion, including acquisitions
- expected cash flows and future financing options available
- expectations regarding the size, structure, timing, conditions and outcome of ongoing and future transactions
- expected access to and cost of capital
- expected energy demand levels
- expected costs and schedules for planned projects, including projects under construction and in development
- expected capital expenditures, contractual obligations, commitments and contingent liabilities, including environmental remediation costs
- expected regulatory processes and outcomes
- expected outcomes with respect to legal proceedings, including arbitration and insurance claims
- expected impact of future tax and accounting changes
- commitments and targets contained in TC Energy's Report on Sustainability, including statements related to greenhouse gas (GHG) emissions reduction targets, such as its methane emissions intensity target
- expected industry, market and economic conditions, and ongoing trade negotiations, including their impact on our customers and suppliers.

Forward-looking statements do not guarantee future performance. Actual events and results could be significantly different because of assumptions, risks or uncertainties related to our business or events that happen after the date of this MD&A.

Our forward-looking information is based on the following key assumptions and subject to the following risks and uncertainties:

Assumptions

- realization of expected impacts from acquisitions and divestitures
- regulatory decisions and outcomes
- planned and unplanned outages and the utilization of our pipeline assets
- integrity and reliability of our assets
- anticipated construction costs, schedules and completion dates
- access to capital
- expected industry, market and economic conditions, including the impact of these on our customers and suppliers
- inflation rates, commodity and labour prices
- interest, tax and foreign exchange rates.

Risks and uncertainties

- realization of expected impacts from acquisitions and divestitures
- our ability to successfully implement our strategic priorities and whether they will yield the expected benefits
- operating performance of our pipeline assets
- amount of capacity sold and rates achieved
- production levels within the supply basin
- construction and completion of capital projects
- cost, availability of, and inflationary pressures on, labour, equipment and materials
- availability and market prices of commodities
- access to capital markets on competitive terms
- interest, tax and foreign exchange rates
- performance and credit risk of our counterparties
- regulatory decisions and outcomes of legal proceedings, including arbitration and insurance claims
- our ability to effectively anticipate and assess changes to government policies and regulations, including those related to the environment
- our ability to realize the value of tangible assets and contractual recoveries
- competition in the pipeline sector
- unexpected or unusual weather
- acts of civil disobedience
- cybersecurity and technological developments
- sustainability-related risks including climate-related risks and the impact of energy transition on our business
- economic and political conditions, and ongoing trade negotiations in North America, as well as globally
- global health crises, such as pandemics and epidemics, and the impact related thereto.

You can read more about these factors and others in this MD&A and in other reports we have filed with the Canadian securities regulators, including the MD&A in NGTL's 2025 Annual Documents.

As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. We do not update our forward-looking statements due to new information or future events, unless we are required to by law.

FOR MORE INFORMATION

You can find more information about NGTL, including other disclosure documents, which are available on SEDAR+ (www.sedarplus.ca) under NGTL Limited Partnership.

RESULTS - FIRST QUARTER 2026

Net Income

Our net income is primarily driven by the NGTL System whose operations are regulated by the Canada Energy Regulator (CER). Fluctuations in our net income over the long term primarily reflect our level of investment in the NGTL System as well as the terms of negotiated settlements and regulatory decisions.

Net income increased by \$18 million for the three months ended March 31, 2026, compared to the same period in 2025 mainly as a result of lower financial charges, higher incentive earnings and higher revenues from flow-through income taxes. As a limited partnership, NGTL is not subject to income taxes and the tax obligations are those of its partners. For more information refer to NGTL's 2025 Annual Documents.

The NGTL System is currently operating under the 2025-2029 NGTL Settlement, which includes an approved return on common equity (ROE) of 10.1 per cent on 40 per cent deemed common equity. This settlement provides the NGTL System with higher depreciation rates and the opportunity to further increase depreciation rates with an incentive if tolls fall below specified levels, or if growth projects are undertaken. It also includes incentive mechanisms to reduce both physical emissions and emission compliance costs, while also providing incentive for certain operating costs where variances from projected amounts and emissions savings are shared with customers.

OUTLOOK

Net Income

Our net income for the NGTL System in 2026 is expected to be consistent with 2025 as outlined in NGTL's 2025 Annual Documents.

Capital Spending

Our expected total capital expenditures for 2026 as outlined in NGTL's 2025 Annual Documents remains materially unchanged.

CAPITAL PROGRAM

Our capital program consists of approximately \$2.2 billion of secured projects that represent commercially supported, committed projects that are either under construction or are in, or preparing to commence, the permitting stage.

Three years of maintenance capital expenditures are included in the Secured projects table. Maintenance capital expenditures are added to rate base on which the NGTL System has the opportunity to earn a return and recover these expenditures through current or future tolls, which is similar to our capacity capital projects.

All projects are subject to cost and timing adjustments due to factors including weather, market conditions, route refinement, land acquisition, permitting conditions, scheduling and timing of regulatory permits, as well as other potential restrictions and uncertainties, including inflationary pressures on labour and materials. Amounts in the following table exclude allowance for funds used during construction (AFUDC), where applicable.

Secured projects

(billions of \$)	Expected in-service date	Estimated project cost ¹	Project costs incurred as at March 31, 2026
Capacity capital	2027	0.4	0.1
	2028+	0.6	—
Maintenance capital	2026 - 2028	1.2	—
Total secured projects		2.2	0.1

¹ Includes amounts related to projects within the Multi-Year Growth Plan (MYGP) that have received final investment decision (FID).

RECENT DEVELOPMENTS

In the three months ended March 31, 2026, we placed approximately \$0.4 billion of capacity projects in service on the NGTL System, including \$0.1 billion of MYGP projects.

Multi-Year Growth Plan

The 2025-2029 NGTL Settlement enables an investment framework that supports TCPL's Board of Directors' approval to allocate up to \$3.3 billion of capital towards progression of the MYGP for expansion facilities to meet commitments on the NGTL System. It is comprised of multiple distinct projects with various targeted in-service dates, subject to final company and regulatory approvals. As of March 31, 2026, approximately \$1.1 billion of expansion facilities have received FID, with various in-service dates starting in 2026. As we have continued to evaluate plans for each MYGP facility, we do not expect that all facilities up to the Board-approved capital allocation will be required to satisfy our MYGP capacity commitments of approximately 1.0 Bcf/d of incremental system throughput.

Valhalla North and Berland River Project

The Valhalla North and Berland River project continues to advance. The Valhalla section, which consists of approximately 33 km of new pipeline, was placed in service in third quarter 2025, with a capital cost of approximately \$0.2 billion. The construction of the Berland River non-emitting electric compressor unit was completed in first quarter 2026, with a capital cost of approximately \$0.3 billion, and is expected to be operational in the second half of 2026 upon completion of the third-party power transmission connection. The project is designed to provide incremental capacity on the NGTL System of approximately 400 MMcf/d.

FINANCIAL CONDITION

We believe that our financial position remains sound, as does our ability to generate cash in the short and long term, to maintain liquidity, financial capacity and flexibility and to fund planned growth. Our liquidity position is underpinned by predictable and growing cash flows from operations and financial support provided by TCPL.

At March 31, 2026, our current assets totaled \$1.1 billion and current liabilities amounted to \$1.1 billion, leaving us with no working capital deficit, compared to a deficit of \$0.3 billion at December 31, 2025. Our working capital fluctuations are considered to be in the normal course of business and are managed through an ability to generate predictable cash flows from operations and access to capital through TCPL.

Cash Provided by Operating Activities

Net cash provided by operations for the three months ended March 31, 2026 was \$530 million compared to \$551 million for the same period in 2025, with the decrease primarily due to timing of changes in working capital partially offset by higher net income and higher recovery of depreciation.

Cash Used in Investing Activities

Net cash used in investing activities for the three months ended March 31, 2026 was \$530 million compared to \$259 million for the same period in 2025, with the increase primarily due to higher Due from parent advances partially offset by lower spending on capacity projects.

Cash Provided by Financing Activities

Net cash provided by financing activities for the three months ended March 31, 2026 was nil compared to \$271 million for the same period in 2025, due to lower net issuances of long-term debt.

Long-term Debt Issued/Repaid

On April 13, 2026, we repaid a \$460 million promissory note to TCPL, having a maturity date of May 12, 2026 and bearing interest at 4.35 per cent.

CONTRACTUAL OBLIGATIONS

Capital expenditure commitments decreased by approximately \$17 million to \$91 million since December 31, 2025, reflecting normal course fulfillment of construction contracts, partially offset by new commitments on capital projects.

There were no material changes to our contractual obligations in first quarter 2026. For additional information on these contractual obligations, refer to NGTL's 2025 Annual Documents.

FINANCIAL RISKS AND FINANCIAL INSTRUMENTS

We are exposed to various financial risks and have strategies, policies and limits in place to manage the impact of these risks on our earnings, cash flows and value to the Partnership.

Risk management strategies, policies and limits are designed to ensure our risks and related exposures are in line with our business objectives and risk tolerance.

Refer to NGTL's 2025 Annual Documents and Note 4, Risk Management and Financial Instruments, in our Condensed financial statements for information about the risks we face in the business.

RELATED PARTY TRANSACTIONS

Financing transactions with NGTL's parent company, TCPL, were entered into at prevailing commercial terms and interest rates and are reflected in Due from parent, Current portion of long-term debt and Long-term debt on our Condensed balance sheet. All other transactions with related parties occurred in the normal course of operations and are recorded at the exchange amount. Refer to Note 6, Related Party Transactions, in our Condensed financial statements for more information on related party transactions.

OTHER INFORMATION

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICY CHANGES

When we prepare financial statements that conform with U.S. GAAP, we are required to make estimates and assumptions that affect the timing and amounts recorded for assets, liabilities, revenues and expenses because these items may be affected by future events. We base the estimates and assumptions on the most current information available, using our best judgment. We also regularly assess the assets and liabilities themselves. We have no critical accounting estimates for the period ended March 31, 2026.

ACCOUNTING CHANGES

Our significant accounting policies have remained unchanged since December 31, 2025 other than as described in Note 2, Accounting changes, in our Condensed financial statements. A summary of our significant accounting policies is included in NGTL's December 31, 2025 audited Financial statements.

QUARTERLY RESULTS

SELECTED QUARTERLY CONDENSED FINANCIAL DATA

(millions of \$)	2026		2025		2024			
	First	Fourth	Third	Second	First	Fourth	Third	Second
Operating Results:								
Revenues	976	982	968	960	935	917	907	938
Net income	262	268	258	246	244	227	234	232

FACTORS AFFECTING QUARTERLY FINANCIAL INFORMATION

Our annual revenues and net income fluctuate over the long-term primarily due to the level of investment and regulatory decisions and terms of negotiated settlements with respect to the NGTL System.

Generally, quarter-over-quarter revenues and net income during any particular fiscal year remain relatively stable with fluctuations arising from:

- regulatory decisions
- negotiated settlements with customers
- newly constructed assets being placed in service
- debt balance changes
- interest rate changes
- acquisitions and divestitures
- recovery of income taxes
- developments outside of the normal course of operations.

First Quarter 2026

Net income increased from first quarter 2025 to first quarter 2026 primarily due to lower financial charges, higher incentive earnings and higher revenues from flow-through income taxes.