

## CONSOLIDATED BALANCE SHEETS

(condensed and unaudited)

As at (\$ millions)	March 31, 2025	December 31, 2024
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 18)	\$ 197	\$ 85
Accounts receivable (net of credit losses of \$39 million) (note 12)	1,786	1,766
Inventory (note 3)	517	676
Regulatory assets	61	92
Risk management assets (note 12)	71	25
Prepaid expenses and other current assets (note 18)	186	175
	<b>2,818</b>	<b>2,819</b>
<b>Property, plant and equipment</b>	<b>14,863</b>	<b>14,654</b>
<b>Intangible assets</b>	<b>102</b>	<b>107</b>
<b>Operating right of use assets</b>	<b>473</b>	<b>490</b>
<b>Goodwill (note 4)</b>	<b>5,686</b>	<b>5,691</b>
<b>Regulatory assets</b>	<b>319</b>	<b>430</b>
<b>Risk management assets (note 12)</b>	<b>67</b>	<b>63</b>
<b>Prepaid post-retirement benefits</b>	<b>824</b>	<b>814</b>
<b>Long-term investments and other assets (net of credit losses of \$1 million) (notes 5, 12, and 18)</b>	<b>246</b>	<b>255</b>
<b>Investments accounted for by the equity method (note 7)</b>	<b>766</b>	<b>769</b>
	<b>\$ 26,164</b>	<b>\$ 26,092</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 1,938	\$ 2,089
Short-term debt	—	10
Current portion of long-term debt (notes 8 and 12)	558	858
Customer deposits	63	98
Regulatory liabilities	77	79
Risk management liabilities (note 12)	143	150
Current portion of finance lease liabilities (note 12)	24	23
Current portion of operating lease liabilities	131	124
Other current liabilities (note 12)	27	69
	<b>2,961</b>	<b>3,500</b>
<b>Long-term debt (notes 8 and 12)</b>	<b>7,141</b>	<b>6,992</b>
<b>Asset retirement obligations</b>	<b>479</b>	<b>482</b>
<b>Unamortized investment tax credits</b>	<b>1</b>	<b>2</b>
<b>Deferred income taxes</b>	<b>1,880</b>	<b>1,794</b>
<b>Subordinated hybrid notes (notes 9 and 12)</b>	<b>2,021</b>	<b>2,022</b>
<b>Regulatory liabilities</b>	<b>1,401</b>	<b>1,380</b>
<b>Risk management liabilities (note 12)</b>	<b>134</b>	<b>160</b>
<b>Finance lease liabilities (note 12)</b>	<b>127</b>	<b>126</b>
<b>Operating lease liabilities</b>	<b>396</b>	<b>412</b>
<b>Other long-term liabilities</b>	<b>102</b>	<b>127</b>
<b>Future employee obligations</b>	<b>47</b>	<b>49</b>
	<b>\$ 16,690</b>	<b>\$ 17,046</b>

As at (\$ millions)

March 31, December 31,  
2025 2024

**Shareholders' equity**

Common shares, no par values, unlimited shares authorized; 2025 - 298.9 million and 2024 - 297.9 million issued and outstanding (note 14)	\$ 7,201	\$ 7,180
Preferred shares (note 14)	391	391
Contributed surplus	615	618
Accumulated deficit	(294)	(592)
Accumulated other comprehensive income ("AOCI") (note 10)	1,181	1,155
<b>Total shareholders' equity</b>	<b>9,094</b>	<b>8,752</b>
<b>Non-controlling interests</b>	<b>380</b>	<b>294</b>
<b>Total equity</b>	<b>\$ 9,474</b>	<b>\$ 9,046</b>
	<b>\$ 26,164</b>	<b>\$ 26,092</b>

*Variable interest entities (note 6)*

*Commitments, guarantees, and contingencies (note 16)*

*Seasonality (note 19)*

*Segmented information (note 20)*

*Subsequent events (note 21)*

*See accompanying notes to the Consolidated Financial Statements.*

## CONSOLIDATED STATEMENTS OF INCOME

(condensed and unaudited)

	Three Months Ended March 31	
(\$ millions except per share amounts)	2025	2024
<b>REVENUE</b> (note 11)	<b>\$ 3,969</b>	<b>\$ 3,655</b>
<b>EXPENSES</b>		
Cost of sales, exclusive of items shown separately	2,764	2,477
Operating and administrative	481	467
Accretion expenses	1	1
Depreciation and amortization	128	116
Provisions on assets	2	—
	<b>3,376</b>	<b>3,061</b>
<b>Income from equity investments</b> (note 7)	<b>16</b>	<b>21</b>
<b>Other income</b>	<b>21</b>	<b>28</b>
<b>Foreign exchange gains (losses)</b>	<b>(2)</b>	<b>5</b>
<b>Interest expense</b>	<b>(115)</b>	<b>(107)</b>
<b>Income before income taxes</b>	<b>513</b>	<b>541</b>
<b>Income tax expense</b>		
Current	34	27
Deferred	79	98
<b>Net income after taxes</b>	<b>400</b>	<b>416</b>
<b>Net income applicable to non-controlling interests</b>	<b>3</b>	<b>4</b>
<b>Net income applicable to controlling interests</b>	<b>397</b>	<b>412</b>
<b>Preferred share dividends</b>	<b>(5)</b>	<b>(4)</b>
<b>Net income applicable to common shares</b>	<b>\$ 392</b>	<b>\$ 408</b>
<b>Net income per common share</b> (note 15)		
Basic	<b>\$ 1.31</b>	<b>\$ 1.38</b>
Diluted	<b>\$ 1.31</b>	<b>\$ 1.37</b>
<b>Weighted average number of common shares outstanding</b> (millions) (note 15)		
Basic	<b>298.1</b>	<b>295.3</b>
Diluted	<b>299.2</b>	<b>297.1</b>

See accompanying notes to the Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(condensed and unaudited)

(\$ millions)	Three Months Ended	
	2025	2024
<b>Net income after taxes</b>	<b>\$ 400</b>	<b>\$ 416</b>
Other comprehensive income ("OCI"), net of taxes		
Gains (losses) on foreign currency translation	<b>(12)</b>	250
Unrealized gains (losses) on net investment hedge (note 12)	<b>1</b>	(20)
Gains (losses) on cash flow hedges (note 12)	<b>36</b>	(11)
Reclassification of losses on cash flow hedges (note 12)	<b>1</b>	3
<b>Total OCI, net of taxes</b>	<b>\$ 26</b>	<b>\$ 222</b>
<b>Comprehensive income attributable to controlling interests and non-controlling interests, net of taxes</b>	<b>\$ 426</b>	<b>\$ 638</b>
<b>Comprehensive income attributable to:</b>		
Non-controlling interests	<b>\$ 3</b>	<b>\$ 4</b>
Controlling interests	<b>423</b>	<b>634</b>
	<b>\$ 426</b>	<b>\$ 638</b>

See accompanying notes to the Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF EQUITY

(condensed and unaudited)

(\$ millions)	Three Months Ended	
	2025	2024
<b>Common shares (note 14)</b>		
Balance, beginning of period	\$ 7,180	\$ 7,120
Shares issued for cash on exercise of options	21	18
Balance, end of period	\$ 7,201	\$ 7,138
<b>Preferred shares (note 14)</b>		
Balance, beginning of period	\$ 391	\$ 391
Balance, end of period	\$ 391	\$ 391
<b>Contributed surplus</b>		
Balance, beginning of period	\$ 618	\$ 624
Exercise of share options	(3)	(2)
Balance, end of period	\$ 615	\$ 622
<b>Accumulated deficit</b>		
Balance, beginning of period	\$ (592)	\$ (817)
Net income applicable to controlling interests	397	412
Common share dividends	(94)	(88)
Preferred share dividends	(5)	(4)
Balance, end of period	\$ (294)	\$ (497)
<b>AOCI (note 10)</b>		
Balance, beginning of period	\$ 1,155	\$ 395
Other comprehensive income	26	222
Balance, end of period	\$ 1,181	\$ 617
<b>Total shareholders' equity</b>		
	\$ 9,094	\$ 8,271
<b>Non-controlling interests</b>		
Balance, beginning of period	\$ 294	\$ 150
Net income applicable to non-controlling interests	3	4
Contributions from non-controlling interests to subsidiaries	87	9
Distributions by subsidiaries to non-controlling interests	(4)	(4)
Balance, end of period	\$ 380	\$ 159
<b>Total equity</b>	<b>\$ 9,474</b>	<b>\$ 8,430</b>

See accompanying notes to the Consolidated Financial Statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(condensed and unaudited)

(\$ millions)	Three Months Ended	
	2025	March 31 2024
<b>Cash from operations</b>		
Net income after taxes	\$ 400	\$ 416
Items not involving cash:		
Depreciation and amortization	128	116
Provisions on assets	2	—
Accretion expenses	1	1
Deferred income tax expense	79	98
Losses (gains) on sale of assets	2	(1)
Income from equity investments (note 7)	(16)	(21)
Unrealized gains on risk management contracts (note 12)	(85)	(117)
Amortization of deferred financing costs	1	2
Allowance for credit losses (note 12)	14	10
Change in pension and other post-retirement benefits	(17)	(14)
Other	11	(7)
Distributions from equity investments	20	3
Changes in operating assets and liabilities (note 18)	87	71
	<b>\$ 627</b>	<b>\$ 557</b>
<b>Investing activities</b>		
Capital expenditures - property, plant and equipment	(348)	(275)
Capital expenditures - intangible assets	(3)	(1)
Contributions to equity investments	(1)	—
Proceeds from disposition of assets, net of transaction costs	—	1
	<b>\$ (352)</b>	<b>\$ (275)</b>
<b>Financing activities</b>		
Issuance of long-term debt, net of debt issuance costs	—	996
Repayment of long-term debt and finance lease liabilities	(308)	(558)
Net borrowing (repayment) under credit facilities	142	(633)
Dividends - common shares	(94)	(88)
Dividends - preferred shares	(5)	(4)
Distributions to non-controlling interests	(4)	(4)
Contributions from non-controlling interests	87	6
Net proceeds from shares issued on exercise of options (note 14)	18	17
Settlement of derivative instruments	—	(9)
	<b>\$ (164)</b>	<b>\$ (277)</b>
<b>Change in cash, cash equivalents, and restricted cash</b>	<b>111</b>	<b>5</b>
<b>Cash, cash equivalents, and restricted cash, beginning of period</b>	<b>92</b>	<b>104</b>
<b>Cash, cash equivalents, and restricted cash, end of period (note 18)</b>	<b>\$ 203</b>	<b>\$ 109</b>

See accompanying notes to the Consolidated Financial Statements.

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

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*(Tabular amounts and amounts in footnotes to tables are in millions of Canadian dollars unless otherwise indicated.)*

### 1. ORGANIZATION AND OVERVIEW OF THE BUSINESS

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

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

AltaGas' operating segments include the following:

- Utilities, which owns and operates franchised, cost-of-service, rate regulated natural gas distribution and storage utilities that focus on providing safe, reliable, affordable energy to approximately 1.6 million residential and commercial customers. This includes operating two utilities that deliver essential energy across four major U.S. jurisdictions with a rate base of approximately US\$5.4 billion. The Utilities business also includes storage facilities and contracts for interstate natural gas transportation and storage services, as well as WGL Energy Services, an affiliated retail energy marketing business, which sells natural gas and electricity directly to residential, commercial, and industrial customers that operate across Maryland, Virginia, Delaware, Pennsylvania, Ohio, New Jersey, and the District of Columbia ("D.C."); and
- Midstream, which is a leading North American platform that connects customers and markets to critical forms of energy from wellhead to tidewater. The three pillars of the Midstream business include: 1) global exports, which includes AltaGas' two operational Liquefied Petroleum Gas ("LPG") export terminals and one prospective development terminal; 2) natural gas gathering, processing and extraction; and 3) fractionation and liquids handling. AltaGas' Midstream segment also includes its natural gas and natural gas liquids ("NGLs") marketing business, domestic logistics, trucking and rail terminals, and liquid and natural gas storage capability.

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

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***BASIS OF PRESENTATION***

These unaudited condensed interim Consolidated Financial Statements have been prepared by Management in accordance with United States Generally Accepted Accounting Principles ("U.S. GAAP"). As a result, these unaudited condensed interim Consolidated Financial Statements do not include all of the information and disclosures required in the annual Consolidated Financial Statements and should be read in conjunction with the Corporation's 2024 annual audited Consolidated Financial Statements prepared in accordance with U.S. GAAP. In Management's opinion, these unaudited condensed interim Consolidated Financial Statements include all adjustments that are of a recurring nature and necessary to present fairly the financial position of the Corporation.

Pursuant to National Instrument 52-107, "Acceptable Accounting Principles and Auditing Standards" ("NI 52-107"), U.S. GAAP reporting is generally permitted by Canadian securities laws for companies subject to reporting obligations under U.S. securities laws. On March 28, 2023, AltaGas filed Form 15 with the Securities and Exchange Commission ("SEC") and as such, is no longer an SEC issuer and can no longer rely on the provisions of NI 52-107. Therefore, AltaGas sought and obtained exemptive relief by the securities regulators in Alberta and Ontario to permit it to prepare its financial statements in accordance with U.S. GAAP. The Alberta Securities Commission exemption will terminate on or after the earlier of January 1, 2027, the date to which AltaGas ceases to have activities subject to rate regulation, or the first day of AltaGas' fiscal year that commences on or following the latter of: a) the effective date prescribed by the IASB for a mandatory rate regulated standard; or b) two years after the IASB publishes the final version of a mandatory rate regulated standard.

### ***PRINCIPLES OF CONSOLIDATION***

These unaudited condensed interim Consolidated Financial Statements of AltaGas include the accounts of the Corporation, its subsidiaries, variable interest entities ("VIEs") for which the Corporation is the primary beneficiary, and its interest in various partnerships and joint ventures where AltaGas has an undivided interest in the assets and liabilities. Investments in unconsolidated companies that AltaGas has significant influence, but not control, over are accounted for using the equity method.

All intercompany balances and transactions are eliminated on consolidation. Where there is a party with a non-controlling interest in a subsidiary that AltaGas controls, that non-controlling interest is reflected as "non-controlling interests" in the Consolidated Financial Statements. The non-controlling interests in net income (or loss) of consolidated subsidiaries are shown as an allocation of the consolidated net income and are presented separately in "net income applicable to non-controlling interests".

### ***USE OF ESTIMATES AND MEASUREMENT UNCERTAINTY***

The preparation of Consolidated Financial Statements in accordance with U.S. GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenue and expenses during the period. Critical estimates and judgements used in the preparation of these condensed interim Consolidated Financial Statements are described in Note 2 of the Corporation's 2024 annual audited Consolidated Financial Statements. There have been no material changes to AltaGas' critical estimates and judgements during the three months ended March 31, 2025.

### ***SIGNIFICANT ACCOUNTING POLICIES***

These unaudited condensed interim Consolidated Financial Statements have been prepared following the same accounting policies and methods as those used in preparing the Corporation's 2024 annual audited Consolidated Financial Statements.

## **ADOPTION OF NEW ACCOUNTING STANDARDS**

Effective January 1, 2025, AltaGas adopted the following Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU"):

- In March 2024, FASB issued ASU No. 2024-01 "Compensation - Stock Compensation (Topic 718)". The amendments in this ASU provide an illustrative example to assist entities that account for profits interest awards as compensation to employees or non-employees to reduce (1) complexity in determining whether a profits interest award is subject to the guidance in Topic 718, and (2) existing diversity in practice. The adoption of this ASU did not have a material impact on AltaGas' consolidated financial statements.

## **FUTURE CHANGES IN ACCOUNTING PRINCIPLES**

In October 2023, FASB issued ASU No. 2023-06 "Disclosure Improvements". The amendments in this ASU modify the disclosure or presentation requirements of a variety of topics in the codification as a result of FASB's decision to incorporate disclosures referred to in SEC Release No. 33-10532, which sought to simplify SEC disclosure requirements. The amendments in this ASU allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the SEC's requirements. This ASU is only effective upon the removal of the related disclosure from SEC regulations with an expiration of June 30, 2027. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements at this time, but may have an impact in future periods as AltaGas is subject to the scope of this ASU.

In December 2023, FASB issued ASU No. 2023-09 "Income Taxes (Topic 740): Improvements to Income Tax Disclosures". The amendments in this ASU require that public business entities on an annual basis: (1) disclose additional categories about federal, state, and foreign income taxes in the rate reconciliation table and (2) provide additional information for reconciling items that meet a quantitative threshold. Additionally, entities are required to annually disclose disaggregated income from continuing operations, income tax expense, and income taxes paid (net of refunds received) by certain tax authorities and jurisdictions. This ASU is effective for annual periods beginning after December 15, 2024. The adoption of this ASU will have an impact on AltaGas' income tax disclosures.

In November 2024, FASB issued ASU 2024-03 "Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses". This ASU requires all public business entities to disclose additional information about specific expense categories on an annual and interim basis in the notes to financial statements. The amendments in this ASU do not change or remove existing expense disclosure requirements, including their presentation. However, it may affect where that information appears in the footnotes to the financial statements. This ASU is effective for annual reporting periods beginning after December 15, 2026, and for interim reporting period beginning after December 15, 2027. The adoption of this ASU will have an impact on AltaGas' disclosures.

In November 2024, FASB issued ASU 2024-04 "Debt – Debt With Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments". The amendments in this ASU clarify the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. To account for a settlement of a convertible debt instrument as an induced conversion, an inducement offer is required to provide the debt holder with, at a minimum, the consideration issuable under the conversion privileges provided in the terms of the instrument. The amendments do not change the other criteria that are required to be satisfied to account for a settlement transaction as an induced conversion. This ASU is effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities that have adopted the amendments in ASU 2020-06. The amendments in this ASU permit an entity to apply the new guidance on either a prospective or a retrospective basis. The adoption of this ASU is not expected to have a material impact on AltaGas' consolidated financial statements.

### 3. INVENTORY

As at	March 31, 2025	December 31, 2024
Renewable energy credits and emission compliance instruments	\$ 177	\$ 165
Natural gas held in storage <sup>(a)</sup>	95	213
Natural gas liquids	95	122
Materials and supplies	72	70
Crude oil and condensate	72	98
Processed finished products	6	8
	<b>\$ 517</b>	<b>\$ 676</b>

(a) As at March 31, 2025, \$89 million of the natural gas held in storage was held by rate-regulated utilities (December 31, 2024 - \$186 million).

### 4. GOODWILL

As at	March 31, 2025	December 31, 2024
Balance, beginning of period	\$ 5,691	\$ 5,270
Adjustment to goodwill on business acquisition	—	7
Foreign exchange translation	(5)	414
Balance, end of period	<b>\$ 5,686</b>	<b>\$ 5,691</b>

### 5. LONG-TERM INVESTMENTS AND OTHER ASSETS

As at	March 31, 2025	December 31, 2024
Deferred lease receivable	\$ 16	\$ 16
Debt issuance costs associated with credit facilities	4	5
Refundable deposits	10	10
Prepayment on long-term service agreements	62	62
Deferred information technology costs	44	43
Cash calls from joint venture partners	15	16
Contract asset <i>(net of credit losses of \$1 million) (notes 11 and 12)</i>	3	3
Rabbi trust <i>(notes 17 and 18)</i>	4	5
Capitalized contract costs	4	4
Financial transmission rights	25	31
Blend-and-extend contract	28	29
Other	31	31
	<b>\$ 246</b>	<b>\$ 255</b>

## 6. VARIABLE INTEREST ENTITIES

### Consolidated VIEs

AltaGas consolidates a VIE where the Corporation is deemed the primary beneficiary. The primary beneficiary of a VIE has the power to direct the activities of the entity that most significantly impact its economic performance such as being the provider of construction, operating, and marketing services to the entity. In addition, the primary beneficiary of a VIE also has the obligation to absorb losses of the entity or the right to receive benefits that could potentially be significant to the VIE. AltaGas determined that it is the primary beneficiary of the following VIEs:

#### Ridley Island LPG Export Limited Partnership

On May 5, 2017, AltaGas LPG Limited Partnership ("AltaGas LPG"), a wholly-owned subsidiary of AltaGas, and Vopak Development Canada Inc. ("Vopak"), a wholly-owned subsidiary of Koninklijke Vopak N.V. ("Royal Vopak"), a public company incorporated under the laws of the Netherlands, formed the Ridley Island LPG Export Limited Partnership ("RILE LP") to develop, own, and operate the Ridley Island Propane Export Terminal ("RIPET"). AltaGas' subsidiaries hold a 70 percent interest while Vopak holds a 30 percent interest in RILE LP. The construction cost of RIPET was funded by AltaGas LPG and Vopak in proportion to their respective interests in RILE LP. As part of the arrangements, AltaGas entered into a long-term agreement for the capacity of RIPET with RILE LP, and AltaGas and certain of its subsidiaries provide operating services to RILE LP.

AltaGas has determined that RILE LP is a VIE in which it holds variable interests and is the primary beneficiary. In the determination that AltaGas is the primary beneficiary of the VIE, AltaGas noted that it has the power to direct the activities that most significantly impact the VIE's economic performance through the operating and marketing services provided to RILE LP. In addition, AltaGas has the obligation to absorb the losses and the right to receive the benefits that could potentially be significant to RILE LP through the long-term agreement for the capacity of RIPET. As such, AltaGas has consolidated RILE LP.

The assets of RILE LP are the property of RILE LP and are not available to AltaGas for any other purpose. RILE LP's asset balances can only be used to settle its own obligations. The liabilities of RILE LP do not represent additional claims against AltaGas' general assets. AltaGas' exposure to loss as a result of its interest as a limited partner is its net investment. The terms of the long-term capacity agreement between AltaGas LPG and RILE LP provide for a return on and of capital and reimbursement of RIPET's operating costs by AltaGas LPG in accordance with the terms set out in the agreement.

The following table represents amounts included in the Consolidated Balance Sheets attributable to RILE LP:

As at	March 31, 2025	December 31, 2024
Current assets	\$ 16	\$ 9
Property, plant and equipment	342	343
Long-term investments and other assets	38	39
Current liabilities	(21)	(18)
Asset retirement obligations	(5)	(5)
Net assets	\$ 370	\$ 368

### Ridley Island Energy Export Facility Limited Partnership

On April 4, 2023, AltaGas LPG and Vopak formed the Ridley Island Energy Export Facility Limited Partnership ("REEF LP") to develop, own, and operate the Ridley Island Energy Export Facility ("REEF"). AltaGas' subsidiaries and Vopak each hold a 50 percent interest in REEF LP. The construction cost of REEF is being funded by AltaGas LPG and Vopak in proportion to their respective interests in REEF LP. As part of the project definitive agreements, AltaGas entered into a long-term agreement for 100 percent of the capacity of REEF with REEF LP. Additionally, AltaGas and certain of its subsidiaries have been contracted to provide operating and project development services to REEF LP.

AltaGas has determined that REEF LP is a VIE in which it holds variable interests and is the primary beneficiary. In the determination that AltaGas is the primary beneficiary of the VIE, AltaGas noted that it has the power to direct the activities that most significantly impact the VIE's economic performance through its control of all operational and commercial aspects of the project. In addition, AltaGas has the obligation to absorb the losses and the right to receive the benefits that could potentially be significant to REEF LP through the long-term agreement for the capacity of REEF. As such, AltaGas has consolidated REEF LP.

The assets of REEF LP are the property of REEF LP and are not available to AltaGas for any purpose other than as described in the long-term capacity agreement. REEF LP's asset balances can only be used to settle its own obligations and the liabilities of REEF LP do not represent additional claims against AltaGas' general assets. AltaGas' exposure to loss as a result of its interest as a limited partner is its net investment. AltaGas and Royal Vopak have provided limited guarantees for the obligations of their respective subsidiaries for the construction cost of REEF. With the commencement of commercial operations at REEF, the terms of the long-term capacity agreement between AltaGas LPG and REEF LP provide for a return on and of capital and reimbursement of REEF's operating costs by AltaGas LPG in accordance with the terms set out in the agreement.

The following table represents amounts included in the Consolidated Balance Sheets attributable to REEF LP:

As at	March 31, 2025	December 31, 2024
Current assets	\$ 80	\$ 59
Property, plant and equipment	453	312
Operating right of use assets	56	56
Current portion of operating lease liabilities	(3)	(3)
Operating lease liabilities	(55)	(55)
Other long-term liabilities	(1)	(1)
Net assets	\$ 530	\$ 368

### AltaGas Hybrid Trust

On January 11, 2022, AltaGas closed its offering of \$300 million of 5.25 percent Fixed-to-Fixed Rate Subordinated Notes, Series 1 (Note 9). In conjunction with the debt offering, AltaGas issued \$300 million in Preferred Shares, Series 2022-A, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as trustee. The Preferred Shares were issued to satisfy the obligations under the indenture governing the associated Series 1 Subordinated Notes. Following the occurrence of certain bankruptcy or insolvency events in respect of AltaGas, subject to certain exceptions, the Series 2022-A Preferred Shares would be delivered to the holders of the Series 1 Subordinated Notes. Upon delivery of the Series 2022-A Preferred Shares, the Series 1 Subordinated Notes would be immediately and automatically surrendered and cancelled and all rights of any Series 1 Subordinated Notes will automatically cease.

On August 17, 2022, AltaGas closed its offering of \$250 million of 7.35 percent Fixed-to-Fixed Subordinated Notes, Series 2 (Note 9). In conjunction with the debt offering, AltaGas issued \$250 million in Preferred Shares, Series

2022-B, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as trustee. The Preferred Shares were issued to satisfy the obligations under the indenture governing the associated Series 2 Subordinated Notes. Following the occurrence of certain bankruptcy or insolvency events in respect of AltaGas, subject to certain exceptions, the Series 2022-B Preferred Shares would be delivered to the holders of the Series 2 Subordinated Notes. Upon delivery of the Series 2022-B Preferred Shares, the Series 2 Subordinated Notes would be immediately and automatically surrendered and cancelled and all rights of any Series 2 Subordinated Notes will automatically cease.

On November 10, 2023, AltaGas closed its offering of \$200 million of 8.90 percent Fixed-to-Fixed Subordinated Notes, Series 3 (Note 9). In conjunction with the debt offering, AltaGas issued \$200 million in Preferred Shares, Series 2023-A, to be held in the AltaGas Hybrid Trust with Computershare Trust Company of Canada acting as trustee. The Preferred Shares were issued to satisfy the obligations under the indenture governing the associated Series 3 Subordinated Notes. Following the occurrence of certain bankruptcy or insolvency events in respect of AltaGas, subject to certain exceptions, the Series 2023-A Preferred Shares would be delivered to the holders of the Series 3 Subordinated Notes. Upon delivery of the Series 2023-A Preferred Shares, the Series 3 Subordinated Notes would be immediately and automatically surrendered and cancelled and all rights of any Series 3 Subordinated Notes will automatically cease.

The only assets held by the AltaGas Hybrid Trust are the Series 2022-A, Series 2022-B, and Series 2023-A Preferred Shares.

AltaGas has determined that AltaGas Hybrid Trust is a VIE in which it holds variable interests and is the primary beneficiary. In the determination that AltaGas is the primary beneficiary of the VIE, AltaGas noted that it has the power to direct the activities that most significantly impact the VIE's economic performance through its role as the sole administrative agent. In addition, AltaGas has the obligation to absorb the administrative expenses that are significant to the trust through the associated administrative agreement. As such, AltaGas has consolidated the AltaGas Hybrid Trust.

## **Unconsolidated VIE**

### *Strathcona Storage Limited Partnership ("SSLP")*

AltaGas owns an interest in SSLP, a partnership formed with ATCO Energy Solutions Ltd. to construct, operate, and maintain underground NGL storage caverns at Fort Saskatchewan, Alberta. The facility currently has five underground NGL storage salt caverns.

As at March 31, 2025, AltaGas' held a 40 percent equity investment in SSLP with a carrying value of \$129 million (December 31, 2024 - \$127 million). SSLP is not consolidated by AltaGas and instead is accounted for by the equity method of accounting. AltaGas is not the primary beneficiary of SSLP and it does not have the power to direct the activities most significant to the economic performance of SSLP. The maximum financial exposure to loss as a result of the involvement with this VIE is equal to AltaGas' net investment in SSLP.

## 7. INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

	Location	Ownership Percentage	Carrying value as at	
			March 31, 2025	December 31, 2024
Eaton Rapids Gas Storage System	United States	50 \$	30 \$	30
Mountain Valley Pipeline, LLC ("MVP") <sup>(a)</sup>	United States	10	591	596
Sarnia Airport Storage Pool LP	Canada	50	15	15
Petrogas Terminals Penn LLC	United States	50	1	1
SSLP	Canada	40	129	127
			<b>\$ 766</b>	<b>\$ 769</b>

(a) The equity method is considered appropriate because MVP is an LLC with specific ownership accounts and ownership between five and fifty percent, resulting in AltaGas exercising a more than minor influence over the investee's operating and financing policies.

	Location	Ownership Percentage	Equity income for the three months ended March 31	
			2025	2024
Eaton Rapids Gas Storage System	United States	50 \$	1 \$	1
MVP <sup>(a)</sup>	United States	10	13	19
SSLP	Canada	40	2	1
			<b>\$ 16</b>	<b>\$ 21</b>

(a) Equity income includes allowance for funds used during construction ("AFUDC") prior to June 2024 and equity earnings from income generated by MVP subsequent to being placed in-service on June 14, 2024. Earnings after June 14, 2024 also include the amortization of certain basis differences.

The carrying amount of certain equity investments differs from the amount of the underlying equity in net assets. These basis differences include amounts related to purchase accounting adjustments, capitalized interest, provisions on assets, and a contractual cap on contributions to MVP.

## 8. LONG-TERM DEBT

As at	Maturity date	March 31, 2025	December 31, 2024
<b>Credit facilities</b>			
\$2.3 billion unsecured extendible revolving facility <sup>(a)</sup>	2-May-2028	\$ 470	\$ —
US\$150 million unsecured extendible revolving facility	20-Dec-2026	29	104
Commercial paper <sup>(b)</sup>	Various	11	253
<b>AltaGas Ltd. medium-term notes ("MTNs")</b>			
\$300 million Senior unsecured - 3.84 percent	15-Jan-2025	—	300
\$500 million Senior unsecured - 2.16 percent	10-Jun-2025	500	500
\$350 million Senior unsecured - 4.12 percent	7-Apr-2026	350	350
\$47 million Senior unsecured - 4.64 percent	15-May-2026	47	47
\$200 million Senior unsecured - 2.17 percent	16-Mar-2027	200	200
\$200 million Senior unsecured - 3.98 percent	4-Oct-2027	200	200
\$500 million Senior unsecured - 2.08 percent	30-May-2028	500	500
\$400 million Senior unsecured - 4.67 percent	8-Jan-2029	400	400
\$200 million Senior unsecured - 2.48 percent	30-Nov-2030	200	200
\$350 million Senior unsecured - 5.14 percent	14-Mar-2034	350	350
\$21 million Senior unsecured - 5.16 percent	13-Jan-2044	21	21
\$108 million Senior unsecured - 4.50 percent	15-Aug-2044	108	108
\$68 million Senior unsecured - 4.99 percent	4-Oct-2047	68	68
\$500 million Senior unsecured - 5.60 percent	14-Mar-2054	500	500
<b>WGL and Washington Gas MTNs and private placement notes</b>			
US\$41 million Senior unsecured - 5.44 percent	11-Aug-2025	58	58
US\$53 million Senior unsecured - 6.62 to 6.82 percent	Oct 2026	76	76
US\$72 million Senior unsecured - 6.40 to 6.57 percent	Feb - Sep 2027	104	104
US\$52 million Senior unsecured - 6.57 to 6.85 percent	Jan - Mar 2028	75	75
US\$9 million Senior unsecured - 7.50 percent	1-Apr-2030	12	12
US\$150 million Senior unsecured - 6.06 percent	14-Oct-2033	216	216
US\$50 million Senior unsecured - 5.70 to 5.78 percent	Jan - Mar 2036	72	72
US\$75 million Senior unsecured - 5.21 percent	3-Dec-2040	107	107
US\$75 million Senior unsecured - 5.00 percent	15-Dec-2043	107	107
US\$300 million Senior unsecured - 4.22 to 4.60 percent	Sep - Nov 2044	431	432
US\$450 million Senior unsecured - 3.80 percent	15-Sep-2046	646	647
US\$400 million Senior unsecured - 3.65 percent	15-Sep-2049	575	576
US\$200 million Senior unsecured - 2.98 percent	15-Dec-2051	288	288
US\$25 million Senior unsecured - 5.25 percent	29-Dec-2042	36	36
US\$175 million Senior unsecured - 5.33 percent	29-Dec-2052	252	252
US\$50 million Senior unsecured - 6.43 percent	15-Oct-2053	72	72
US\$100 million Senior unsecured - 5.40 percent <sup>(c)</sup>	01-Oct-2054	144	144
<b>SEMCO long-term debt</b>			
US\$225 million First Mortgage Bonds - 2.45 percent	21-Apr-2030	104	104
US\$225 million First Mortgage Bonds - 3.15 percent	21-Apr-2050	323	323
Fair value adjustment on WGL Acquisition		76	77
		<b>\$ 7,728</b>	<b>\$ 7,879</b>
Less: unamortized premiums, discounts, and debt issuance costs		(29)	(29)
		<b>\$ 7,699</b>	<b>\$ 7,850</b>
Less: current portion		(558)	(858)
		<b>\$ 7,141</b>	<b>\$ 6,992</b>

(a) Includes a \$1.7 billion four-year extendable committed revolving tranche which matures in May 2028 and a \$600 million three-year extendable side car revolving tranche which matures in May 2027.

(b) Commercial paper is supported by the availability of long-term committed credit facilities maturing in 2026. Commercial paper intended to be repaid within the next year is recorded as short-term debt.

(c) Pursuant to the note purchase agreement executed on October 1, 2024, an additional US\$100 million was issued on April 1, 2025 at 4.84 percent with a maturity date of April 1, 2035.

## 9. SUBORDINATED HYBRID NOTES

As at	Maturity date		March 31, 2025	December 31, 2024
\$300 million Subordinated Notes, Series 1 - 5.25 percent <sup>(a)</sup>	11-Jan-2082	\$	300	\$ 300
\$250 million Subordinated Notes, Series 2 - 7.35 percent <sup>(b)</sup>	17-Aug-2082		250	250
\$200 million Subordinated Notes, Series 3 - 8.90 percent <sup>(c)</sup>	10-Nov-2083		200	200
US\$900 million Subordinated Notes - 7.20 percent <sup>(d) (e)</sup>	15-Oct-2054		1,294	1,295
		\$	2,044	\$ 2,045
Less: debt issuance costs			(23)	(23)
		\$	2,021	\$ 2,022

- (a) For the initial 10 years, the Notes carry a fixed interest rate. From January 11, 2032, and on every fifth anniversary of such date thereafter, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year Government of Canada yield plus for the period from January 11, 2032 to, but excluding, January 11, 2052, 3.82 percent and for the period from January 11, 2052 to, but excluding, the maturity date, 4.57 percent.
- (b) For the initial 5 years, the Notes carry a fixed interest rate. From August 17, 2027, and on every fifth anniversary of such date thereafter, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year Government of Canada yield plus for the period from August 17, 2027 to, but excluding, August 17, 2032, 4.54 percent, for the period from August 17, 2032, to, but excluding, August 17, 2047, 4.79 percent, and for the period from August 17, 2047, to, but excluding, the maturity date, 5.54 percent.
- (c) For the initial 5 years, the Notes carry a fixed interest rate. From November 10, 2028, and on every fifth anniversary of such date thereafter, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year Government of Canada yield plus for the period from November 10, 2028 to, but excluding, November 10, 2033, 5.09 percent, for the period from November 10, 2033 to, but excluding, November 10, 2048, 5.34 percent, and for the period from November 10, 2048, to, but excluding, the Maturity date, 6.09 percent.
- (d) For the initial 10 years, the Notes carry a fixed interest rate. From October 15, 2034, the interest rate will reset for the subsequent fixed rate period at a rate per annum equal to the five year treasury rate plus 3.57 percent.
- (e) In the third quarter of 2024, AltaGas concurrently executed cross-currency swaps totaling US\$900 million, which will convert the U.S. dollar principal and interest payments of these Notes into Canadian dollars and apply an effective annual interest rate of 6.90 percent, which is based on the initial converted Canadian principal amount of approximately \$1.2 billion. Refer to Note 12 for more details.

For the three months ended March 31, 2025, AltaGas recorded interest expense of \$34 million on the subordinated hybrid notes (three months ended March 31, 2024 - \$13 million).

## 10. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

	Cash Flow Hedges	DB pension and PRB plans	Hedge net investments	Translation foreign operations	Total
<b>Opening balance, January 1, 2025</b>	\$ (92)	\$ (4)	\$ (232)	\$ 1,483	\$ 1,155
OCI before reclassification	43	—	1	(12)	32
Amounts reclassified from OCI	1	—	—	—	1
Current period OCI (pre-tax)	\$ 44	\$ —	\$ 1	\$ (12)	\$ 33
Income tax on amounts retained in AOCI	(7)	—	—	—	(7)
Net current period OCI	\$ 37	\$ —	\$ 1	\$ (12)	\$ 26
<b>Ending balance, March 31, 2025</b>	\$ (55)	\$ (4)	\$ (231)	\$ 1,471	\$ 1,181
Opening balance, January 1, 2024	\$ (9)	\$ (2)	\$ (148)	\$ 554	\$ 395
OCI before reclassification	(13)	—	(23)	250	214
Amounts reclassified from OCI	3	—	—	—	3
Current period OCI (pre-tax)	\$ (10)	\$ —	\$ (23)	\$ 250	\$ 217
Income tax on accounts retained in AOCI	2	—	3	—	5
Net current period OCI	\$ (8)	\$ —	\$ (20)	\$ 250	\$ 222
Ending balance, March 31, 2024	\$ (17)	\$ (2)	\$ (168)	\$ 804	\$ 617

## Reclassification From Accumulated Other Comprehensive Income (Loss)

AOCI components reclassified	Income statement line item	Three Months Ended	
		March 31, 2025	March 31, 2024
		Losses	Losses
Cash flow hedges - commodity contracts	Cost of sales	\$ —	\$ (3)
Cash flow hedges - cross-currency swaps	Foreign exchange gains (losses)	(1)	—
		\$ (1)	\$ (3)

## 11. REVENUE

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

Three Months Ended March 31, 2025					
	Utilities	Midstream	Corporate/Other	Total	
<b>Revenue from contracts with customers</b>					
Commodity sales contracts	\$ 652	\$ 1,659	\$ 2	\$ 2,313	
Midstream service contracts	—	324	—	324	
Gas sales and transportation services	1,243	—	—	1,243	
Storage services	—	18	—	18	
Other <sup>(a)</sup>	2	—	13	15	
<b>Total revenue from contracts with customers</b>	<b>\$ 1,897</b>	<b>\$ 2,001</b>	<b>\$ 15</b>	<b>\$ 3,913</b>	
<b>Other sources of revenue</b>					
Revenue from alternative revenue programs <sup>(b)</sup>	\$ 24	\$ —	\$ —	\$ 24	
Leasing revenue <sup>(c)</sup>	—	65	—	65	
Risk management and trading activities <sup>(d)</sup>	(45)	17	—	(28)	
Other	(6)	1	—	(5)	
<b>Total revenue from other sources</b>	<b>\$ (27)</b>	<b>\$ 83</b>	<b>\$ —</b>	<b>\$ 56</b>	
<b>Total revenue</b>	<b>\$ 1,870</b>	<b>\$ 2,084</b>	<b>\$ 15</b>	<b>\$ 3,969</b>	

(a) The Corporate/Other segment includes revenue earned from a resource adequacy agreement at Blythe that came into effect January 1, 2024.

(b) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.

(c) Revenue generated from certain of AltaGas' Midstream facilities is accounted for as operating leases.

(d) Risk management activities involve the use of derivative instruments such as physical and financial swaps, and commodity and foreign exchange forward contracts. These derivatives are accounted for under ASC 815 and ASC 825. A portion of revenue generated by the Utilities segment is from the physical sale and delivery of natural gas and power to end users.

Three Months Ended March 31, 2024

	Utilities	Midstream	Corporate/ Other	Total
<b>Revenue from contracts with customers</b>				
Commodity sales contracts	\$ 583	\$ 1,586	\$ 8	2,177
Midstream service contracts	—	306	—	306
Gas sales and transportation services	945	5	—	950
Other <sup>(a)</sup>	2	—	4	6
<b>Total revenue from contracts with customers</b>	<b>\$ 1,530</b>	<b>\$ 1,897</b>	<b>\$ 12</b>	<b>3,439</b>
<b>Other sources of revenue</b>				
Revenue from alternative revenue programs <sup>(b)</sup>	\$ 75	\$ —	\$ —	75
Leasing revenue <sup>(c)</sup>	—	53	—	53
Risk management and trading activities <sup>(d)</sup>	(32)	115	—	83
Other	(3)	8	—	5
<b>Total revenue from other sources</b>	<b>\$ 40</b>	<b>\$ 176</b>	<b>\$ —</b>	<b>216</b>
<b>Total revenue</b>	<b>\$ 1,570</b>	<b>\$ 2,073</b>	<b>\$ 12</b>	<b>3,655</b>

(a) The Corporate/Other segment includes revenue earned from a resource adequacy agreement at Blythe that came into effect January 1, 2024.

(b) A large portion of revenue generated from the Utilities segment is subject to rate regulation and accordingly there are circumstances where the revenue recognized is mandated by the applicable regulators in accordance with ASC 980.

(c) Revenue generated from certain of AltaGas' Midstream facilities is accounted for as operating leases.

(d) Risk management activities involve the use of derivative instruments such as physical and financial swaps, and commodity and foreign exchange forward contracts. These derivatives are accounted for under ASC 815 and ASC 825. A portion of revenue generated by the Utilities segment is from the physical sale and delivery of natural gas and power to end users.

## Revenue Recognition

The following is a description of the Corporation's revenue recognition policy by segment and by major source of revenue from contracts with customers.

### Utilities Segment

#### Gas Sales and Transportation Services

Customers are billed monthly based on regular meter readings. Customer billings are based on two main components: (i) a fixed service fee and (ii) a variable fee based on usage. Revenue is recognized over time when the gas has been delivered or as the service has been performed. As meter readings are performed on a cycle basis, AltaGas recognizes accrued revenue for any services rendered to its customers but not billed at month-end. The vast majority of these contracts are "at-will" as customers may cancel their service at any time, however, there are certain contracts that have terms of one year or longer. For these long-term contracts, there is generally a contract demand specified in the contract whereby the customer has to pay regardless of whether or not gas has been delivered. These contracts generally do not contain any make up rights and revenue is recognized on a monthly basis as service has been performed.

#### Commodity Sales

Commodity sales include natural gas and electricity sales to residential, commercial, and industrial customers in certain states where WGL Energy Services is authorized as a competitive service provider. These commodity sales contracts have varying terms that generally range from one to five years. Customers are billed monthly based on the amount of energy delivered to the customer. Revenue is recognized based on the amount the Corporation is entitled to invoice the customer.

## Midstream Segment

### Commodity Sales

A portion of the NGL production from AltaGas' extraction facilities is subject to frac spread between NGLs extracted and the natural gas purchased to make up the heating value of the NGLs extracted. For commodity sales contracts that do not meet the definition of a derivative or for contracts whereby AltaGas has elected to apply the normal purchase normal sales scope exception, the sales contract is accounted for under ASC 606. These commodity sales contracts have varying terms, but the majority of the contracts have a one-year term which coincides with the NGL year. AltaGas recognizes revenue for commodity sales contracts at a point in time based on the actual volumes of the commodity sold at the delivery point, which corresponds to the customer's monthly invoice amount.

Commodity sales contracts at RIPET and Ferndale generate revenue from the sale and delivery of LPGs to customers in Asia shipped from offshore export terminals. Revenue is recognized when LPGs are loaded onto transport vessels, which is the delivery point. AltaGas has the right to consideration in an amount that directly corresponds to the volumes of LPGs loaded on a vessel. AltaGas' commodity sales also include the sale of upgraded crude oil, processed finished products, and various fuels. Delivery takes place when there is a sales contract in place, specifying delivery volumes and sales prices. The consideration received under these contracts is variable based on commodity prices.

Effective July 1, 2024, WGL entered into an agreement for the sale of natural gas related to the in-service of MVP. These gas sales are accounted for under ASC 606.

### Midstream Service Contracts

AltaGas earns revenue from its field gathering and processing facilities, extraction facilities, storage facilities, truck hauling services, rail and truck loading and unloading terminalling, and transmission systems through a variety of contractual arrangements. For arrangements that do not contain a lease, the revenue is accounted for under ASC 606 as follows:

**Fee-for-service** – The customer is charged a fee for the service provided on a per unit volume basis. Contract terms generally range from one month to up to the life of the reserves. Revenue under this type of arrangement is recognized over time as the service is provided, which corresponds to the customer's monthly invoice amount.

**Take-or-pay** – The customer has agreed to a minimum volume commitment whereby the customer must have AltaGas process or deliver a specified volume at a rate per unit that is specified in the contract. Quantities that the customer is unable to deliver are considered deficiency quantities. Certain of AltaGas' take-or-pay contracts contain provisions whereby the customer can make up deficiency quantities in subsequent periods. Under this type of arrangement, any consideration received relating to the deficiency quantities that will be made up in a future period will be deferred until either: (i) the customer makes up the volumes or (ii) the likelihood that the customer will make up the volumes before the make up period expires becomes remote. If AltaGas does not expect the customer to make up the deficiency quantities (also referred to as breakage amount), AltaGas may recognize the expected breakage amount as revenue before the make up period expires. Significant judgment is required in estimating the breakage amount. For contracts where the customer has no make up rights, revenue is recognized on a monthly basis based on the higher of (i) the actual quantity delivered times the per unit rate or (ii) the contracted minimum amount.

Storage fees are typically recognized in revenue ratably over the term of the contract and rail and truck loading and unloading fees are recognized when the volumes are delivered or received.

## Corporate/Other Segment

For the Corporate/Other segment, the majority of revenue relates to remaining power assets, from which revenue is primarily earned through a resource adequacy agreement as well as commodity sales via a merchant market, or via commodity sales agreements which are accounted for as financial instruments. For commodity sales contracts that do not meet the definition of a derivative or whereby AltaGas has elected to apply the normal purchase normal sales scope exception, revenue recognized is accounted for under ASC 606.

## Contract Assets

As at	March 31, 2025	December 31, 2024
Balance, beginning of period	\$ 3	\$ 40
Amortization <sup>(a)</sup>	—	(1)
Transfers to other assets <sup>(b)</sup> (note 5)	—	(36)
Balance, end of period	\$ 3	\$ 3

(a) Represents the drawdown of contract assets under blend-and-extend contract modifications.

(b) The asset will continue to be drawn down into revenue over the remaining term of the contract.

## Transaction Price Allocated to the Remaining Obligations

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied as of March 31, 2025:

	Remainder of 2025	2026	2027	2028	2029	2030 & beyond	Total
Midstream service contracts	\$ 107	\$ 139	\$ 135	\$ 124	\$ 106	\$ 557	\$ 1,168
Other revenue from contracts with customers	40	54	54	1	1	5	155
	\$ 147	\$ 193	\$ 189	\$ 125	\$ 107	\$ 562	\$ 1,323

AltaGas applies the practical expedient available under ASC 606 and does not disclose information about the remaining performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts for which revenue is recognized at the amount to which AltaGas has the right to invoice for performance completed, and (iii) contracts with variable consideration that is allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied promise to transfer a distinct good or service that forms part of a single performance obligation. In addition, the table above does not include any estimated amounts of variable consideration that are constrained. The majority of midstream service contracts, gas sales and transportation service contracts, and storage service contracts contain variable consideration whereby uncertainty related to the associated variable consideration will be resolved (usually on a daily basis) as volumes are processed, gas is delivered or as service is provided.

## 12. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, risk management contracts, certain long-term investments and other assets, accounts payable and accrued liabilities, short-term and long-term debt, and certain other current and long-term liabilities.

### Fair Value Hierarchy

AltaGas categorizes its financial assets and financial liabilities into one of three levels based on fair value measurements and inputs used to determine the fair value.

*Level 1* - fair values are based on unadjusted quoted prices in active markets for identical assets or liabilities. Fair values are based on direct observations of transactions involving the same assets or liabilities and no assumptions are used. Included in this category are publicly traded shares valued at the closing price as at the balance sheet date.

*Level 2* - fair values are determined based on valuation models and techniques where inputs other than quoted prices included within Level 1 are observable for the asset or liability either directly or indirectly. AltaGas enters into derivative instruments in the futures, over-the-counter, and retail markets to manage fluctuations in commodity prices and foreign exchange rates. The fair values of power, natural gas, NGL, LPG, ocean freight, and crude oil derivative contracts were calculated using forward prices based on published sources for the relevant period, adjusted for factors specific to the asset or liability, including basis and location differentials, discount rates, and currency exchange. The fair value of foreign exchange derivative contracts and cross-currency swaps were calculated using indicative broker quotes based on observable market data.

*Level 3* - fair values are based on inputs for the asset or liability that are not based on observable market data. AltaGas uses valuation techniques when observable market data is not available. Level 3 derivatives include physical contracts at illiquid market locations with no observable market data, long-dated positions where observable pricing is not available over the life of the contract, contracts valued using historical spot price volatility assumptions, and valuations using indicative broker quotes for inactive market locations. A significant change to any one of these inputs in isolation could result in a significant upward or downward fluctuation in the fair value measurement.

The following methods and assumptions were used to estimate the fair value of each significant class of financial instruments:

*Other current liabilities* - the carrying amounts approximate fair value because of the short maturity of these instruments.

*Current portion of long-term debt, long-term debt, current portion of finance lease liabilities, finance lease liabilities, subordinated hybrid notes, and other long-term liabilities* - the fair value of these liabilities was estimated based on discounted future interest and principal payments using the current market interest rates of instruments with similar terms.

*Risk management assets and liabilities* - the fair values of power, natural gas, NGL, and crude oil derivative contracts were calculated using forward prices from published sources for the relevant period. The fair value of foreign exchange derivative contracts was calculated using quoted market rates. The fair value of Level 3 derivative contracts was calculated using internally developed valuation inputs and pricing models.

*Loans and receivables* - the fair value of these assets was estimated based on discounted future interest and principal payments using the current market interest rates of instruments with similar terms.

As at	March 31, 2025				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial assets</b>					
Fair value through net income <sup>(a) (b) (c)</sup>					
Risk management assets - current	\$ 69	\$ —	\$ 67	\$ 2	\$ 69
Risk management assets - non-current	56	—	44	12	56
Fair value through regulatory assets <sup>(a)</sup>					
Risk management assets - current	2	—	2	—	2
Risk management assets - non-current	11	—	—	11	11
	<b>\$ 138</b>	<b>\$ —</b>	<b>\$ 113</b>	<b>\$ 25</b>	<b>\$ 138</b>
<b>Financial liabilities</b>					
Fair value through net income <sup>(a) (b) (c)</sup>					
Risk management liabilities - current	\$ 128	\$ —	\$ 67	\$ 61	\$ 128
Risk management liabilities - non-current	92	—	43	49	92
Fair value through regulatory liabilities <sup>(a)</sup>					
Risk management liabilities - current	15	—	—	15	15
Risk management liabilities - non-current	42	—	—	42	42
Amortized cost					
Current portion of long-term debt	558	—	558	—	558
Current portion of finance lease liabilities	24	—	24	—	24
Long-term debt	7,141	—	6,461	—	6,461
Finance lease liabilities	127	—	127	—	127
Subordinated hybrid notes	2,021	—	2,049	—	2,049
Other current liabilities <sup>(d)</sup>	12	—	12	—	12
	<b>\$ 10,160</b>	<b>\$ —</b>	<b>\$ 9,341</b>	<b>\$ 167</b>	<b>\$ 9,508</b>

- (a) To manage price risk associated with acquiring natural gas supply for Maryland, Virginia, and D.C. utility customers, Washington Gas, a subsidiary of the Corporation, enters into physical and financial derivative transactions. Any gains and losses associated with these derivatives are recorded as regulatory liabilities or assets, respectively, to reflect the rate treatment for these economic hedging activities. Additionally, as part of its asset optimization program, Washington Gas enters into derivatives with the primary objective of securing operating margins that Washington Gas will ultimately realize. Regulatory sharing mechanisms provide for the annual realized profit from these transactions to be shared between Washington Gas' shareholder and customers; therefore, changes in fair value are recorded through earnings, or as regulatory assets or liabilities to the extent that it is probable that realized gains and losses associated with these derivative transactions will be included in the rates charged to customers when they are realized.
- (b) Includes the fair value of designated commodity hedging instruments classified as level 2, which amounts to an asset totaling \$26 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Cash Flow Hedges* section below for more details.
- (c) Includes the fair value of designated cross-currency swap hedging instruments classified as level 2, which amounts to an asset totaling \$1 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Foreign Exchange Risk* and *Cash Flow Hedges* sections below for more details.
- (d) Excludes non-financial liabilities.

As at	December 31, 2024				
	Carrying Amount	Level 1	Level 2	Level 3	Total Fair Value
<b>Financial assets</b>					
Fair value through net income <sup>(a) (b)</sup>					
Risk management assets - current	\$ 21	\$ —	\$ 7	\$ 14	\$ 21
Risk management assets - non-current	47	—	32	15	47
Fair value through regulatory assets <sup>(a)</sup>					
Risk management assets - current	4	—	1	3	4
Risk management assets - non-current	16	—	—	16	16
	\$ 88	\$ —	\$ 40	\$ 48	\$ 88
<b>Financial liabilities</b>					
Fair value through net income <sup>(a) (b) (c)</sup>					
Risk management liabilities - current	\$ 138	\$ —	\$ 115	\$ 23	\$ 138
Risk management liabilities - non-current	125	—	70	55	125
Fair value through regulatory liabilities <sup>(a)</sup>					
Risk management liabilities - current	12	—	—	12	12
Risk management liabilities - non-current	35	—	—	35	35
Amortized cost					
Current portion of long-term debt	858	—	858	—	858
Current portion of finance lease liabilities	23	—	23	—	23
Long-term debt	6,992	—	6,261	—	6,261
Finance lease liabilities	126	—	126	—	126
Subordinated hybrid notes	2,022	—	2,068	—	2,068
Other current liabilities <sup>(d)</sup>	54	—	54	—	54
	\$ 10,385	\$ —	\$ 9,575	\$ 125	\$ 9,700

- (a) To manage price risk associated with acquiring natural gas supply for Maryland, Virginia, and D.C. utility customers, Washington Gas, a subsidiary of the Corporation, enters into physical and financial derivative transactions. Any gains and losses associated with these derivatives are recorded as regulatory liabilities or assets, respectively, to reflect the rate treatment for these economic hedging activities. Additionally, as part of its asset optimization program, Washington Gas enters into derivatives with the primary objective of securing operating margins that Washington Gas will ultimately realize. Regulatory sharing mechanisms provide for the annual realized profit from these transactions to be shared between Washington Gas' shareholder and customers; therefore, changes in fair value are recorded through earnings, or as regulatory assets or liabilities to the extent that it is probable that realized gains and losses associated with these derivative transactions will be included in the rates charged to customers when they are realized.
- (b) Includes the fair value of designated commodity hedging instruments classified as level 2, which amounts to an asset totaling \$3 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Cash Flow Hedges* section below for more details.
- (c) Includes the fair value of designated cross-currency swap hedging instruments classified as level 2, which amounts to a liability totaling \$16 million. The change in fair value of these instruments is recorded to AOCI. Refer to the *Foreign Exchange Risk and Cash Flow Hedges* sections below for more details.
- (d) Excludes non-financial liabilities.

Financial assets and liabilities not included in the fair value hierarchy table include money market funds and short-term debt. The carrying value of these financial instruments approximate their fair value, which reflects the short-term maturity and/or normal credit terms of these financial instruments.

The following table includes quantitative information about the significant unobservable inputs used in the fair value measurement of Level 3 financial instruments at March 31, 2025:

	Net Fair Value	Valuation Technique	Unobservable Inputs	Range	Weighted Average <sup>(a)</sup>
Natural gas	\$ (62)	Discounted Cash Flow	Natural Gas Basis Price (per Dth)	\$ (7.83) - \$ 4.44	\$ (0.39)
Natural gas	\$ (1)	Option Model	Natural Gas Basis Price (per Dth) Annualized Volatility of Spot Market Natural Gas	\$ (2.19) - \$ 4.11 13 % - 62 %	\$ (0.46) 34 %
Electricity	\$ (79)	Discounted Cash Flow	Electricity Congestion Price (per MWh)	\$ (32.37) - \$ 145.41	\$ (2.00)

(a) Unobservable inputs were weighted by transaction volume.

The following tables provide a reconciliation of changes in net fair value of derivative assets and liabilities classified as Level 3 in the fair value hierarchy:

Three Months Ended	March 31, 2025			March 31, 2024		
	Natural Gas	Electricity	Total	Natural Gas	Electricity	Total
Balance, beginning of period	\$ (36)	\$ (41)	\$ (77)	\$ (30)	\$ (23)	\$ (53)
Gains (losses):						
Recorded in income <sup>(a)</sup>	(10)	(38)	(48)	14	(6)	8
Recorded in regulatory assets <sup>(b)</sup>	(16)	—	(16)	22	—	22
Purchases	—	1	1	—	2	2
Settlements	(1)	—	(1)	4	(5)	(1)
Foreign exchange translation	—	(1)	(1)	—	(1)	(1)
Balance, end of period	\$ (63)	\$ (79)	\$ (142)	\$ 10	\$ (33)	\$ (23)

(a) Includes unrealized losses of \$50 million and unrealized gains of \$30 million for the three months ended March 31, 2025 and 2024, respectively.

(b) Includes unrealized losses of \$15 million and \$54 million for the three months ended March 31, 2025 and 2024, respectively.

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

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

	Three Months Ended	
	2025	2024
Natural gas	\$ 2	\$ 28
Energy exports	41	100
Crude oil and NGLs	5	2
NGL frac spread	(1)	(12)
Power	19	17
Foreign exchange	19	(18)
	<b>\$ 85</b>	<b>\$ 117</b>

### Offsetting of Derivative Assets and Derivative Liabilities

Certain of AltaGas' risk management contracts are subject to master netting arrangements that create a legally enforceable right for a counterparty to offset the related financial assets and financial liabilities. As part of these master netting agreements, cash, letters of credit, and parental guarantees may be required to be posted or obtained from counterparties in order to mitigate credit risk related to both derivative and non-derivative positions. Collateral balances are also offset against the related counterparties' derivative positions to the extent the application would not result in the over-collateralization of those derivative positions on the balance sheet.

As at	March 31, 2025					
	Derivative instruments not designated as hedging instruments	Derivative instruments designated as hedging instruments	Gross amounts of recognized assets/liabilities	Gross amounts offset in balance sheet	Netting of collateral	Net amounts presented in balance sheet
Risk management assets <sup>(a)</sup>						
Natural gas	\$ 81	\$ 27	\$ (46)	\$ (18)	\$	44
Energy exports	125	—	(79)	—		46
NGL frac spread	5	—	(5)	—		—
Power	79	—	(40)	—		39
Foreign exchange	—	9	—	—		9
	<b>\$ 290</b>	<b>\$ 36</b>	<b>\$ (170)</b>	<b>\$ (18)</b>		<b>138</b>
Risk management liabilities <sup>(b)</sup>						
Natural gas	\$ 130	\$ 1	\$ (46)	\$ —	\$	85
Energy exports	121	—	(79)	(5)		37
NGL frac spread	10	—	(5)	—		5
Power	124	—	(40)	—		84
Foreign exchange	58	8	—	—		66
	<b>\$ 443</b>	<b>\$ 9</b>	<b>\$ (170)</b>	<b>\$ (5)</b>		<b>277</b>

(a) Net amount of risk management assets on the Balance Sheet is comprised of risk management assets (current) balance of \$71 million and risk management assets (non-current) balance of \$67 million.

(b) Net amount of risk management liabilities on the Balance Sheet is comprised of risk management liabilities (current) balance of \$143 million and risk management liabilities (non-current) balance of \$134 million.

As at	December 31, 2024				
	Derivative instruments not designated as hedging instruments	Derivative instruments designated as hedging instruments	Gross amounts offset in balance sheet	Netting of collateral	Net amounts presented in balance sheet
	Gross amounts of recognized assets/liabilities	Gross amounts of recognized assets/liabilities			
<b>Risk management assets <sup>(a)</sup></b>					
Natural gas	\$ 81	\$ 6	\$ (45)	\$ —	\$ 42
Energy exports	63	—	(36)	—	27
Crude oil and NGLs	1	—	(1)	—	—
Power	60	—	(41)	—	19
	\$ 205	\$ 6	\$ (123)	\$ —	\$ 88
<b>Risk management liabilities <sup>(b)</sup></b>					
Natural gas	\$ 118	\$ 3	\$ (45)	\$ (4)	\$ 72
Energy exports	100	—	(36)	(10)	54
Crude oil and NGLs	6	—	(1)	—	5
NGL frac spread	4	—	—	—	4
Power	123	—	(41)	—	82
Foreign exchange	77	16	—	—	93
	\$ 428	\$ 19	\$ (123)	\$ (14)	\$ 310

(a) Net amount of risk management assets on the Balance Sheet is comprised of risk management assets (current) balance of \$25 million and risk management assets (non-current) balance of \$63 million.

(b) Net amount of risk management liabilities on the Balance Sheet is comprised of risk management liabilities (current) balance of \$150 million and risk management liabilities (non-current) balance of \$160 million.

### Cash Collateral

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

As at	March 31, 2025	December 31, 2024
Collateral posted with counterparties	\$ 17	\$ 30

Any collateral posted that is not offset against risk management assets and liabilities is included in the line item “prepaid expenses and other current assets” in the Consolidated Balance Sheets. Collateral received and not offset against risk management assets and liabilities is included in the line item “customer deposits” in the Consolidated Balance Sheets.

Certain derivative instruments contain contract provisions that require collateral to be posted if the credit rating of AltaGas or certain of its subsidiaries falls below certain levels. At March 31, 2025 and December 31, 2024, AltaGas has not posted any collateral related to its derivative liabilities that contained credit-related contingent features. The following table shows the aggregate fair value of all derivative instruments with credit-related contingent features that are in a liability position, as well as the maximum amount of collateral that would be required if specific credit-risk-related contingent features underlying these agreements were triggered:

As at	March 31, 2025	December 31, 2024
Risk management liabilities with credit-risk-contingent features	\$ 114	\$ 157
Maximum potential collateral requirements	\$ 104	\$ 116

### Notional Summary

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

As at	March 31, 2025	December 31, 2024
<b>Natural Gas</b>		
Sales	289,504,485 GJ	230,536,993 GJ
Purchases	531,703,661 GJ	530,080,297 GJ
Swaps <sup>(a)</sup>	66,365,343 GJ	59,523,634 GJ
<b>Crude Oil and NGLs</b>		
Swaps	369,900 Bbl	778,564 Bbl
<b>Energy Exports</b>		
Purchases	19,228,254 Bbl	20,701,782 Bbl
Propane and butane swaps	67,083,271 Bbl	73,349,061 Bbl
<b>NGL Frac Spread</b>		
Propane swaps	1,715,384 Bbl	1,639,890 Bbl
Crude oil swaps	363,399 Bbl	341,586 Bbl
Natural gas swaps	10,048,883 GJ	9,650,298 GJ
<b>Power</b>		
Sales	4,348,532 MWh	5,006,116 MWh
Purchases	4,774,134 MWh	5,533,213 MWh
Swaps	16,094,268 MWh	22,382,893 MWh

(a) Includes approximately 33,374,059 GJ of natural gas swaps at March 31, 2025 designated as hedging instruments that have terms extending until 2030.

### Foreign Exchange Risk

AltaGas is exposed to foreign exchange risk as changes in foreign exchange rates may affect the fair value or future cash flows of the Corporation's financial instruments. AltaGas has foreign operations whereby the functional currency is the U.S. dollar. As a result, the Corporation's earnings, cash flows, and OCI are exposed to fluctuations resulting from changes in foreign exchange rates. This risk is partially mitigated to the extent that AltaGas has U.S. dollar-denominated debt outstanding. AltaGas may also enter into foreign exchange forward derivatives to manage the risk of fluctuating cash flows and earnings due to variations in foreign exchange rates as well as to benefit from favourable movements in the rates. Any hedges transacted are subject to risk limits and guidelines and are actively monitored and managed by AltaGas' risk management team to ensure they align with AltaGas' overall financial strategy.

In the third quarter of 2024, AltaGas executed cross-currency swaps totaling US\$900 million to manage the risk of fluctuating cash flows and earnings associated with the recently issued US\$900 million Subordinated Notes (Note 9) as a result of changes in the Canadian/U.S. dollar foreign exchange rates. The cross-currency swaps will convert

the U.S. dollar principal and interest payments of these Subordinated Notes into Canadian dollars and apply an effective annual interest rate of 6.90 percent on the converted Canadian principal amount of approximately \$1.2 billion. AltaGas has designated the cross-currency swaps as cash flow hedges as discussed under the *Cash Flow Hedges* section below.

AltaGas may designate its external U.S. dollar-denominated debt or certain U.S. dollar-denominated loans that may give rise to a foreign currency translation gain or loss as a net investment hedge of its U.S. subsidiaries. As at March 31, 2025, AltaGas has designated US\$645 million of outstanding loans as a net investment hedge (December 31, 2024 - US\$645 million). For the three months ended March 31, 2025, unrealized after-tax gains on the net investment hedge of \$1 million were recorded in OCI (three months ended March 31, 2024 - unrealized after-tax losses of \$20 million).

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

	Duration	Fair Value (\$ millions)
<b>Foreign exchange forward contracts</b>		
Forward USD sales (non-deliverable)	Less than 1 year	\$ (34)
Forward USD sales (non-deliverable)	1 - 5 years	\$ (24)
<b>Cross-currency swaps</b>		
Fixed-to-fixed cross-currency swaps	10 years	\$ 1

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

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

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

Objective of foreign exchange forward contract	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
	Losses	Losses
Cash management <sup>(a)</sup>	\$ —	\$ (2)
Income statement risk management <sup>(b)</sup>	\$ (6)	\$ (13)

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

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

## Cash Flow Hedges

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

For hedging relationships that qualify as highly effective, the change in fair value of the hedging instrument will be recorded to AOCI. Amounts in AOCI will be reclassified into earnings in the same period the hedged forecasted transactions affect earnings, or when non-regulated cost of energy-related sales is recorded. For swaps that settle the month ahead of the physical transaction, the swap impact will be reclassified into earnings in the subsequent month when the associated hedged transaction is recorded into earnings. For storage inventory purchases, such reclassification into earnings will be based on WGL Energy Services' inventory turnover schedules for finished goods in which the hedged natural gas purchases are used. When applicable, the ineffective portion of a commodity cash flow hedge will immediately be recognized in earnings. As at March 31, 2025, the estimated amount of existing gains related to commodity cash flow hedges expected to be reclassified to the income statement in the next 12 months is \$5 million.

AltaGas is also exposed to interest rate risk as changes in interest rates may impact future cash flows and fair value of its financial instruments. To manage this risk, the Company may enter into bond forward contract derivatives and designate them as cash flow hedges in accordance with ASC Topic 815, as AltaGas expects that the hedging relationship will be highly effective at achieving offsetting changes in cash flows attributable to the risk being hedged. For hedging relationships that qualify as highly effective, the change in fair value of the hedging instrument will be recorded to AOCI. Amounts in AOCI will be reclassified into earnings in the same period the hedged forecasted transactions affect earnings. When applicable, the ineffective portion of a cash flow hedge will immediately be recognized in earnings. As at March 31, 2025, the estimated amount of existing losses related to the bond forward contract derivative expected to be reclassified to the income statement in the next 12 months is less than \$1 million.

As stated above, AltaGas designated US\$900 million of cross-currency swaps as cash flow hedges to manage the foreign currency risk associated with its U.S. dollar denominated subordinated hybrid notes. The cash flow hedges are designated in accordance with ASC Topic 815 as AltaGas expects that the hedging relationship will be highly effective at achieving offsetting changes in cash flows attributable to the risk being hedged. For hedging relationships that qualify as highly effective, the change in fair value of the hedging instrument will be recorded to AOCI. Amounts in AOCI will be reclassified into earnings in the same period the hedged forecasted transactions affect earnings. Any ineffective portion of a cash flow hedge will immediately be recognized in earnings. As at March 31, 2025, the estimated amount of existing losses related to the cross-currency swaps expected to be reclassified to the income statement in the next 12 months is \$8 million. Actual amounts reclassified to earnings depends on the movement in foreign exchange rates.

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

	Three Months Ended March 31, 2025	Three Months Ended March 31, 2024
<b>Designated cash flow hedges</b> <sup>(a)</sup>	<b>Gains</b>	<b>Losses</b>
Cross-currency swaps	\$ 17	\$ —
Commodity contracts	\$ 19	\$ (4)
Bond forward contract	\$ —	\$ (7)

(a) Amounts presented are after-tax.

Refer to note 10 for amounts reclassified from AOCI to the income statement related to designated cash flow hedges for the three months ended March 31, 2025 and 2024.

### Allowance for Credit Losses

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

	Three Months Ended March 31, 2025		
	Accounts Receivable	Contract Assets <sup>(a)</sup>	Total
<b>Utilities</b>			
Balance, beginning of period	\$ 30	\$ —	\$ 30
Adjustments to allowance	14	—	14
Written off	(8)	—	(8)
Recoveries collected	2	—	2
Balance, end of period	\$ 38	\$ —	\$ 38
<b>Midstream</b>			
Balance, beginning of period	\$ 1	\$ 1	\$ 2
Balance, end of period	\$ 1	\$ 1	\$ 2
<b>Total</b>	<b>\$ 39</b>	<b>\$ 1</b>	<b>\$ 40</b>

(a) An allowance for credit loss is assessed quarterly and is recorded based on historical default rates published by external credit rating agencies and a rate associated with the estimated time frame that the contract asset will be billed to the customer.

	Three Months Ended March 31, 2024		
	Accounts Receivable	Contract Assets <sup>(a)</sup>	Total
<b>Utilities</b>			
Balance, beginning of period	\$ 28	\$ —	\$ 28
Foreign exchange translation	2	—	2
Adjustments to allowance	10	—	10
Written off	(11)	—	(11)
Recoveries collected	1	—	1
Balance, end of period <sup>(b)</sup>	\$ 30	\$ —	\$ 30
<b>Midstream</b>			
Balance, beginning of period	\$ 1	\$ 1	\$ 2
Balance, end of period	\$ 1	\$ 1	\$ 2
<b>Total</b>	<b>\$ 31</b>	<b>\$ 1</b>	<b>\$ 32</b>

(a) An allowance for credit loss is assessed quarterly and is recorded based on historical default rates published by external credit rating agencies and a rate associated with the estimated time frame that the contract asset will be billed to the customer.

With the exception of accounts receivable which are due in one year or less, AltaGas does not have any past due receivables as at March 31, 2025.

### **Weather Related Instruments**

WGL Energy Services utilizes heating degree day ("HDD") instruments from time to time to manage weather and price risks related to its natural gas and electricity sales during the winter heating season. WGL Energy Services also utilizes cooling degree day ("CDD") instruments and other instruments to manage weather and price risks related to its electricity sales during the summer cooling season. These instruments cover a portion of estimated revenue or energy-related cost exposure to variations in HDDs or CDDs. For the three months ended March 31, 2025 and three months ended March 31, 2024, there were no pre-tax gains or losses recorded related to these instruments.

### **Accounts Receivable Factoring**

AltaGas regularly enters into receivables purchase agreements with a third-party financial institution for the monetization of certain accounts receivable balances on a non-recourse basis in the Midstream segment. AltaGas accounted for the transfer of receivables in accordance with ASC Topic 860, as the receivables are legally isolated from the Company and the third-party financial institution has the right to the assets received. AltaGas' only continuing involvement with the transferred receivables is as the collection and servicing agent. When the receivables are transferred, they are derecognized from the "accounts receivable" line on the Consolidated Balance Sheets. As a result, the accounts receivable balance is presented net of the transferred amount.

Proceeds from the sale reflect the amount of the receivables less discount fees, which are recorded to the Consolidated Statements of Income under the line item "other income". The fair value of the receivables sold approximates the book value due to their short-term nature. For the three months ended March 31, 2025, accounts receivables sold under a receivables purchase agreement were US\$80 million (three months ended March 31, 2024 - \$nil).

## **13. LEASES**

### **Lessor**

Certain of AltaGas' revenues are obtained through take-or-pay contracts whereby AltaGas is the lessor in these operating lease arrangements. Minimum lease payments received are amortized over the term of the lease. Revenue from these arrangements have been disclosed in Note 11.

## **14. SHAREHOLDERS' EQUITY**

### **Authorization**

AltaGas is authorized to issue an unlimited number of voting common shares. AltaGas is also authorized to issue such number of Preferred Shares in series at any time as have aggregate voting rights either directly or on conversion or exchange that in the aggregate represent less than 50 percent of the voting rights attaching to the then issued and outstanding Common Shares.

<b>Common Shares Issued and Outstanding <sup>(a)</sup></b>	<b>Number of shares</b>	<b>Amount</b>
January 1, 2024	294,903,763	\$ 7,120
Shares issued for cash on exercise of options	3,021,252	60
December 31, 2024	297,925,015	\$ 7,180
Shares issued for cash on exercise of options	946,400	21
<b>Issued and outstanding at March 31, 2025</b>	<b>298,871,415</b>	<b>\$ 7,201</b>

(a) Dividends declared per share for the three months ended March 31, 2025 were approximately \$0.32 (three months ended March 31, 2024 - \$0.30).

## Preferred Shares

<b>As at</b>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
<b>Issued and Outstanding <sup>(a) (b) (c)</sup></b>	<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
Series A	<b>6,746,679</b>	<b>\$ 169</b>	6,746,679	\$ 169
Series B	<b>1,253,321</b>	<b>31</b>	1,253,321	31
Series G	<b>8,000,000</b>	<b>200</b>	8,000,000	200
Share issuance costs, net of taxes		<b>(9)</b>		(9)
	<b>16,000,000</b>	<b>\$ 391</b>	<b>16,000,000</b>	<b>\$ 391</b>

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

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

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

## Share Option Plan

AltaGas has an employee share option plan under which officers, employees, and service providers (as defined by the TSX) are eligible to receive grants. As at March 31, 2025, 6,840,222 shares were listed and reserved for issuance under the plan.

As at March 31, 2025, share options granted under the plan have a term of six years until expiry and vest over no longer than a three-year period.

As at March 31, 2025, and December 31, 2024, the unexpensed fair value of share option compensation cost associated with future periods was \$nil.

The following table summarizes information about the Corporation's share options:

<b>As at</b>	<b>March 31, 2025</b>		<b>December 31, 2024</b>	
	<b>Number of options</b>	<b>Exercise price <sup>(a)</sup></b>	<b>Number of options</b>	<b>Exercise price <sup>(a)</sup></b>
Share options outstanding, beginning of period	<b>2,525,013</b>	<b>\$ 19.17</b>	5,547,388	\$ 18.48
Exercised	<b>(946,400)</b>	<b>19.46</b>	(3,021,252)	17.90
Forfeited	—	—	(1,123)	23.54
<b>Share options outstanding, end of period</b>	<b>1,578,613</b>	<b>\$ 19.00</b>	<b>2,525,013</b>	<b>\$ 19.17</b>
<b>Share options exercisable, end of period</b>	<b>1,578,613</b>	<b>\$ 19.00</b>	<b>2,525,013</b>	<b>\$ 19.17</b>

(a) Weighted average.

As at March 31, 2025, the aggregate intrinsic value of the total share options exercisable was \$32 million (December 31, 2024 - \$36 million), the total intrinsic value of share options outstanding was \$32 million (December 31, 2024 - \$36 million), and the total intrinsic value of share options exercised was \$18 million (December 31, 2024 - \$38 million).

The following table summarizes the employee share option plan as at March 31, 2025:

Price range	Options outstanding			Options exercisable		
	Number outstanding	Weighted average exercise price	Weighted average remaining contractual life	Number exercisable	Weighted average exercise price	Weighted average remaining contractual life
\$18.72 to \$25.08	1,577,494	18.99	1.44	1,577,494	18.99	1.44
\$25.09 to \$26.21	1,119	26.21	2.26	1,119	26.21	2.26
	<b>1,578,613 \$</b>	<b>19.00</b>	<b>1.44</b>	<b>1,578,613 \$</b>	<b>19.00</b>	<b>1.44</b>

#### Phantom Unit Plan ("Phantom Plan") and Deferred Share Unit Plan ("DSUP")

AltaGas has a Phantom Plan for employees, executive officers, and directors, which includes restricted units ("RUs") and performance units ("PUs") with vesting periods of up to 36 months from the grant date. In addition, AltaGas has a DSUP, which allows granting of deferred share units ("DSUs") to directors. DSUs granted under the DSUP vest immediately but settlement of the DSUs occur when the individual ceases to be a director.

PU, RU, and DSU ( <i>number of units</i> )	March 31, 2025	December 31, 2024
Balance, beginning of year	<b>4,957,515</b>	5,052,918
Granted	<b>37,447</b>	1,792,809
Vested and paid out	<b>(1,507,706)</b>	(2,150,729)
Forfeited and expired	<b>(63,872)</b>	(721,404)
Units in lieu of dividends	<b>28,818</b>	179,084
Additional units added by performance factor	<b>259,077</b>	804,837
<b>Outstanding, end of period</b>	<b>3,711,279</b>	4,957,515

For the three months ended March 31, 2025, the compensation expense recorded for the Phantom Plan and DSUP was \$24 million (three months ended March 31, 2024 - \$22 million). As at March 31, 2025, the unrecognized compensation expense relating to the remaining vesting period for the Phantom Plan was \$51 million (December 31, 2024 - \$43 million) and is expected to be recognized over the vesting period.

## 15. NET INCOME PER COMMON SHARE

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

	Three Months Ended	
	March 31	
	2025	2024
Numerator:		
Net income applicable to controlling interests	\$ 397	\$ 412
Less: Preferred share dividends	(5)	(4)
Net income applicable to common shares	\$ 392	\$ 408
Denominator:		
<i>(millions of shares)</i>		
Weighted average number of common shares outstanding	298.1	295.3
Dilutive equity instruments <sup>(a)</sup>	1.1	1.8
Weighted average number of common shares outstanding - diluted	299.2	297.1
Basic net income per common share	\$ 1.31	\$ 1.38
Diluted net income per common share	\$ 1.31	\$ 1.37

(a) Determined using the treasury stock method.

For the three months ended March 31, 2025 and 2024, there were no share options excluded from the diluted net income per common share calculation.

## 16. COMMITMENTS, GUARANTEES, AND CONTINGENCIES

### Commitments

AltaGas has long-term natural gas purchase and transportation arrangements, LPG purchase agreements, crude oil and condensate purchase agreements, service agreements, pipeline and storage service contracts, capital commitments, environmental commitments, merger commitments, and operating leases for office space, office equipment, vehicles, Very Large Gas Carriers ("VLGCs"), rail cars, land, storage, aquatic surface use, and other equipment, all of which are transacted at market prices and in the normal course of business. Please refer to Note 28 of the 2024 Annual Consolidated Financial Statements for further details regarding AltaGas' commitments.

At March 31, 2025, AltaGas has US\$222 million in future undiscounted cash flows associated with operating leases not yet commenced. The leases are for the use of two VLGCs, both of which are expected to commence in 2026. The lessor is primarily involved in the design and construction of the VLGCs.

### Guarantees

AltaGas has guaranteed payments primarily for certain commitments on behalf of some of its subsidiaries. As at March 31, 2025, AltaGas had no guarantees issued on behalf of external parties.

### Contingencies

AltaGas and its subsidiaries are subject to various legal claims and actions arising in the normal course of business. While the final outcome of such legal claims and actions cannot be predicted with certainty, the Corporation does not believe that the resolution of such claims and actions will have a material impact on the Corporation's consolidated financial position or results of operations.

## Merger Commitments - D.C.

On August 9, 2023, the Public Service Commission of the District of Columbia ("PSC of DC") determined that AltaGas had failed to fulfill Term No. 5 Commitment of the PSC of DC's merger approval order related to the June 2018 merger of AltaGas, WGL, and Washington Gas. On reconsideration, the PSC of DC confirmed, in relevant part, that it had credited AltaGas with causing the development of 2.4 MW of Tier one renewable resources by the July 6, 2023 deadline, and that the Company had breached its Term No. 5 Commitment only for the remaining 7.6 MW. As directed by the PSC of DC, AltaGas, the D.C. Government ("DCG"), and the D.C. Office of People's Counsel ("DC OPC") conducted negotiations in good faith to reach agreement on a penalty but were unable to reach agreement. Thereafter, AltaGas confirmed that it will specifically perform its Term No. 5 obligations by continuing to cause the development of the remaining 7.6 MW of solar renewable energy. On March 8, 2024, the PSC of DC issued an order to show cause why the penalty amount should not be the maximum allowed under D.C. Code §34-708 (US\$5,000/day). On June 14, 2024, AltaGas and DCG jointly requested that the PSC of DC allow sixty (60) days for the parties to negotiate a settlement in the form of a consent decree or, if no agreement is reached, to file a report on the status of the negotiations. AltaGas and DCG have kept the PSC of DC apprised of the status of the negotiations and, on October 8, 2024, filed a Proposed Consent Decree for PSC of DC approval. On November 6, 2024, the PSC of DC approved the Consent Decree, without modification, as complete resolution of the issues in dispute concerning Merger Commitment No. 5. On January 5, 2025, AltaGas paid the civil penalty of approximately US\$2.1 million. In accordance with the terms of the PSC of DC approved Consent Decree, AltaGas continues to report on its progress that the Company is making in causing the development of the remaining megawatts of renewable resources in D.C. AltaGas believes that it has recently achieved full compliance with Term No. 5 by causing the development of the renewable solar projects needed to reach the 10 MW commitment and is working with the parties and the PSC of DC to reach agreement on the scope of documentation needed to demonstrate its full compliance to the PSC of DC's satisfaction.

## **17. PENSION PLANS AND RETIREE BENEFITS**

The costs of the defined benefit and post-retirement benefit plans are based on Management's estimate of the future rate of return on the fair value of pension plan assets, salary escalations, mortality rates, and other factors affecting the payment of future benefits. Additional information relating to the retirement benefit plans is provided in Note 27 of the 2024 Annual Consolidated Financial Statements.

Rabbi trusts of \$6 million as at March 31, 2025 have been funded to satisfy the employee benefit obligations associated with WGL's various pension plans (December 31, 2024 - \$7 million). These balances are included in "prepaid expenses and other current assets" and "long-term investments and other assets" in the Consolidated Balance Sheets.

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

	Three Months Ended March 31, 2025					
	Canada		United States		Total	
	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits
Current service cost <sup>(a)</sup>	\$ —	\$ —	\$ 3	\$ 1	\$ 3	\$ 1
Interest cost <sup>(b)</sup>	—	—	18	3	18	3
Expected return on plan assets <sup>(b)</sup>	—	—	(22)	(12)	(22)	(12)
Amortization of past service credit <sup>(b)</sup>	—	—	—	(6)	—	(6)
Amortization of net actuarial gain <sup>(b)</sup>	—	—	—	(1)	—	(1)
<b>Net benefit income recognized</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ (1)</b>	<b>\$ (15)</b>	<b>\$ (1)</b>	<b>\$ (15)</b>

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

(b) Recorded under the line item "other income" on the Consolidated Statements of Income.

	Three Months Ended March 31, 2024					
	Canada		United States		Total	
	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits	Defined Benefit	Post-retirement Benefits
Current service cost <sup>(a)</sup>	\$ 1	\$ —	\$ 3	\$ 2	\$ 4	\$ 2
Interest cost <sup>(b)</sup>	—	—	17	4	17	4
Expected return on plan assets <sup>(b)</sup>	—	—	(21)	(13)	(21)	(13)
Amortization of past service credit <sup>(b)</sup>	—	—	—	(5)	—	(5)
Amortization of net actuarial gain <sup>(b)</sup>	—	—	—	(1)	—	(1)
<b>Net benefit cost (income) recognized</b>	<b>\$ 1</b>	<b>\$ —</b>	<b>\$ (1)</b>	<b>\$ (13)</b>	<b>\$ —</b>	<b>\$ (13)</b>

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

(b) Recorded under the line item "other income" on the Consolidated Statements of Income.

## 18. SUPPLEMENTAL CASH FLOW INFORMATION

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

	Three Months Ended March 31	
	2025	2024
Source (use) of cash:		
Accounts receivable	\$ (43)	\$ 36
Inventory	161	304
Risk management assets - current	18	50
Prepaid expenses and other current assets	16	(22)
Regulatory assets - current	31	(28)
Accounts payable and accrued liabilities	(117)	(206)
Customer deposits	(35)	(28)
Regulatory liabilities - current	(2)	(20)
Risk management liabilities - current	(13)	—
Other current liabilities	(42)	(35)
Other operating assets and liabilities	113	20
<b>Changes in operating assets and liabilities</b>	<b>\$ 87</b>	<b>\$ 71</b>

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

	Three Months Ended March 31	
	2025	2024
Decrease (increase) of balance:		
Exercise of stock options	\$ 3	\$ 2
Net right-of-use assets obtained in exchange for new operating lease liabilities	\$ (17)	\$ (170)
Net right-of-use assets obtained in exchange for new finance lease liabilities	\$ (4)	\$ (6)
Capital expenditures included in accounts payable and accrued liabilities	\$ 30	\$ 14
Contributions from non-controlling interests to subsidiaries included in accounts receivable	\$ —	\$ 3

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

As at March 31	2025	2024
Cash and cash equivalents	\$ 197	\$ 101
Restricted cash included in prepaid expenses and other current assets <sup>(a)</sup>	2	2
Restricted cash included in long-term investments and other assets <sup>(a)</sup> (note 5)	4	6
<b>Cash, cash equivalents, and restricted cash per Consolidated Statements of Cash Flows</b>	<b>\$ 203</b>	<b>\$ 109</b>

(a) The restricted cash balances included in "prepaid expenses and other current assets" and "long-term investments and other assets" relate to Rabbi trusts associated with WGL's pension plans (Note 17).

## 19. SEASONALITY

The Utilities business is highly seasonal with the majority of natural gas deliveries occurring during the winter heating season. Gas sales increase during the winter resulting in stronger first and fourth quarter results and weaker second and third quarter results. The retail business within the Utilities segment is also seasonal, with

larger amounts of electricity being sold in the summer and peak winter months and larger amounts of natural gas being sold in the winter months.

## 20. SEGMENTED INFORMATION

AltaGas owns and operates a portfolio of assets and services used to move energy from the source to the end-user. The following describes the Corporation's reportable segments:

<b>Utilities</b>	<ul style="list-style-type: none"> <li>■ rate-regulated natural gas distribution assets in Michigan, D.C., Maryland, and Virginia;</li> <li>■ rate-regulated natural gas storage in the United States; and</li> <li>■ sale of natural gas and power to residential, commercial, and industrial customers in D.C., Maryland, Virginia, Delaware, Pennsylvania, Ohio, and New Jersey.</li> </ul>
<b>Midstream</b>	<ul style="list-style-type: none"> <li>■ NGL processing and extraction plants;</li> <li>■ natural gas storage facilities;</li> <li>■ LPG export terminals;</li> <li>■ transmission pipelines to transport natural gas and NGLs;</li> <li>■ natural gas gathering lines and field processing facilities;</li> <li>■ purchase and sale of natural gas;</li> <li>■ natural gas and NGL marketing;</li> <li>■ marketing, storage and distribution of wellsite fluids and fuel, crude oil and condensate diluents; and</li> <li>■ interest in a regulated gas pipeline in the Marcellus/Utica gas formation.</li> </ul>
<b>Corporate/ Other</b>	<ul style="list-style-type: none"> <li>■ the cost of providing corporate services, financing and general corporate overhead, corporate assets, financing other segments and the effects of changes in the fair value of certain risk management contracts; and</li> <li>■ a small portfolio of power assets.</li> </ul>

AltaGas' Chief Operating Decision-Maker ("CODM") is the Executive Leadership Team ("ELT") which includes the President & Chief Executive Officer, the other Executive Officers of the Company, and certain other senior leaders.

The ELT assesses segment performance and determines how to allocate resources based on segment earnings reported on a periodic basis. Segment profitability guides the ELT in making decisions regarding prudent capital allocation, reinvestment of profits, acquisition and disposition of assets, and driving shareholder returns through sustainable dividends. AltaGas has disclosed income (loss) before income taxes by segment as the measure in accordance with the measurement principles with those used in measuring the corresponding amounts in the consolidated financial statements.

The following table provides a reconciliation of segment revenue to the disaggregated revenue table disclosed under Note 11:

Three Months Ended March 31, 2025				
	Utilities	Midstream	Corporate/ Other	Total
External revenue (note 11)	\$ 1,870	\$ 2,084	\$ 15	\$ 3,969
Segment revenue	\$ 1,870	\$ 2,084	\$ 15	\$ 3,969

Three Months Ended March 31, 2024				
	Utilities	Midstream	Corporate/ Other	Total
External revenue (note 11)	\$ 1,570	\$ 2,073	\$ 12	\$ 3,655
Segment revenue	\$ 1,570	\$ 2,073	\$ 12	\$ 3,655

The following tables show the composition by segment:

Three Months Ended March 31, 2025				
	Utilities	Midstream	Corporate/ Other	Total
Segment revenue (note 11)	\$ 1,870	\$ 2,084	\$ 15	\$ 3,969
Cost of sales	(1,066)	(1,698)	—	(2,764)
Operating and administrative	(297)	(157)	(27)	(481)
Accretion expenses	—	(1)	—	(1)
Depreciation and amortization	(80)	(39)	(9)	(128)
Provisions on assets	—	(2)	—	(2)
Income from equity investments (note 7)	1	15	—	16
Other income <sup>(b)</sup>	18	2	1	21
Foreign exchange losses	—	—	(2)	(2)
Interest expense	—	—	(115)	(115)
Income (loss) before income taxes	\$ 446	\$ 204	\$ (137)	\$ 513
Net additions to:				
Property, plant and equipment <sup>(a)</sup>	\$ 127	\$ 112	\$ 9	\$ 248
Intangible assets <sup>(a)</sup>	\$ —	\$ —	\$ 3	\$ 3

(a) Net additions to property, plant and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statements of Cash Flows due to classification of business acquisition and foreign exchange changes on U.S. assets.

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

- Midstream – primarily interest income of \$1 million.
- Utilities – primarily other components of net benefit income.
- Corporate – primarily interest income of \$1 million.

Three Months Ended March 31, 2024				
	Utilities	Midstream	Corporate/ Other	Total
Segment revenue ( <i>note 11</i> )	\$ 1,570	\$ 2,073	\$ 12	\$ 3,655
Cost of sales	(845)	(1,624)	(8)	(2,477)
Operating and administrative	(288)	(143)	(36)	(467)
Accretion expenses	—	(1)	—	(1)
Depreciation and amortization	(72)	(37)	(7)	(116)
Income from equity investments ( <i>note 7</i> )	1	20	—	21
Other income <sup>(b)</sup>	18	9	1	28
Foreign exchange gains	—	—	5	5
Interest expense	—	—	(107)	(107)
<b>Income (loss) before income taxes</b>	<b>\$ 384</b>	<b>\$ 297</b>	<b>\$ (140)</b>	<b>\$ 541</b>
Net additions to:				
Property, plant and equipment <sup>(a)</sup>	\$ 179	\$ 45	\$ 31	\$ 255
Intangible assets <sup>(a)</sup>	\$ —	\$ 1	\$ —	\$ 1

(a) Net additions to property, plant and equipment, and intangible assets may not agree to changes reflected in the Consolidated Statements of Cash Flows due to classification of business acquisition and foreign exchange changes on U.S. assets.

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

- Midstream – primarily gain on settlement of asset retirement obligations ("ARO"), gain on asset sales, and interest income of \$1 million.
- Utilities – primarily other components of net benefit cost (income).
- Corporate – primarily interest income of \$1 million.

The following table shows goodwill and total assets by segment:

	Utilities	Midstream	Corporate/ Other	Total
<b>As at March 31, 2025</b>				
Goodwill ( <i>note 4</i> )	\$ 3,946	\$ 1,740	\$ —	\$ 5,686
Segmented assets	\$ 17,075	\$ 8,305	\$ 784	\$ 26,164
<b>As at December 31, 2024</b>				
Goodwill ( <i>note 4</i> )	\$ 3,950	\$ 1,741	\$ —	\$ 5,691
Segmented assets	\$ 17,184	\$ 8,223	\$ 685	\$ 26,092

## 21. SUBSEQUENT EVENTS

On April 1, 2025, Washington Gas issued the remaining US\$100 million in private placement notes with a 4.84 percent coupon, due on April 1, 2035, as part of the note purchase agreement executed on October 1, 2024.

Subsequent events have been reviewed through April 29, 2025, the date on which these unaudited condensed interim Consolidated Financial Statements were issued.

## SUPPLEMENTAL QUARTERLY OPERATING INFORMATION

	Q1-25	Q4-24	Q3-24	Q2-24	Q1-24
<b>OPERATING HIGHLIGHTS</b>					
<b>UTILITIES</b>					
Natural gas deliveries - end use (Bcf) <sup>(1)</sup>	<b>73.5</b>	38.3	8.9	14.5	54.5
Natural gas deliveries - transportation (Bcf) <sup>(1)</sup>	<b>44.5</b>	27.6	20.7	20.2	35.1
Service sites (thousands) <sup>(2)</sup>	<b>1,571</b>	1,568	1,560	1,560	1,562
Degree day variance from normal - SEMCO (Michigan) (%) <sup>(3)</sup>	<b>(0.3)</b>	(13.5)	(57.4)	(29.0)	(13.8)
Degree day variance from normal - Washington Gas (D.C.) (%) <sup>(3) (4)</sup>	<b>(5.2)</b>	(15.8)	(100.0)	(31.6)	(15.6)
WGL retail energy marketing - gas sales volumes (Mmcf)	<b>22,505</b>	17,191	8,179	9,664	23,810
WGL retail energy marketing - electricity sales volumes (GWh)	<b>3,689</b>	3,851	4,344	3,714	3,542
<b>MIDSTREAM</b>					
LPG export volumes (Bbls/d) <sup>(5)</sup>	<b>119,241</b>	122,233	128,272	123,285	115,108
Total inlet gas processed (Mmcf/d) <sup>(5)</sup>	<b>1,552</b>	1,477	1,303	1,420	1,401
Extracted ethane volumes (Bbls/d) <sup>(5)</sup>	<b>33,051</b>	25,454	20,314	19,618	20,369
Extracted NGL volumes (Bbls/d) <sup>(5) (6) (7)</sup>	<b>49,051</b>	47,745	46,707	47,054	48,272
Fractionation volumes (Bbls/d) <sup>(5) (8)</sup>	<b>42,415</b>	45,398	43,445	43,421	41,072
Frac spread - realized (\$/Bbl) <sup>(5) (9)</sup>	<b>27.77</b>	20.99	24.70	25.32	25.25
Frac spread - average spot price (\$/Bbl) <sup>(5) (10)</sup>	<b>32.13</b>	26.07	30.39	29.61	25.45
Propane Far East Index ("FEI") to Mont Belvieu spread (US\$/Bbl) <sup>(5) (7) (11)</sup>	<b>12.17</b>	18.85	21.52	18.87	14.06
Butane FEI to Mont Belvieu spread (US\$/Bbl) <sup>(5) (7) (12)</sup>	<b>12.41</b>	10.81	18.53	19.27	13.87

(1) Bcf is one billion cubic feet.

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

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

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

(5) Average for the period.

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

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

(8) Fractionation volumes include NGL mix volumes processed.

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

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

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

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

## OTHER INFORMATION

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### DEFINITIONS

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

### ABOUT ALTAGAS

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

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