

TC Energy delivers strong third quarter performance and updates three-year financial outlook

*Extending outlook to 2028, reinforced by clear investment visibility through end of decade
\$0.7 billion of new growth projects sanctioned in third quarter, totalling over \$5 billion of low-risk, accretive growth projects
announced over past 12 months*

CALGARY, Alberta – November 6, 2025 – TC Energy Corporation (TSX, NYSE: TRP) (TC Energy or the Company) released its third quarter results today alongside an updated three-year financial outlook and 2026 strategic priorities. François Poirier, TC Energy's President and Chief Executive Officer commented, "Driven by robust North American energy fundamentals, strong asset performance and exceptional project execution, we are extending our five to seven per cent annual comparable EBITDA¹ growth outlook through 2028." Poirier continued, "Our strategy is working, we're delivering consistent value without taking on additional risk. Over the past 12 months, we have sanctioned over \$5 billion in new growth projects across our North American natural gas and power portfolio, including the announcement today of three natural gas pipeline projects. Collectively these projects are expected to deliver a weighted average build-multiple² of approximately 5.9 times and are backed by 20-year take-or-pay or cost-of-service contracts. This exemplifies our low-risk capital allocation framework, focused on high-return, in-corridor projects, underpinned by long-term contracts with strong counterparties. Our year-to-date performance continues to demonstrate the strength of our opportunity set and our ability to consistently deliver low-risk, solid growth and repeatable performance."

Financial Highlights

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

- Third quarter 2025 financial results from continuing operations³:
 - **Comparable earnings**¹ of \$0.8 billion or \$0.77 per common share¹ compared to \$0.9 billion or \$0.86 per common share in third quarter 2024
 - **Net income attributable to common shares** of \$0.8 billion or \$0.78 per common share compared to \$1.3 billion or \$1.29 per common share in third quarter 2024
 - **Comparable EBITDA** of \$2.7 billion, compared to \$2.4 billion in third quarter 2024
 - **Segmented earnings** of \$1.9 billion compared to \$2.4 billion in third quarter 2024
- 2025 outlook:
 - **Comparable EBITDA** is expected to be in the range of \$10.8 to \$11.0 billion
 - **Comparable earnings per common share (EPS)** outlook remains consistent with our 2024 Annual Report, and is expected to be lower than 2024
 - **Capital expenditures** are anticipated to be on the lower end of \$6.1 to \$6.6 billion on a gross basis, and \$5.5 to \$6.0 billion of net capital expenditures⁴, reflecting capital efficiency through successful project execution in 2025

¹ Comparable EBITDA, comparable earnings and comparable earnings per common share are non-GAAP measures used throughout this news release. These measures do not have any standardized meaning under GAAP and therefore are unlikely to be comparable to similar measures presented by other companies. The most directly comparable GAAP measures are Segmented earnings, Net income attributable to common shares and Net income per common share, respectively. We do not forecast Segmented earnings. For more information on non-GAAP measures, refer to the Non-GAAP and Supplementary financial measure section of this news release.

² Build multiple is a non-GAAP ratio calculated by dividing capital expenditures by comparable EBITDA. Please note our method for calculating build multiple may differ from methods used by other entities. Therefore, it may not be comparable to similar measures presented by other entities. For more information on non-GAAP measures and the supplementary financial measure, refer to the Non-GAAP and Supplementary financial measure section of this news release.

³ Prior year results have been recast to reflect the Liquids Pipelines business as a discontinued operation as a result of the Spinoff Transaction.

⁴ Net capital expenditures are adjusted for the portion attributed to non-controlling interests and is a supplementary financial measure used throughout this news release. For more information on non-GAAP measures and the supplementary financial measure, refer to the Non-GAAP and Supplementary financial measure section of this news release.

- 2026 and three-year outlooks:
 - **2026 comparable EBITDA** is expected to be \$11.6 to \$11.8 billion, representing a six to eight per cent year-over-year growth
 - **2028 comparable EBITDA** is expected to be \$12.6 to 13.1 billion, representing a five to seven per cent annual growth rate between 2025 and 2028
- Declared a quarterly dividend of \$0.85 per common share for the quarter ending Dec. 31, 2025.

Operational Highlights

- Canadian Natural Gas Pipelines deliveries averaged 23.0 Bcf/d, up two per cent compared to third quarter 2024
 - Total NGTL system receipts averaged 14.0 Bcf/d, up one per cent compared to third quarter 2024
- U.S. Natural Gas Pipelines daily average flows were 26.3 Bcf/d, in line with third quarter 2024
 - Deliveries to LNG facilities averaged 3.7 Bcf/d, up 15 per cent compared to third quarter 2024, and set a new daily record of 4.0 Bcf on Aug. 7, 2025
- Mexico Natural Gas Pipelines flows averaged 3.3 Bcf/d, two per cent higher than third quarter 2024
- Bruce Power achieved 94 per cent availability in third quarter 2025
- Cogeneration power plant fleet achieved 87.7 per cent availability in third quarter 2025, reflecting planned maintenance on the MacKay River facility.

Project Highlights

- Year-to-date, we have placed approximately \$8 billion of assets into service on time and under budget
 - In September, the Valhalla section of NGTL's Valhalla North and Berland River (VNBR) project was placed in service ahead of schedule, with a capital cost of approximately \$0.2 billion. The VNBR project, which consists of new pipeline, one new non-emitting electric compressor unit and associated facilities, is designed to provide approximately 0.4 Bcf/d of incremental capacity on the NGTL System
 - The VR project on our Columbia system was placed in service in November 2025, with total project costs of approximately US\$0.5 billion. The project is designed to provide incremental capacity from Greensville County, Virginia to delivery points in Norfolk, Virginia
 - The WR project, providing mainline capacity to multiple points of delivery on our ANR System in Wisconsin, was placed in service in November 2025, with total project costs of approximately US\$0.7 billion
- Approved \$0.7 billion of in-corridor projects with a weighted average build multiple of 5.9x, including:
 - The US\$0.3 billion TCO Connector and US\$0.1 billion Midwest Connector projects on our Columbia Gas and extended system. Together these projects are designed to provide approximately 0.6 Bcf/d of capacity to serve new natural gas-fired power generation supporting forecasted electric generation growth, including expected data centre growth. The TCO Connector and Midwest Connector projects have anticipated in service dates of 2030 and 2031, respectively
- We remain focused on maximizing the value of our assets. On Oct. 30, 2025, FERC approved the settlement filing on the Section 4 Columbia Gas Rate Case, which includes an increase relative to pre-filed rates.

	three months ended September 30		nine months ended September 30	
(millions of \$, except per share amounts)	2025	2024 ¹	2025	2024 ¹
Income				
Net income (loss) attributable to common shares from continuing operations	813	1,338	2,653	3,130
per common share – basic	\$0.78	\$1.29	\$2.55	\$3.02
Segmented earnings (losses)				
Canadian Natural Gas Pipelines	533	495	1,600	1,510
U.S. Natural Gas Pipelines	801	1,330	2,817	3,135
Mexico Natural Gas Pipelines	407	237	809	715
Power and Energy Solutions	190	354	637	826
Corporate	(3)	(33)	(15)	(120)
Total segmented earnings (losses)	1,928	2,383	5,848	6,066
Comparable EBITDA from continuing operations				
Canadian Natural Gas Pipelines	913	845	2,726	2,537
U.S. Natural Gas Pipelines	1,062	1,002	3,518	3,311
Mexico Natural Gas Pipelines	416	265	968	765
Power and Energy Solutions	266	326	791	873
Corporate	(3)	(26)	(15)	(56)
Comparable EBITDA from continuing operations	2,654	2,412	7,988	7,430
Depreciation and amortization	(701)	(628)	(2,050)	(1,896)
Interest expense included in comparable earnings	(848)	(777)	(2,535)	(2,340)
Allowance for funds used during construction	55	210	417	551
Foreign exchange gains (losses), net included in comparable earnings	22	(33)	67	(41)
Interest income and other	47	61	147	204
Income tax (expense) recovery included in comparable earnings	(260)	(180)	(846)	(604)
Net (income) loss attributable to non-controlling interests included in comparable earnings	(136)	(145)	(468)	(457)
Preferred share dividends	(28)	(26)	(84)	(76)
Comparable earnings from continuing operations	805	894	2,636	2,771
Comparable earnings per common share from continuing operations	\$0.77	\$0.86	\$2.53	\$2.67

1 Results reflect continuing operations.

	three months ended September 30		nine months ended September 30	
(millions of \$, except per share amounts)	2025	2024	2025	2024
Cash flows¹				
Net cash provided by operations ²	1,920	1,915	5,452	5,612
Comparable funds generated from operations ^{2,3}	1,790	1,915	5,703	6,225
Capital spending ⁴	1,506	2,109	4,694	5,597
Disposition of equity interest, net of transaction costs ⁵	—	(7)	—	419
Dividends declared				
per common share	\$0.85⁶	\$0.96	\$2.55⁶	\$2.88
Basic common shares outstanding (millions)				
– weighted average for the period	1,040	1,038	1,040	1,038
– issued and outstanding at end of period	1,041	1,038	1,041	1,038

1 Includes continuing and discontinued operations.

2 Includes Liquids Pipelines earnings for the three and nine months ended September 30, 2024 compared to Liquids Pipelines earnings of nil for the same periods in 2025. Refer to the 2024 Annual Report for additional information.

3 Comparable funds generated from operations is a non-GAAP measure used throughout this news release. This measure does not have any standardized meaning under GAAP and therefore is unlikely to be comparable to similar measures presented by other companies. The most directly comparable GAAP measure is net cash provided by operations. For more information on non-GAAP measures, refer to the Non-GAAP and Supplementary financial measure section of this news release.

4 Capital spending reflects cash flows associated with our Capital expenditures, Capital projects in development and Contributions to equity investments. Refer to Note 4, Segmented information, of our Condensed consolidated financial statements for additional information.

5 Included in the Financing activities section of the Condensed consolidated statement of cash flows.

6 Reflects dividends declared following the Spinoff Transaction.

CEO Message

Throughout the first nine months of 2025, we continue to showcase the strength of our business and our differentiated exposure to the fastest-growing segments of the energy market, natural gas and power. Our performance reinforces that our strategy is working, and we continue to deliver consistent value without increasing our risk exposure. Performance in the third quarter reflects successful execution against our clear set of strategic priorities as we continue to safely and reliably connect energy across North America. For the nine months ended Sept. 30, 2025, comparable EBITDA increased approximately eight per cent, and segmented earnings decreased by approximately four per cent compared to the same period in 2024. The outlook for our business continues to be shaped by compelling structural trends across North America's energy landscape. Growing demand, favourable regulatory momentum, and a clear path to long-term, low-risk growth are reinforcing our confidence in the value we're delivering to shareholders.

Our latest forecast expects North American natural gas demand to increase by 45 Bcf/d by 2035, primarily driven by a tripling of LNG exports and unprecedented power demand from data centres and coal-to-gas conversions. We believe TC Energy's infrastructure plays a vital role in meeting this growing energy need. Year-to-date, **we have placed approximately \$8 billion of projects into service on time and 15 per cent under budget** and expect to place \$8.2 billion of projects into service by year-end. This is slightly lower than prior expectations, due in part to capital efficiencies achieved through successful project execution. In September, we placed the Valhalla section of the VNBR project on our NGTL system into service ahead of schedule. In November, on our Columbia and ANR systems respectively, we successfully placed the US\$0.5 billion VR and the US\$0.7 billion WR projects in service on time and under budget. These projects add critical capacity in growing markets, while advancing system modernization. In 2026, we expect to place approximately \$4 billion of capital into service, including Bruce Power Unit 3 as part of the Major Component Replacement (MCR) program. Supported by a long-term contract with the Ontario IESO through 2064, the successful execution of each MCR unit is expected to enhance availability, delivering reliable, baseload, non-emitting electricity in a market where demand is projected to grow by 75 per cent through 2050¹. These initiatives demonstrate our ability to consistently deliver executable growth that contributes to sustained, long-term financial resilience.

Momentum is accelerating across all three countries in North America as regulatory shifts signal potential for clearer and faster permitting. With TC Energy's continental-scale incumbency and focused natural gas and power portfolio, we are well-positioned to capitalize on long-term, low-risk, structural growth opportunities that create sustainable value while meeting North America's growing energy needs. **Over the past 12 months, we have sanctioned over \$5 billion in new growth projects** that exemplify our disciplined approach to capital allocation, prioritizing low-risk projects with strong returns. This includes \$0.7 billion of recently sanctioned growth projects, all underpinned by 20 year take-or-pay or cost-of-service contracts with strong counterparties, and expected to deliver a weighted average build multiple of 5.9x. Among these projects are the US\$0.3 billion TCO Connector and US\$0.1 billion Midwest Connector projects on our Columbia Gas and extended system. With anticipated in service dates of 2030 and 2031 respectively, the projects are designed to provide a total of 0.6 Bcf/d of capacity to serve new natural gas-fired power generation supporting forecasted electric generation growth, including expected data centre growth. With 17 Bcf/d of projects currently in development², we remain focused on creating enduring value for shareholders while meeting North America's evolving energy needs.

Reflecting clear visibility to stable, low-risk growth driven by strong demand signals, favourable regulatory momentum, exceptional asset performance and project execution, **we have updated our three-year financial outlook through 2028**. We now expect 2026 comparable EBITDA to be \$11.6 to \$11.8 billion, an increase of six to eight per cent over 2025. Our 2025 to 2028 outlook includes an expected comparable EBITDA range of \$12.6 to \$13.1 billion that implies an additional five to seven per cent growth rate on a compounded annual basis. As we continue to advance our strategic priorities - executing a selective portfolio of growth projects, maintaining financial strength and agility, while maximizing the value of our assets through safety

¹ Ontario IESO

² TC Energy in-development includes project capacity sanctioned, under construction and in origination.

and operational excellence, we believe we are well positioned to deliver predictable, repeatable value for shareholders through the end of the decade and beyond.

TC Energy's Board of Directors approved a quarterly common share dividend of \$0.85 per common share for the quarter ending Dec. 31, 2025, equivalent to \$3.40 per common share on an annualized basis.

Teleconference and Webcast

We will hold a teleconference and webcast on Thursday, November 6, 2025 at 6:30 a.m. (MT) / 8:30 a.m. (ET) to discuss our third quarter 2025 financial results and Company developments. Presenters will include François Poirier, President and Chief Executive Officer; Sean O'Donnell, Executive Vice-President and Chief Financial Officer; and other members of the executive leadership team.

Members of the investment community and other interested parties are invited to participate by calling **1-833-752-3826 (Canada/U.S. toll free) or 1-647-846-8864 (International toll)**. No passcode is required. Please dial in 15 minutes prior to the start of the call. Alternatively, participants may pre-register for the call [here](#). Upon registering, you will receive a calendar booking by email with dial in details and a unique PIN. This process will bypass the operator and avoid the queue. Registration will remain open until the end of the conference call.

A live webcast of the teleconference will be available on TC Energy's website at [TC Energy — Events and presentations](#) or via the following URL: <https://www.gowebcasting.com/13944>. The webcast will be available for replay following the meeting.

A replay of the teleconference will be available two hours after the conclusion of the call until midnight ET on Thursday, Nov. 13, 2025. Please call (1-855-669-9658 (Canada/U.S. toll free) or 1-412-317-0088 (International toll) and enter passcode 9548696.

The unaudited interim Condensed consolidated financial statements and Management's Discussion and Analysis (MD&A) are available on our website at www.TCEnergy.com and will be filed today under TC Energy's profile on SEDAR+ at www.sedarplus.ca and with the U.S. Securities and Exchange Commission on EDGAR at www.sec.gov.

About TC Energy

We are a leader in North American energy infrastructure, spanning Canada, the U.S. and Mexico. Every day, our dedicated team proudly connects the world to the energy it needs, moving over 30 per cent of the cleaner-burning natural gas used across the continent. Complemented by strategic ownership and low-risk investments in power generation, our infrastructure fuels industries and generates affordable, reliable and sustainable power across North America, while enabling LNG exports to global markets.

Our business is based on the connections we make. By partnering with communities, businesses and leaders across our extensive energy network, we unlock opportunity today and for generations to come.

TC Energy's common shares trade on the Toronto (TSX) and New York (NYSE) stock exchanges under the symbol TRP. To learn more, visit us at TCEnergy.com.

Forward-Looking Information

This release contains certain information that is forward-looking and is subject to important risks and uncertainties and is based on certain key assumptions. Forward-looking statements are usually accompanied by words such as "anticipate", "expect", "believe", "may", "will", "should", "estimate" or other similar words. Forward-looking statements in this document may include, but are not limited to, statements related to expectations with respect to expected comparable EBITDA, comparable earnings in total and per common share and the sources and drivers thereof, expectations with respect to anticipated capital expenditures and net capital expenditures and the timing thereof, expectations with respect to identified approved projects, including associated capital expenditures, timelines, and outcomes, expectations with respect to completed projects and expected impacts thereof, expectations with respect to the approximate value of projects to be placed in-service in 2025 and 2026, expectations with respect to identified FERC rate cases, including timelines, processes and outcomes, expectations with respect to our strategic priorities, and the execution thereof, expectations with respect to our ability to maximize the value of our assets through safety and operational excellence, expected cost and schedules for planned projects, including projects under construction and in development and the associated capital expenditures, expectations about energy demand levels and drivers thereof, expectations about our ability to execute our identified portfolio of growth projects and ensure financial strength and agility, our ability to deliver low-risk, solid growth and repeatable performance, expected industry, market and economic conditions, and ongoing trade negotiations, including their expected impact on our business, customers and suppliers. Our forward-looking information is subject to important risks and uncertainties and is based on certain key assumptions. Forward-looking statements and future-oriented financial information in this document are intended to provide TC Energy security holders and potential investors with information regarding TC Energy and its subsidiaries, including management's assessment of TC Energy's and its subsidiaries' future plans and financial outlook. All forward-looking statements reflect TC Energy's beliefs and assumptions based on information available at the time the statements were made and as such are not guarantees of future performance. As actual results could vary significantly from the forward-looking information, you should not put undue reliance on forward-looking information and should not use future-oriented information or financial outlooks for anything other than their intended purpose. We do not update our forward-looking information due to new information or future events, unless we are required to by law. For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from the anticipated results, refer to the most recent Quarterly Report to Shareholders and the 2024 Annual Report filed under TC Energy's profile on SEDAR+ at www.sedarplus.ca and with the U.S. Securities and Exchange Commission at www.sec.gov and the "Forward-looking information" section of our Report on Sustainability which is available on our website at www.TCEnergy.com.

Non-GAAP and Supplementary Financial Measure

This release contains references to the following non-GAAP measures: comparable EBITDA, comparable earnings, comparable earnings per common share and comparable funds generated from operations. These non-GAAP measures do not have any standardized meaning as prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. These non-GAAP measures are calculated by adjusting certain GAAP measures for specific items we believe are significant but not reflective of our underlying operations in the period. These comparable measures are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable except as otherwise described in the Condensed consolidated financial statements and MD&A. Refer to: (i) each business segment and the discontinued operations section for a reconciliation of comparable EBITDA to segmented earnings (losses); (ii) Consolidated results section and the discontinued operations section for reconciliations of comparable earnings and comparable earnings per common share to Net income attributable to common shares and Net income per common share, respectively; and (iii) Financial condition section for a reconciliation of comparable funds generated from operations to Net cash provided by operations. Refer to the Non-GAAP Measures section of the MD&A in our most recent quarterly report for more information about the non-GAAP measures we use. The MD&A is included with, and forms part of, this release. The MD&A can be found on SEDAR+ at www.sedarplus.ca under TC Energy's profile.

This release contains references to build multiple, which is non-GAAP ratio which is calculated using capital expenditures and comparable EBITDA, of which comparable EBITDA is a non-GAAP measure. We believe build multiple provides investors with a useful measure to evaluate capital projects.

This release also contains references to net capital expenditures, which is a supplementary financial measure. Net capital expenditures represent capital costs incurred for growth projects, maintenance capital expenditures, contributions to equity investments and projects under development, adjusted for the portion attributed to non-controlling interests in the entities we control. Net capital expenditures reflect capital costs incurred during the period, excluding the impact of timing of cash payments. We use net capital expenditures as a key measure in evaluating our performance in managing our capital spending activities in comparison to our capital plan.

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Quarterly report to shareholders

Third quarter 2025

Management's discussion and analysis

November 5, 2025

This management's discussion and analysis (MD&A) contains information to help the reader make investment decisions about TC Energy Corporation (TC Energy). It discusses our business, operations, financial position, risks and other factors for the three and nine months ended September 30, 2025 and should be read with the accompanying unaudited Condensed consolidated financial statements for the three and nine months ended September 30, 2025, which have been prepared in accordance with U.S. GAAP.

This MD&A should also be read in conjunction with our December 31, 2024 audited Consolidated financial statements and notes and the MD&A in our 2024 Annual Report. Capitalized and abbreviated terms that are used but not otherwise defined herein are defined in our 2024 Annual Report. Certain comparative figures have been adjusted to reflect the current period's presentation.

On October 1, 2024, TC Energy completed the spinoff of its Liquids Pipelines business into a new public company, South Bow Corporation (the Spinoff Transaction). Upon completion of the Spinoff Transaction, the Liquids Pipelines business was accounted for as a discontinued operation. Discussions throughout this MD&A are based on continuing operations unless otherwise noted. Prior year results have been recast to reflect the split between continuing and discontinued operations. Refer to our 2024 Annual Report and the Discontinued operations section for additional information.

FORWARD-LOOKING INFORMATION

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

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

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

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

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

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

Assumptions

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

Risks and uncertainties

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

You can read more about these factors and others in this MD&A and in other reports we have filed with Canadian securities regulators and the SEC, including the MD&A in our 2024 Annual Report.

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

FOR MORE INFORMATION

You can find more information about TC Energy in our Annual Information Form and other disclosure documents, which are available on SEDAR+ (www.sedarplus.ca).

Financial highlights

We use certain financial measures that do not have a standardized meaning under GAAP because we believe they improve our ability to compare results between reporting periods and enhance understanding of our operating performance. Known as non-GAAP measures, they may not be comparable to similar measures provided by other companies.

Comparable EBITDA, comparable earnings and comparable earnings per common share from continuing and discontinued operations and comparable funds generated from operations are all non-GAAP measures. Refer to the Non-GAAP measures section for additional information, as well as each business segment, the Financial condition and Discontinued operations sections for reconciliations to the most directly comparable GAAP measures.

Discussions throughout this MD&A are based on continuing operations unless otherwise noted. Prior year results have been recast to reflect the split between continuing and discontinued operations.

(millions of \$, except per share amounts)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Income				
Revenues	3,704	3,358	11,071	10,194
Net income (loss) attributable to common shares	609	1,457	2,420	3,623
from continuing operations	813	1,338	2,653	3,130
from discontinued operations	(204)	119	(233)	493
Net income (loss) per common share – basic	\$0.58	\$1.40	\$2.33	\$3.49
from continuing operations	\$0.78	\$1.29	\$2.55	\$3.02
from discontinued operations	(\$0.20)	\$0.11	(\$0.22)	\$0.47
Comparable EBITDA ²	2,654	2,791	7,988	8,575
from continuing operations	2,654	2,412	7,988	7,430
from discontinued operations	—	379	—	1,145
Comparable earnings ²	805	1,074	2,636	3,336
from continuing operations	805	894	2,636	2,771
from discontinued operations	—	180	—	565
Comparable earnings per common share ²	\$0.77	\$1.03	\$2.53	\$3.21
from continuing operations	\$0.77	\$0.86	\$2.53	\$2.67
from discontinued operations	—	\$0.17	—	\$0.54
Dividends declared				
per common share	\$0.85³	\$0.96	\$2.55³	\$2.88
Basic common shares outstanding (millions)				
– weighted average for the period	1,040	1,038	1,040	1,038
– issued and outstanding at end of period	1,041	1,038	1,041	1,038

1 Prior year results have been recast to reflect the split between continuing and discontinued operations.

2 Additional information on the most directly comparable GAAP measure can be found in the Non-GAAP measures section.

3 Reflects dividends declared following the Spinoff Transaction.

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Cash flows¹				
Net cash provided by operations ^{2,3}	1,920	1,915	5,452	5,612
Comparable funds generated from operations ^{2,3}	1,790	1,915	5,703	6,225
Capital spending ⁴	1,506	2,109	4,694	5,597
Disposition of equity interest, net of transaction costs ⁵	—	(7)	—	419

1 Includes continuing and discontinued operations.

2 Additional information on the most directly comparable GAAP measure can be found in the Non-GAAP measures section.

3 Includes Liquids Pipelines earnings for the three and nine months ended September 30, 2024 compared to Liquids Pipelines earnings of nil for the same periods in 2025. Refer to the Discontinued operations section and our 2024 Annual Report for additional information.

4 Capital spending reflects cash flows associated with our Capital expenditures, Capital projects in development and Contributions to equity investments. Refer to Note 4, Segmented information, of our Condensed consolidated financial statements for additional information.

5 Included in the Financing activities section of the Condensed consolidated statement of cash flows.

Consolidated results

(millions of \$, except per share amounts)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Canadian Natural Gas Pipelines	533	495	1,600	1,510
U.S. Natural Gas Pipelines	801	1,330	2,817	3,135
Mexico Natural Gas Pipelines	407	237	809	715
Power and Energy Solutions	190	354	637	826
Corporate	(3)	(33)	(15)	(120)
Total segmented earnings (losses)	1,928	2,383	5,848	6,066
Interest expense	(847)	(777)	(2,534)	(2,340)
Allowance for funds used during construction	55	210	417	551
Foreign exchange gains (losses), net	30	(38)	142	(78)
Interest income and other	47	61	147	204
Income (loss) from continuing operations before income taxes	1,213	1,839	4,020	4,403
Income tax (expense) recovery from continuing operations	(245)	(307)	(875)	(699)
Net income (loss) from continuing operations	968	1,532	3,145	3,704
Net income (loss) from discontinued operations, net of tax	(204)	119	(233)	493
Net income (loss)	764	1,651	2,912	4,197
Net (income) loss attributable to non-controlling interests	(127)	(168)	(408)	(498)
Net income (loss) attributable to controlling interests	637	1,483	2,504	3,699
Preferred share dividends	(28)	(26)	(84)	(76)
Net income (loss) attributable to common shares	609	1,457	2,420	3,623
Net income (loss) per common share – basic	\$0.58	\$1.40	\$2.33	\$3.49
from continuing operations	\$0.78	\$1.29	\$2.55	\$3.02
from discontinued operations	(\$0.20)	\$0.11	(\$0.22)	\$0.47

1 Prior year results have been recast to reflect the split between continuing and discontinued operations.

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Amounts attributable to common shares				
Net income (loss) from continuing operations	968	1,532	3,145	3,704
Net (income) loss attributable to non-controlling interests	(127)	(168)	(408)	(498)
Net income (loss) attributable to controlling interests from continuing operations	841	1,364	2,737	3,206
Preferred share dividends	(28)	(26)	(84)	(76)
Net income (loss) attributable to common shares from continuing operations	813	1,338	2,653	3,130
Net income (loss) from discontinued operations, net of tax	(204)	119	(233)	493
Net income (loss) attributable to common shares	609	1,457	2,420	3,623

1 Prior year results have been recast to reflect the split between continuing and discontinued operations.

Net income (loss) attributable to common shares from continuing operations decreased by \$525 million or \$0.51 per common share and \$477 million or \$0.47 per common share for the three and nine months ended September 30, 2025 compared to the same periods in 2024. Refer to the Non-GAAP measures section for the specific items recognized in Net income (loss) attributable to common shares from continuing operations and excluded from comparable earnings from continuing operations.

NON-GAAP MEASURES

This MD&A references non-GAAP measures, which are described in the table below. These measures do not have any standardized meaning as prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. These measures are reviewed regularly by our President and Chief Executive Officer, management and the Board of Directors in assessing our performance and making decisions regarding the ongoing operations of our business and its ability to generate cash flows. Some or all of these measures may also be used by investors and other external users of our financial statements as a supplemental measure to provide decision-useful information regarding our period-over-period performance and ability to generate earnings that are core to our ongoing operations. Discussions throughout this MD&A on the factors impacting comparable earnings before interest, taxes, depreciation and amortization (comparable EBITDA) and comparable earnings before interest and taxes (comparable EBIT) are consistent with the factors that impact segmented earnings, except where noted otherwise.

Comparable measures

We calculate comparable measures by adjusting certain GAAP measures for specific items we believe are significant but not reflective of our underlying operations in the period. Except as otherwise described herein, these comparable measures are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable.

Our decision to adjust for a specific item in reporting comparable measures is subjective and made after careful consideration. We maintain a consistent approach to adjustments, which generally fall into the categories described below:

- by their nature are unusual, infrequent and separately identifiable from our normal business operations and in our view are not reflective of our underlying operations in the period and generally include the following:
 - gains or losses on sales of assets or assets held for sale; impairment of goodwill, plant, property and equipment, equity investments and other assets; legal, contractual and other infrequent settlements; acquisition, integration and restructuring costs; expected credit loss provisions on net investment in leases and certain contract assets in Mexico; impacts resulting from changes in legislation and enacted tax rates and unusual tax refunds/payments and valuation allowance adjustments
- unrealized gains and losses related to fair value adjustments and unrealized foreign exchange on intercompany loans that do not reflect realized earnings or losses or cash impacts incurred in the current period from our underlying operations and generally include the following:
 - unrealized gains and losses from changes in the fair value of derivatives related to financial and commodity price risk management activities; unrealized fair value adjustments related to our proportionate share of Bruce Power's risk management activities and its funds invested for post-retirement benefits; unrealized foreign exchange gains and losses on intercompany loans that impact consolidated earnings.

The following table identifies our non-GAAP measures against their most directly comparable GAAP measures. These measures are applicable to each of our continuing operations and discontinued operations. Quantitative reconciliations of our comparable measures to their GAAP measures and a discussion of specific adjustments made for the three and nine months ended September 30, 2025 and comparative periods are found throughout this MD&A.

Non-GAAP measure	GAAP measure
comparable EBITDA	segmented earnings (losses)
comparable EBIT	segmented earnings (losses)
comparable earnings	net income (loss) attributable to common shares
comparable earnings per common share	net income (loss) per common share
funds generated from operations	net cash provided by operations
comparable funds generated from operations	net cash provided by operations

Comparable EBITDA and comparable EBIT

Comparable EBITDA represents segmented earnings (losses) adjusted for specific items described in the Comparable measures section, excluding charges for depreciation and amortization. We use comparable EBITDA as a measure of our earnings from ongoing operations as it is a useful indicator of our performance and is also presented on a consolidated basis. Comparable EBIT represents segmented earnings (losses) adjusted for specific items and is an effective tool for evaluating trends in each segment. Refer to each business segment and the Discontinued operations section for a reconciliation to segmented earnings (losses).

Funds generated from operations and comparable funds generated from operations

Funds generated from operations reflects net cash provided by operations before changes in operating working capital. The components of changes in working capital are disclosed in our 2024 Consolidated financial statements. Comparable funds generated from operations is adjusted for the cash impact of specific items described in the Comparable measures section. We believe funds generated from operations and comparable funds generated from operations are useful measures of our consolidated operating cash flows because they exclude fluctuations from working capital balances, which do not necessarily reflect underlying operations in the same period, and are used to provide a consistent measure of the cash-generating ability of our businesses. Refer to the Financial condition section for a reconciliation to Net cash provided by operations.

Comparable earnings and comparable earnings per common share

Comparable earnings represents earnings attributable to common shareholders on a consolidated basis, adjusted for specific items described in the Comparable measures section. Comparable earnings is comprised of segmented earnings (losses), Interest expense, AFUDC, Foreign exchange (gains) losses, net, Interest income and other, Income tax expense (recovery), Net income (loss) attributable to non-controlling interests and Preferred share dividends in our Condensed consolidated statement of income, adjusted for specific items. We use comparable earnings as a measure of our earnings from ongoing operations as it is a useful indicator of our performance and is also presented on a consolidated basis. Refer to the following page as well as the Discontinued operations section for reconciliations to Net income (loss) attributable to common shares and Net income (loss) per common share for our continuing operations and discontinued operations.

Comparable earnings and comparable earnings per common share - from continuing operations

The following specific items were recognized in Net income (loss) attributable to common shares from continuing operations and were excluded from comparable earnings from continuing operations:

2025 results

- pre-tax unrealized foreign exchange gains, net, of \$87 million and pre-tax unrealized foreign exchange losses, net, of \$42 million for the three and nine months ended September 30, 2025, respectively, on the peso-denominated intercompany loan between TransCanada Pipelines Limited (TCPL) and Transportadora de Gas Natural de la Huasteca (TGNH), net of non-controlling interest
- a pre-tax recovery of \$12 million and a pre-tax expense of \$79 million for the three and nine months ended September 30, 2025, respectively, on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest.

2024 results

- a pre-tax gain of \$572 million in third quarter 2024 related to the sale of Portland Natural Gas Transmission System (PNGTS), which was completed in third quarter 2024
- a pre-tax gain of \$48 million in second quarter 2024 related to the sale of non-core assets in U.S. Natural Gas Pipelines and Canadian Natural Gas Pipelines
- a pre-tax expense of \$5 million and a pre-tax recovery of \$19 million for the three and nine months ended September 30, 2024, respectively, on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest
- pre-tax costs of \$10 million related to the ownership transfer of the NGTL System from Nova Gas Transmission Ltd to NGTL GP Ltd. on behalf of NGTL Limited Partnership (NGTL System Ownership Transfer) in second quarter 2024

- a pre-tax expense of \$34 million related to a non-recurring third-party settlement in first quarter 2024
- a pre-tax expense of \$5 million and \$15 million for the three and nine months ended September 30, 2024, respectively, related to Focus Project costs
- pre-tax unrealized foreign exchange losses, net, of \$52 million and nil for the three and nine months ended September 30, 2024, respectively, on the peso-denominated intercompany loan between TCPL and TGNH, net of non-controlling interest.

RECONCILIATION OF NET INCOME (LOSS) ATTRIBUTABLE TO COMMON SHARES TO COMPARABLE EARNINGS - FROM CONTINUING OPERATIONS

(millions of \$, except per share amounts)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Net income (loss) attributable to common shares from continuing operations	813	1,338	2,653	3,130
Specific items (pre tax):				
Expected credit loss provision on net investment in leases and certain contract assets in Mexico ²	(12)	5	79	(19)
Foreign exchange (gains) losses, net – intercompany loan ³	(87)	52	42	—
(Gain) loss on sale of PNGTS	—	(572)	—	(572)
(Gain) loss on sale of non-core assets	—	—	—	(48)
Third-party settlement	—	—	—	34
Focus Project costs ⁴	—	5	—	15
NGTL System ownership transfer costs	—	—	—	10
Bruce Power unrealized fair value adjustments	(8)	(7)	(26)	(6)
Risk management activities ⁵	114	(54)	(141)	132
Tax related to specific items⁶	(15)	127	29	95
Comparable earnings from continuing operations	805	894	2,636	2,771
Net income (loss) per common share from continuing operations	\$0.78	\$1.29	\$2.55	\$3.02
Specific items (net of tax)	(0.01)	(0.43)	(0.02)	(0.35)
Comparable earnings per common share from continuing operations	\$0.77	\$0.86	\$2.53	\$2.67

1 Prior year results have been recast to reflect continuing operations only.

2 In 2022, TGNH and the CFE executed agreements which consolidate several natural gas pipelines under one TSA. As this TSA contains a lease, we have recognized amounts in net investment in leases on our Condensed consolidated balance sheet and have recognized an expected credit loss provision in relation to the net investment in leases and certain contract assets in Mexico, which will fluctuate from period to period based on changing economic assumptions and forward-looking information. This provision does not reflect losses or cash outflows that were incurred under this lease arrangement in the current period or from our underlying operations, and therefore, we have excluded any unrealized changes, net of non-controlling interest, from comparable measures. Refer to Note 12, Risk management and financial instruments, of our Condensed consolidated financial statements for additional information.

3 In 2023, TCPL and TGNH became party to an unsecured revolving credit facility. The loan receivable and loan payable are eliminated upon consolidation; however, due to differences in the currency that each entity reports its financial results, there is an impact to net income reflecting the revaluation and translation of the loan receivable and loan payable to TC Energy's reporting currency. As the amounts do not accurately reflect what will be realized at settlement, we exclude from comparable measures the unrealized foreign exchange gains and losses on the loan receivable, as well as the corresponding unrealized foreign exchange gains and losses on the loan payable, net of non-controlling interest.

4 In 2022, we launched the Focus Project with benefits in the form of enhanced safety, productivity and cost-effectiveness expected to be realized over the long term. In 2023 and 2024, we recognized expenses in Plant operating costs and other, for external consulting and severance, some of which are not recoverable through regulatory and commercial tolling structures.

5	Risk management activities (millions of \$)	three months ended September 30		nine months ended September 30	
		2025	2024	2025	2024
	U.S. Natural Gas Pipelines	8	(13)	66	(76)
	Canadian Power	(50)	7	(72)	67
	U.S. Power	2	3	4	(8)
	Natural Gas Storage	(7)	33	(27)	(37)
	Foreign exchange	(68)	24	169	(78)
	Interest rate	1	—	1	—
		(114)	54	141	(132)
	Income tax attributable to risk management activities	27	(13)	(35)	33
	Total unrealized gains (losses) from risk management activities	(87)	41	106	(99)

6 Refer to the Corporate section for additional information.

COMPARABLE EBITDA TO COMPARABLE EARNINGS - FROM CONTINUING OPERATIONS

Comparable EBITDA from continuing operations represents segmented earnings (losses) adjusted for the specific items described on the previous page and excludes charges for depreciation and amortization. Refer to each business segment for further information on our reconciliation of comparable EBITDA.

(millions of \$, except per share amounts)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Canadian Natural Gas Pipelines	913	845	2,726	2,537
U.S. Natural Gas Pipelines	1,062	1,002	3,518	3,311
Mexico Natural Gas Pipelines	416	265	968	765
Power and Energy Solutions	266	326	791	873
Corporate	(3)	(26)	(15)	(56)
Comparable EBITDA from continuing operations	2,654	2,412	7,988	7,430
Depreciation and amortization	(701)	(628)	(2,050)	(1,896)
Interest expense included in comparable earnings	(848)	(777)	(2,535)	(2,340)
Allowance for funds used during construction	55	210	417	551
Foreign exchange gains (losses), net included in comparable earnings	22	(33)	67	(41)
Interest income and other	47	61	147	204
Income tax (expense) recovery included in comparable earnings	(260)	(180)	(846)	(604)
Net (income) loss attributable to non-controlling interests included in comparable earnings	(136)	(145)	(468)	(457)
Preferred share dividends	(28)	(26)	(84)	(76)
Comparable earnings from continuing operations	805	894	2,636	2,771
Comparable earnings per common share from continuing operations	\$0.77	\$0.86	\$2.53	\$2.67

1 Prior year results have been recast to reflect continuing operations only.

Comparable EBITDA from continuing operations – 2025 versus 2024

Comparable EBITDA increased by \$242 million for the three months ended September 30, 2025 compared to the same period in 2024 primarily due to the net effect of the following:

- increased U.S. dollar-denominated EBITDA from Mexico Natural Gas Pipelines due to higher earnings in TGNH primarily related to the completion of the Southeast Gateway pipeline, partially offset by lower equity earnings from Sur de Texas as a result of peso-denominated financial exposure and higher income tax expense mainly related to foreign exchange impacts of U.S. dollar-denominated liabilities
- increased EBITDA in Canadian Natural Gas Pipelines mainly due to higher flow-through depreciation and income taxes on the NGTL System and increased contributions from Coastal GasLink
- increased U.S. dollar-denominated EBITDA from U.S. Natural Gas Pipelines mainly due to an increase in earnings from Columbia Gas as a result of higher transportation rates effective April 1, 2025, subject to refund upon completion of the current rate proceeding, incremental earnings from projects placed in service and additional contract sales, partially offset by higher operating costs and decreased earnings as a result of the sale of PNGTS completed in third quarter 2024. Refer to the Recent developments - U.S. Natural Gas Pipelines section for additional information
- increased EBITDA in Corporate primarily due to costs in 2024 related to TC Energy's corporate services and governance functions that were not allocated to discontinued operations
- decreased Power and Energy Solutions EBITDA mainly attributable to lower net contributions from Bruce Power due to reduced generation primarily resulting from the Unit 4 Major Component Replacement (MCR), partially offset by a higher contract price; and lower realized power prices in Canadian Power, partially offset by lower business development costs
- a positive foreign exchange impact of a stronger U.S. dollar on the Canadian dollar equivalent comparable EBITDA in our U.S. dollar-denominated operations, which was translated at a rate of 1.38 in 2025 versus 1.36 in 2024. Refer to the Foreign exchange section for additional information.

Comparable EBITDA increased by \$558 million for the nine months ended September 30, 2025 compared to the same period in 2024 primarily due to the net effect of the following:

- increased EBITDA in Canadian Natural Gas Pipelines mainly due to higher flow-through depreciation and income taxes on the NGTL System and increased contributions from Coastal GasLink
- increased U.S. dollar-denominated EBITDA from Mexico Natural Gas Pipelines mainly due to higher earnings in TGNH primarily related to the completion of the Southeast Gateway pipeline, partially offset by lower equity earnings from Sur de Texas as a result of peso-denominated financial exposure and higher income tax expense mainly related to foreign exchange impacts of U.S. dollar-denominated liabilities
- increased U.S. dollar-denominated EBITDA from U.S. Natural Gas Pipelines mainly due to a net increase in earnings from Columbia Gas as a result of higher transportation rates effective April 1, 2025, subject to refund upon completion of the current rate proceeding, incremental earnings from projects placed in service and additional contract sales, partially offset by decreased earnings as a result of the sale of PNGTS completed in third quarter 2024, higher operational costs and lower earnings from our equity investments. Refer to the Recent developments - U.S. Natural Gas Pipelines section for additional information
- increased EBITDA in Corporate primarily due to costs in 2024 related to TC Energy's corporate services and governance functions that were not allocated to discontinued operations
- decreased Power and Energy Solutions EBITDA mainly attributable to lower realized power prices in Canadian Power, decreased net contributions from Bruce Power primarily due to the Unit 4 MCR, higher operating costs, partially offset by a higher contract price; and lower realized Alberta natural gas storage spreads, partially offset by lower business development costs
- a positive foreign exchange impact of a stronger U.S. dollar on the Canadian dollar equivalent comparable EBITDA in our U.S. dollar-denominated operations, which was translated at a rate of 1.40 in 2025 versus 1.36 in 2024. Refer to the Foreign exchange section for additional information.

Due to the flow-through treatment of certain costs including depreciation, financial charges and income taxes in our Canadian rate-regulated pipelines, changes in these costs impact our comparable EBITDA despite having no significant effect on net income.

Comparable earnings from continuing operations – 2025 versus 2024

Comparable earnings decreased by \$89 million or \$0.09 per common share for the three months ended September 30, 2025 compared to the same period in 2024 primarily due to the net effect of the following:

- changes in comparable EBITDA described above
- lower AFUDC primarily due to the completion of the Southeast Gateway pipeline
- higher income tax expense primarily due to the impact of Mexico foreign exchange exposure, a change in the geographic and business mix of earnings and higher flow-through income taxes
- higher depreciation and amortization primarily due to higher depreciation rates on the NGTL System under the 2025-2029 Revenue Requirement Settlement and on Columbia Gas related to the settlement-in-principle filed with FERC in third quarter 2025. Refer to the Recent developments - U.S. Natural Gas Pipelines section for additional information
- lower capitalized interest due to the declared commercial in-service of the Coastal GasLink pipeline in fourth quarter 2024
- risk management activities used to manage our foreign exchange exposure to net liabilities in Mexico and to U.S. dollar-denominated income and the revaluation of our peso-denominated net monetary liabilities to U.S. dollars
- lower net income attributable to non-controlling interests is primarily the result of lower net income in TGNH due to the net effect of higher EBITDA and lower AFUDC resulting from the completion of the Southeast Gateway pipeline in second quarter 2025 and the overall impact of foreign exchange. In addition, the divestiture of PNGTS in third quarter 2024, partially offset by higher net income recognized from the Columbia Gas and Columbia Gulf assets also contributed to lower net income attributable to non-controlling interests.

Comparable earnings decreased by \$135 million or \$0.14 per common share for the nine months ended September 30, 2025 compared to the same period in 2024 primarily due to the net effect of the following:

- changes in comparable EBITDA described above
- higher income tax expense primarily due to the impact of Mexico foreign exchange exposure, higher flow-through income taxes and a change in the geographic and business mix of earnings
- lower capitalized interest due to the declared commercial in-service of the Coastal GasLink pipeline in fourth quarter 2024
- higher depreciation and amortization primarily due to higher depreciation rates on the NGTL System under the 2025-2029 Revenue Requirement Settlement and on Columbia Gas related to the settlement-in-principle that was filed with FERC in third quarter 2025. Refer to the Recent developments - U.S. Natural Gas Pipelines section for additional information
- lower AFUDC primarily due to the completion of the Southeast Gateway pipeline in second quarter 2025 and the suspension of AFUDC on the south section of the Villa de Reyes pipeline in first quarter 2025, partially offset by higher capital expenditures on U.S. natural gas pipeline projects
- lower interest income and other due to lower interest earned on short-term investments
- higher net income attributable to non-controlling interests due to the net effect of the completion of the Southeast Gateway pipeline in second quarter 2025, the sale of the 13.01 per cent non-controlling equity interest in TGNH to the CFE in second quarter 2024, net income recognized from Columbia Gas and Columbia Gulf assets, and the divestiture of PNGTS in third quarter 2024
- risk management activities used to manage our foreign exchange exposure to net liabilities in Mexico and to U.S. dollar-denominated income, the revaluation of our peso-denominated net monetary liabilities to U.S. dollars.

Supplementary financial measure

Net capital expenditures

Net capital expenditures represents capital costs incurred for growth projects, maintenance capital expenditures, contributions to equity investments and projects under development, adjusted for the portion attributed to non-controlling interests in the entities we control. Net capital expenditures reflect capital costs incurred during the period, excluding the impact of timing of cash payments. We use net capital expenditures as a key measure in evaluating our performance in managing our capital spending activities in comparison to our capital plan.

Net capital expenditures does not include an adjustment related to the CFE's minority interest in TGNH capital expenditures for projects included as part of the 2022 strategic alliance between TGNH and the CFE, including Villa de Reyes, Southeast Gateway and Tula. The CFE's contribution in second quarter 2024 to obtain a 13.01 per cent equity interest in TGNH included consideration of its proportionate share of required capital contributions for approved projects. Net capital expenditures will be adjusted for any new capital projects approved in TGNH going forward.

Outlook

Comparable EBITDA and comparable earnings

Our overall comparable EBITDA and comparable earnings per common share outlooks for 2025 remain consistent with our 2024 Annual Report.

Consolidated capital expenditures

Our expected total capital expenditures for 2025 as outlined in our 2024 Annual Report remain materially unchanged.

Capital program

We are developing quality projects under our capital program. These long-life infrastructure assets are supported by long-term commercial arrangements with creditworthy counterparties and/or regulated business models and are expected to generate growth in earnings and cash flows.

Our capital program consists of approximately \$21 billion of secured projects that represent commercially supported, committed projects that are either under construction or are in, or preparing to, commence the permitting stage.

Three years of maintenance capital expenditures for our businesses are included in the Secured projects table. Maintenance capital expenditures on our regulated Canadian and U.S. natural gas pipelines are added to rate base on which we have the opportunity to earn a return and recover these expenditures through current or future tolls, which is similar to our capacity capital projects on these pipelines.

We placed approximately \$7.6 billion of natural gas pipeline capacity projects along our extensive North American asset footprint into service, including Southeast Gateway pipeline. Approximately \$1.5 billion of maintenance capital expenditures were incurred in the period.

All projects are subject to cost and timing adjustments due to factors including weather, market conditions, route refinement, land acquisition, permitting conditions, scheduling and timing of regulatory permits, as well as other potential restrictions and uncertainties, including inflationary pressures on labour and materials. Amounts exclude capitalized interest and AFUDC, where applicable.

In addition to our secured projects, we are pursuing a portfolio of quality projects in various stages of development across each of our business units as discussed in our 2024 Annual Report. Projects under development have greater uncertainty with respect to timing and estimated project costs and are subject to corporate and regulatory approvals, unless otherwise noted. While each business segment also has additional areas of focus for further ongoing business development activities and growth opportunities, new opportunities will be assessed within our capital allocation framework in order to fit within our annual capital expenditure parameters. As these projects advance and reach necessary milestones they will be included in the Secured projects table on the following page. Refer to the Recent developments section for updates to our secured projects and projects under development.

Secured projects

Estimated and incurred project costs referred to in the following table include 100 per cent of the capital expenditures related to projects within entities that we own or partially own and fully consolidate, as well as our share of equity contributions to fund projects within our equity investments.

(billions of \$)	Expected in-service date	Estimated project cost	Project costs incurred at September 30, 2025
Canadian Natural Gas Pipelines¹			
NGTL System	2026	0.6 ²	0.3
	2027+	0.5 ²	—
Regulated maintenance capital expenditures	2025-2027	2.5	0.6
U.S. Natural Gas Pipelines			
Gillis Access – Extension	2026-2027	US 0.4	US 0.1
Heartland project	2027	US 0.9	US 0.1
Northwoods project	2029	US 0.9	—
Pulaski and Maysville projects	2029	US 0.8	—
Southeast Virginia Energy Storage project	2030	US 0.3	—
TCO Connector & Midwest Connector projects	2030-2031	US 0.4	—
Other capital ³	2025-2028	US 1.8	US 0.5
Regulated maintenance capital expenditures	2025-2027	US 2.6	US 0.6
Mexico Natural Gas Pipelines			
Villa de Reyes – South section ⁴	—	US 0.4	US 0.3
Tula ⁵	—	US 0.4	US 0.3
Power and Energy Solutions			
Bruce Power – Unit 3 MCR	2026	1.1	1.0
Bruce Power – Unit 4 MCR ⁶	2028	0.9	0.3
Bruce Power – Unit 5 MCR ⁶	2030	1.1	0.2
Bruce Power – life extension ⁷	2025-2031	1.8	0.8
Other			
Non-recoverable maintenance capital expenditures ⁸	2025-2027	0.5	—
		17.9	5.1
Foreign exchange impact on secured projects ⁹		3.5	0.7
Total secured projects (Cdn\$)		21.4	5.8

1 Our share of committed equity to fund the estimated cost of the Coastal GasLink - Cedar Link project is \$37 million.

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

3 Includes capital expenditures related to certain large-scope maintenance projects across our U.S. natural gas footprint due to their discrete nature for regulatory recovery.

4 We are working with the CFE on completing the remaining section of the Villa de Reyes pipeline. The in-service date will be determined upon resolution of outstanding stakeholder issues.

5 Estimated project cost as per contracts signed in 2022 as part of the TGNH strategic alliance between TC Energy and the CFE. We continue to evaluate the development and completion of the Tula pipeline, with the CFE, subject to a future FID and an updated cost estimate.

6 Amounts are net of expected Investment Tax Credits announced by the Government of Canada in February 2024.

7 Reflects amounts to be invested under the Asset Management program to 2027, other life extension projects and the incremental uprate initiative.

8 Includes non-recoverable maintenance capital expenditures from all segments and is primarily related to our Power and Energy Solutions and Corporate assets.

9 Reflects U.S./Canada foreign exchange rate of 1.39 at September 30, 2025.

Canadian Natural Gas Pipelines

The following is a reconciliation of comparable EBITDA and comparable EBIT (our non-GAAP measures) to segmented earnings (losses) (the most directly comparable GAAP measure).

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
NGTL System	649	598	1,925	1,797
Canadian Mainline	193	193	572	576
Other Canadian pipelines ¹	71	54	229	164
Comparable EBITDA	913	845	2,726	2,537
Depreciation and amortization	(380)	(350)	(1,126)	(1,037)
Comparable EBIT	533	495	1,600	1,500
Specific item:				
Gain (loss) on sale of non-core assets	—	—	—	10
Segmented earnings (losses)	533	495	1,600	1,510

1 Includes results from Foothills, Ventures LP, Great Lakes Canada and our proportionate share of income related to investments in Trans Québec & Maritimes (TQM) and Coastal GasLink, as well as general and administrative and business development costs related to our Canadian natural gas pipelines.

Canadian Natural Gas Pipelines segmented earnings increased by \$38 million and \$90 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 and included a pre-tax gain on sale of a non-core asset of \$10 million in second quarter 2024, which has been excluded from our calculation of comparable EBITDA and comparable EBIT.

Net income for our rate-regulated Canadian natural gas pipelines is primarily affected by our approved ROE, investment base, the level of deemed common equity and incentive earnings. Comparable EBITDA is impacted by these factors, as well as changes in depreciation, financial charges and income taxes. These additional items do not have a significant impact on net income as they are almost entirely recovered in revenues on a flow-through basis.

NET INCOME AND AVERAGE INVESTMENT BASE

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Net income				
NGTL System	200	193	597	585
Canadian Mainline	62	61	185	176
Average investment base				
NGTL System			19,319	19,342
Canadian Mainline			3,713	3,664

Net income for the NGTL System increased by \$7 million and \$12 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to higher incentive earnings. The NGTL System is currently operating under the CER approved five-year negotiated revenue requirement settlement (2025-2029 NGTL Settlement), which commenced on January 1, 2025 and includes an approved ROE of 10.1 per cent on 40 per cent deemed common equity. This settlement provides the NGTL System with higher depreciation rates and the opportunity to further increase depreciation rates with an incentive if tolls fall below specified levels, or if growth projects are undertaken. It also includes incentive mechanisms to reduce both physical emissions and emission compliance costs, while also providing incentive for certain operating costs where variances from projected amounts and emissions savings are shared with customers.

Net income for the Canadian Mainline increased by \$1 million and \$9 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 mainly due to higher incentive earnings. The Canadian Mainline is operating under the 2021-2026 Mainline Settlement which includes an approved ROE of 10.1 per cent on 40 per cent deemed common equity and an incentive to decrease costs and increase revenues on the pipeline under a beneficial sharing mechanism with our customers.

COMPARABLE EBITDA

Comparable EBITDA for Canadian Natural Gas Pipelines increased by \$68 million and \$189 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 due to:

- higher flow-through depreciation and income taxes as well as higher incentive earnings, partially offset by lower flow-through financial charges on the NGTL System
- higher contributions from Coastal GasLink mainly resulting from the declared commercial in-service of the pipeline in fourth quarter 2024.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased by \$30 million and \$89 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily reflecting higher depreciation rates on the NGTL System under the 2025-2029 Revenue Requirement Settlement.

U.S. Natural Gas Pipelines

The following is a reconciliation of comparable EBITDA and comparable EBIT (our non-GAAP measures) to segmented earnings (losses) (the most directly comparable GAAP measure).

(millions of US\$, unless otherwise noted)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Columbia Gas ¹	416	372	1,300	1,176
ANR	133	138	466	464
Columbia Gulf ¹	60	57	176	178
Great Lakes	33	38	142	148
GTN	65	44	187	138
PNGTS ^{1,2}	—	14	—	66
Other U.S. pipelines ³	63	71	239	265
Comparable EBITDA	770	734	2,510	2,435
Depreciation and amortization	(196)	(169)	(549)	(522)
Comparable EBIT	574	565	1,961	1,913
Foreign exchange impact	219	206	790	688
Comparable EBIT (Cdn\$)	793	771	2,751	2,601
Specific items:				
Gain (loss) on sale of PNGTS	—	572	—	572
Gain (loss) on sale of non-core assets	—	—	—	38
Risk management activities	8	(13)	66	(76)
Segmented earnings (losses) (Cdn\$)	801	1,330	2,817	3,135

1 Includes non-controlling interest. Refer to the Corporate section for additional information.

2 The sale of PNGTS was completed in August 2024.

3 Reflects comparable EBITDA from our ownership in our mineral rights business (CEVCO), North Baja, Gillis Access, Tuscarora, Bison, Crossroads and our share of equity income from Northern Border, Iroquois, Millennium and Hardy Storage, our U.S. natural gas marketing business, as well as general and administrative and business development costs related to our U.S. natural gas pipelines.

U.S. Natural Gas Pipelines segmented earnings decreased by \$529 million and \$318 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 and included the following specific items which have been excluded from our calculation of comparable EBITDA and comparable EBIT:

- a pre-tax gain of \$572 million related to the sale of PNGTS in third quarter 2024
- a pre-tax gain on sale of a non-core asset of \$38 million in second quarter 2024
- unrealized gains and losses from changes in the fair value of derivatives related to our U.S. natural gas marketing business.

A stronger U.S. dollar for the three and nine months ended September 30, 2025 had a positive impact on the Canadian dollar equivalent segmented earnings from our U.S. dollar-denominated operations compared to the same period in 2024. Refer to the Foreign exchange section for additional information.

Earnings from our U.S. Natural Gas Pipelines operations are generally affected by contracted volume levels, volumes delivered and the rates charged, as well as by the cost of providing services. Columbia Gas and ANR results are also affected by the contracting and pricing of their natural gas storage capacity and incidental commodity sales. Natural gas pipeline and storage volumes and revenues are generally higher in the winter months because of the seasonal nature of the business.

Comparable EBITDA for U.S. Natural Gas Pipelines increased by US\$36 million and US\$75 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 and was primarily due to the net effect of:

- a net increase in earnings from Columbia Gas as a result of higher transportation rates effective April 1, 2025, subject to refund upon completion of the current rate proceeding. Refer to the Recent developments - U.S. Natural Gas Pipelines section for additional information
- incremental earnings from growth and modernization projects placed in service, as well as increased earnings from additional contract sales on ANR and GTN
- decreased earnings as a result of the sale of PNGTS, which was completed in third quarter 2024
- decreased equity earnings from Iroquois and Millennium
- decreased earnings due to higher operational costs, reflective of increased system utilization across our footprint and higher property taxes from projects placed in service.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased by US\$27 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to depreciation rate changes reflected in the Columbia Gas settlement-in-principle that was filed with FERC in third quarter 2025. See Recent Developments - U.S. Natural Gas Pipelines for more details.

Mexico Natural Gas Pipelines

The following is a reconciliation of comparable EBITDA and comparable EBIT (our non-GAAP measures) to segmented earnings (losses) (the most directly comparable GAAP measure).

(millions of US\$, unless otherwise noted)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
TGNH ^{1,2}	209	62	432	186
Sur de Texas ³	24	62	51	164
Topolobampo	39	40	117	118
Guadalajara	14	14	45	44
Mazatlán	17	17	51	51
Comparable EBITDA	303	195	696	563
Depreciation and amortization	(18)	(17)	(52)	(51)
Comparable EBIT	285	178	644	512
Foreign exchange impact	108	64	252	184
Comparable EBIT (Cdn\$)	393	242	896	696
Specific item:				
Expected credit loss provision on net investment in leases and certain contract assets in Mexico ²	14	(5)	(87)	19
Segmented earnings (losses) (Cdn\$)	407	237	809	715

1 Includes the in-service sections of the Tamazunchale, Villa de Reyes, Tula and Southeast Gateway pipelines.

2 Includes non-controlling interest. Refer to the Corporate section for additional information.

3 Represents equity income from our 60 per cent interest and fees earned from the construction and operation of the pipeline.

Mexico Natural Gas Pipelines segmented earnings increased by \$170 million and \$94 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 and included a recovery of \$14 million and expense of \$87 million, respectively (2024 – expense of \$5 million and recovery of \$19 million, respectively), on the expected credit loss provision related to the TGNH net investment in leases and certain contract assets in Mexico, which has been excluded from our calculation of comparable EBITDA and comparable EBIT. During second quarter 2025, we completed the Southeast Gateway pipeline and recognized a net investment in sales-type lease. Refer to Note 12, Risk management and financial instruments and Note 13, TGNH strategic alliance, of our Condensed consolidated financial statements for additional information.

A stronger U.S. dollar for the three and nine months ended September 30, 2025 had a positive impact on the Canadian dollar equivalent segmented earnings from our U.S. dollar-denominated operations in Mexico compared to the same periods in 2024. Refer to the Foreign exchange section for additional information.

Comparable EBITDA for Mexico Natural Gas Pipelines increased by US\$108 million and US\$133 million for the three and nine months ended September 30, 2025 compared with the same periods in 2024, due to the net effect of:

- higher earnings in TGNH due to the completion of the Southeast Gateway pipeline
- lower equity earnings from Sur de Texas primarily due to the foreign exchange impacts on the revaluation of peso-denominated liabilities as a result of a stronger Mexican peso and higher income tax expense mainly related to foreign exchange impacts of U.S. dollar-denominated liabilities. We use foreign exchange derivatives to manage the peso-denominated exposure, the impact of which is recognized in Foreign exchange (gains) losses, net in the Condensed consolidated statement of income. Refer to the Foreign exchange section for additional information.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization was generally consistent for the three and nine months ended September 30, 2025 compared to the same periods in 2024. Under sales-type lease accounting, the completed Southeast Gateway pipeline assets are derecognized from Plant, property and equipment and recorded as a net investment in lease on our Condensed consolidated balance sheet with no depreciation expense being recognized.

Power and Energy Solutions

The following is a reconciliation of comparable EBITDA and comparable EBIT (our non-GAAP measures) to segmented earnings (losses) (the most directly comparable GAAP measure).

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Bruce Power ¹	213	282	578	613
Canadian Power	30	51	145	219
Natural Gas Storage and other ²	23	(7)	68	41
Comparable EBITDA	266	326	791	873
Depreciation and amortization	(29)	(22)	(85)	(75)
Comparable EBIT	237	304	706	798
Specific items:				
Bruce Power unrealized fair value adjustments	8	7	26	6
Risk management activities	(55)	43	(95)	22
Segmented earnings (losses)	190	354	637	826

1 Represents our share of equity income from Bruce Power.

2 Includes non-controlling interest in the Fluvanna and Blue Cloud Wind Farms (Texas Wind Farms), which is comprised of Class A Membership Interests. Refer to the Corporate section for additional information.

Power and Energy Solutions segmented earnings decreased by \$164 million and \$189 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 and included the following specific items which have been excluded from our calculation of comparable EBITDA and comparable EBIT:

- our proportionate share of Bruce Power's unrealized gains and losses on funds invested for post-retirement benefits and risk management activities
- unrealized gains and losses from changes in the fair value of derivatives used to reduce commodity exposures.

Comparable EBITDA for Power and Energy Solutions decreased by \$60 million and \$82 million for the three and nine months ended September 30, 2025 compared to the same period in 2024 primarily due to the net effect of:

- decreased contributions from Bruce Power due to reduced generation primarily related to the Unit 4 MCR and higher operating costs, partially offset by a higher contract price. Refer to the Bruce Power section for additional information
- lower Canadian Power financial results primarily from lower realized power prices
- higher Natural Gas Storage and other results for the three months ended September 30, 2025 is primarily due to lower business development costs and improved realized natural gas storage spreads. Increased financial results for the nine months ended September 30, 2025 were the result of lower business development costs, partially offset by decreased contributions from our U.S. marketing business and lower realized Alberta natural gas storage spreads in first quarter 2025.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased by \$7 million and \$10 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to the in-service of maintenance projects.

BRUCE POWER

The following is our proportionate share of the components of comparable EBITDA and comparable EBIT.

(millions of \$, unless otherwise noted)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Items included in comparable EBITDA and comparable EBIT are comprised of:				
Revenues ¹	546	608	1,610	1,620
Operating expenses	(236)	(233)	(748)	(730)
Depreciation and other	(97)	(93)	(284)	(277)
Comparable EBITDA and comparable EBIT²	213	282	578	613
Bruce Power – other information				
Plant availability ^{3,4}	94%	98%	93%	89%
Planned outage days ⁴	11	—	76	160
Unplanned outage days	21	8	44	29
Sales volumes (GWh) ⁵	4,885	5,926	14,626	16,152
Realized power price per MWh ⁶	\$111	\$102	\$109	\$100

1 Net of amounts recorded to reflect operating cost efficiencies shared with the IESO, if applicable.

2 Represents our 48.3 per cent ownership interest and internal costs supporting our investment in Bruce Power. Excludes unrealized gains and losses on funds invested for post-retirement benefits and risk management activities.

3 The percentage of time the plant was available to generate power, regardless of whether it was running.

4 Excludes MCR outage days.

5 Sales volumes include deemed generation, if applicable.

6 Calculation based on actual and deemed generation. Realized power price per MWh includes realized gains and losses from contracting activities and cost flow-through items. Excludes unrealized gains and losses on contracting activities and non-electricity revenues.

A planned outage on Unit 5 was completed in first quarter 2025. Planned maintenance on Unit 2 commenced in September 2025 with a return to service expected in late fourth quarter 2025.

On January 31, 2025 Unit 4 was removed from service to commence its MCR program, with a return to service expected in 2028.

Corporate

The following is a reconciliation of comparable EBITDA and comparable EBIT (our non-GAAP measures) to segmented earnings (losses) (the most directly comparable GAAP measure).

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Comparable EBITDA	(3)	(26)	(15)	(56)
Depreciation and amortization	—	(2)	—	(5)
Comparable EBIT	(3)	(28)	(15)	(61)
Specific items:				
Third-party settlement	—	—	—	(34)
Focus Project costs	—	(5)	—	(15)
NGTL System ownership transfer costs	—	—	—	(10)
Segmented earnings (losses)	(3)	(33)	(15)	(120)

1 Prior year results have been recast to reflect continuing operations only.

Corporate segmented losses decreased by \$30 million and \$105 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024. Corporate segmented losses included the following specific items, which have been excluded from our calculation of comparable EBITDA and comparable EBIT:

- a pre-tax expense of \$34 million (US\$25 million) in first quarter 2024 related to a non-recurring third-party settlement
- a pre-tax charge of \$5 million and \$15 million for the three and nine months ended September 30, 2024 related to Focus Project costs
- a pre-tax cost of \$10 million in second quarter 2024 related to the NGTL System Ownership Transfer.

Comparable EBITDA for Corporate increased by \$23 million and \$41 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to costs in 2024 related to TC Energy's corporate services and governance functions that were not allocated to discontinued operations.

INTEREST EXPENSE

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Interest expense on long-term debt and junior subordinated notes				
Canadian dollar-denominated	(204)	(211)	(601)	(656)
U.S. dollar-denominated	(424)	(471)	(1,282)	(1,415)
Foreign exchange impact	(159)	(172)	(511)	(510)
	(787)	(854)	(2,394)	(2,581)
Other interest and amortization expense	(63)	(48)	(148)	(135)
Capitalized interest	2	66	7	200
Interest expense allocated to discontinued operations	—	59	—	176
Interest expense included in comparable earnings	(848)	(777)	(2,535)	(2,340)
Specific item:				
Risk management activities	1	—	1	—
Interest expense	(847)	(777)	(2,534)	(2,340)

1 Prior year results have been recast to reflect continuing operations only.

Interest expense increased by \$70 million and \$194 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 and included \$1 million in third quarter 2025 of unrealized gains on derivatives used to manage our interest rate risk, which has been removed from our calculation of Interest expense included in comparable earnings. Refer to the Financial risks and financial instruments section for additional information.

Interest expense included in comparable earnings increased by \$71 million and \$195 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to the net effect of:

- lower capitalized interest due to the declared commercial in-service of the Coastal GasLink pipeline in fourth quarter 2024
- no interest expense allocated to discontinued operations in 2025
- long-term debt issuances and maturities, including lower interest expense resulting from TCPL's cash tender offers completed in fourth quarter 2024. Refer to our 2024 Annual Report and the Financial condition section for additional information
- the foreign exchange impact from a stronger U.S. dollar on translation of U.S. dollar-denominated interest expense.

ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Canadian dollar-denominated	13	8	37	25
U.S. dollar-denominated	30	149	268	387
Foreign exchange impact	12	53	112	139
Allowance for funds used during construction	55	210	417	551

AFUDC decreased by \$155 million and \$134 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024.

The decrease in AFUDC for the three and nine months ended September 30, 2025 is primarily the result of the completion of the Southeast Gateway pipeline in second quarter 2025 and the suspension of AFUDC on the south section of the Villa de Reyes pipeline in first quarter 2025 due to ongoing construction delays on the project pending the resolution of outstanding stakeholder issues, partially offset by capital expenditures on our U.S. natural gas pipeline projects.

FOREIGN EXCHANGE GAINS (LOSSES), NET

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Foreign exchange gains (losses), net included in comparable earnings	22	(33)	67	(41)
Specific items:				
Foreign exchange gains (losses), net – intercompany loan ¹	76	(29)	(94)	41
Risk management activities	(68)	24	169	(78)
Foreign exchange gains (losses), net	30	(38)	142	(78)

¹ Includes non-controlling interest. Refer to Net (income) loss attributable to non-controlling interests for additional information.

Foreign exchange gains (losses), net, changed by \$68 million and \$220 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024. The following specific items have been removed from our calculation of Foreign exchange gains (losses), net included in comparable earnings:

- unrealized foreign exchange gains and losses on the peso-denominated intercompany loan between TCPL and TGNH
- unrealized gains and losses from changes in the fair value of derivatives used to manage our foreign exchange risk. Refer to the Financial risks and financial instruments section for additional information.

Foreign exchange gains (losses), net included in comparable earnings changed by \$55 million and \$108 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024. The changes were primarily due to the net effect of:

- risk management activities used to manage our foreign exchange exposure to net liabilities in Mexico and to U.S. dollar-denominated income
- foreign exchange losses in 2025 compared to foreign exchange gains in 2024 on the revaluation of our peso-denominated net monetary liabilities to U.S. dollars
- a net realized gain in second quarter 2024 on the partial repayment of the peso-denominated intercompany loan between TCPL and TGNH.

INTEREST INCOME AND OTHER

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Interest income and other	47	61	147	204

1 Prior year results have been recast to reflect continuing operations only.

Interest income and other decreased by \$14 million and \$57 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 due to lower interest earned on short-term investments, partially offset by the change in fair value of other restricted investments.

INCOME TAX (EXPENSE) RECOVERY

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Income tax (expense) recovery included in comparable earnings	(260)	(180)	(846)	(604)
Specific items:				
Expected credit loss provision on net investment in leases and certain contract assets in Mexico	(3)	1	26	(6)
Foreign exchange gains (losses), net – intercompany loan	(7)	—	(13)	—
Gain on sale of PNGTS	—	(116)	—	(116)
Gain on sale of non-core assets	—	—	—	15
Third-party settlement	—	—	—	8
Focus Project costs	—	2	—	4
NGTL System ownership transfer costs	—	—	—	(32)
Bruce Power unrealized fair value adjustments	(2)	(1)	(7)	(1)
Risk management activities	27	(13)	(35)	33
Income tax (expense) recovery	(245)	(307)	(875)	(699)

1 Prior year results have been recast to reflect continuing operations only.

Income tax expense decreased by \$62 million and increased by \$176 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024. The income tax impacts on specified items referenced throughout the MD&A have been removed from our calculation of Income tax expense included in comparable earnings.

Income tax expense included in comparable earnings increased by \$80 million and \$242 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to the impact of Mexico foreign exchange exposure, higher flow-through income taxes and a change in geographic and business mix of earnings.

NET (INCOME) LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

(millions of \$)	Non-Controlling Interests Ownership at September 30, 2025	three months ended September 30		nine months ended September 30	
		2025	2024	2025	2024
Columbia Gas and Columbia Gulf	40%	(131)	(126)	(453)	(416)
Texas Wind Farms ¹	100%	8	9	27	20
TGNH ²	13.01%	(13)	(21)	(42)	(31)
PNGTS ³	—	—	(7)	—	(30)
Net (income) loss attributable to non-controlling interests included in comparable earnings		(136)	(145)	(468)	(457)
Specific items:					
Foreign exchange (gains) losses, net – intercompany loan		11	(23)	52	(41)
Expected credit loss provision on net investment in leases and certain contract assets in Mexico		(2)	—	8	—
Net (income) loss attributable to non-controlling interests		(127)	(168)	(408)	(498)

1 Tax equity investors own 100 per cent of the Class A Membership Interests, to which a percentage of earnings, tax attributes and cash flows are allocated. We own 100 per cent of the Class B Membership Interests.

2 In second quarter 2024, the CFE became a partner in TGNH with a 13.01 per cent equity interest in TGNH. Refer to the Recent developments – Mexico Natural Gas Pipelines section for additional information.

3 The sale of PNGTS was completed in August 2024.

Net income attributable to non-controlling interests decreased by \$41 million and \$90 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 and included the following specific items which have been excluded from our calculation of Net (income) loss attributable to non-controlling interests included in comparable earnings:

- the non-controlling interest portion of the unrealized foreign exchange gains and losses on the TGNH peso-denominated intercompany loan payable to TCPL
- the expected credit loss provision related to the TGNH net investment in leases and certain contract assets in Mexico.

Net income attributable to non-controlling interests included in comparable earnings decreased by \$9 million for the three months ended September 30, 2025 compared to the same period in 2024 and is primarily the result of lower net income in TGNH due to the net effect of higher EBITDA and lower AFUDC resulting from the completion of the Southeast Gateway pipeline in second quarter 2025 and the overall impact of foreign exchange. In addition, the divestiture of PNGTS in third quarter 2024, partially offset by higher net income recognized from the Columbia Gas and Columbia Gulf assets also contributed to lower net income attributable to non-controlling interests.

Net income attributable to non-controlling interests included in comparable earnings increased by \$11 million for the nine months ended September 30, 2025 compared to the same period in 2024, due to the net effect of higher net income recognized from the Columbia Gas and Columbia Gulf assets, the divestiture of PNGTS in third quarter 2024, the completion of the Southeast Gateway pipeline in second quarter 2025 and the sale of the 13.01 per cent non-controlling equity interest in TGNH to the CFE in second quarter 2024.

PREFERRED SHARE DIVIDENDS

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Preferred share dividends	(28)	(26)	(84)	(76)

Preferred share dividends increased by \$2 million and \$8 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to the dividend rate resets on Series 1, 7 and 9 preferred shares in 2024.

On June 30, 2025, 104,778 Series 3 preferred shares were converted, on a one-for-one basis, into Series 4 preferred shares and 1,822,829 Series 4 preferred shares were converted, on a one-for-one basis, into Series 3 preferred shares.

Foreign exchange

FOREIGN EXCHANGE RELATED TO U.S. DOLLAR-DENOMINATED OPERATIONS

Certain of our businesses generate all or most of their earnings in U.S. dollars and, since we report our financial results in Canadian dollars, changes in the value of the U.S. dollar against the Canadian dollar directly affect our comparable EBITDA and may also impact comparable earnings. As our U.S. dollar-denominated operations continue to grow, this exposure increases. A portion of the U.S. dollar-denominated comparable EBITDA exposure is naturally offset by U.S. dollar-denominated amounts below comparable EBITDA within Depreciation and amortization, Interest expense and other income statement line items. A portion of the remaining exposure is actively managed on a rolling forward basis up to three years using foreign exchange derivatives; however, the natural exposure beyond that period remains. The net impact of the U.S. dollar movements on comparable earnings during the three and nine months ended September 30, 2025 after considering natural offsets and economic hedges was not significant.

The components of our financial results denominated in U.S. dollars are set out in the table below, including our U.S. Natural Gas Pipelines and Mexico Natural Gas Pipelines operations. Comparable EBITDA is a non-GAAP measure.

PRE-TAX U.S. DOLLAR-DENOMINATED INCOME AND EXPENSE ITEMS – FROM CONTINUING OPERATIONS

(millions of US\$)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Comparable EBITDA				
U.S. Natural Gas Pipelines	770	734	2,510	2,435
Mexico Natural Gas Pipelines	303	195	696	563
	1,073	929	3,206	2,998
Depreciation and amortization	(214)	(186)	(601)	(573)
Interest expense on long-term debt and junior subordinated notes	(424)	(471)	(1,282)	(1,415)
Interest expense allocated to discontinued operations	—	42	—	125
Allowance for funds used during construction	30	149	268	387
Net (income) loss attributable to non-controlling interests included in comparable earnings and other	(104)	(118)	(339)	(356)
	361	345	1,252	1,166
Average exchange rate – U.S. to Canadian dollars	1.38	1.36	1.40	1.36

1 Prior year results have been recast to reflect continuing operations only.

FOREIGN EXCHANGE RELATED TO MEXICO NATURAL GAS PIPELINES

Changes in the value of the Mexican peso against the U.S. dollar can affect our comparable earnings as a portion of our Mexico Natural Gas Pipelines' monetary assets and liabilities are peso-denominated, while our financial results are denominated in U.S. dollars for our Mexico operations. These peso-denominated balances are revalued to U.S. dollars, creating foreign exchange gains and losses that are included in Income (loss) from equity investments, Foreign exchange (gains) losses, net and Net income (loss) attributable to non-controlling interests in the Condensed consolidated statement of income.

In addition, foreign exchange gains or losses calculated for Mexico income tax purposes on the revaluation of U.S. dollar-denominated monetary assets and liabilities result in a peso-denominated income tax exposure for these entities, leading to fluctuations in Income from equity investments and Income tax expense. This exposure increases as our U.S. dollar-denominated net monetary liabilities grow.

The above exposures are managed using foreign exchange derivatives, although some unhedged exposure remains. The impacts of the foreign exchange derivatives are recorded in Foreign exchange (gains) losses, net in the Condensed consolidated statement of income. Refer to the Financial risks and financial instruments section for additional information.

The period end exchange rates for one U.S. dollar to Mexican pesos were as follows:

September 30, 2025	18.36
September 30, 2024	19.70
December 31, 2024	20.87
December 31, 2023	16.91

A summary of the impacts of transactional foreign exchange gains and losses from changes in the value of the Mexican peso against the U.S. dollar and associated derivatives is set out in the table below:

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Comparable EBITDA - Mexico Natural Gas Pipelines ¹	(14)	40	(68)	85
Foreign exchange gains (losses), net included in comparable earnings	32	(31)	104	(32)
Income tax (expense) recovery included in comparable earnings	(17)	43	(76)	83
Net (income) loss attributable to non-controlling interests included in comparable earnings ²	1	(4)	7	(8)
	2	48	(33)	128

1 Includes the foreign exchange impacts from the Sur de Texas joint venture recorded in Income (loss) from equity investments in the Condensed consolidated statement of income.

2 Represents the non-controlling interest portion related to TGNH. Refer to the Corporate section for additional information.

Recent developments

CANADIAN NATURAL GAS PIPELINES

Multi-Year Growth Plan

The 2025-2029 NGTL Settlement enables an investment framework that supports our Board of Directors' approval to allocate up to \$3.3 billion of capital towards progression of the Multi-Year Growth Plan (MYGP) for expansion facilities on the NGTL System. It is comprised of multiple distinct projects with various targeted in-service dates, subject to final company and regulatory approvals. With in-service dates beginning in 2026, a total of approximately \$0.7 billion of MYGP expansion facilities have received FID, including \$0.4 billion in 2025. We continue to evaluate plans for each MYGP facility to optimize cost and schedule. The completion of the MYGP is expected to enable approximately 1.0 Bcf/d of incremental system throughput.

Valhalla North and Berland River Project

We continue to advance construction of the Valhalla North and Berland River project. The Valhalla section, which consists of approximately 33 km (21 miles) of new pipeline, was placed in service in third quarter 2025, with a capital cost of approximately \$0.2 billion. The project is designed to provide incremental capacity on the NGTL System of approximately 428 TJ/d (400 MMcf/d) and consists of new pipeline, one new non-emitting electric compressor unit and associated facilities.

Coastal GasLink

Coastal GasLink Pipeline

In November 2024, Coastal GasLink Limited Partnership (Coastal GasLink LP) executed a commercial agreement with LNG Canada (LNGC) and each of the five LNGC Participants (LNGC Participants) that declared commercial in-service for Coastal GasLink pipeline, enabling toll collection from customers retroactive to October 1, 2024. The agreement also provided for a one-time payment of \$199 million from LNGC Participants to TC Energy in recognition of completed work and final cost settlement, payable upon the earlier of three months following the LNG facility's declared in-service date or December 15, 2025.

Effective July 12, 2025, the LNG facility was declared in-service by LNGC. Pursuant to the commercial agreement, TC Energy received the one-time payment of \$199 million in October 2025. This payment, which accrues entirely to TC Energy under the contractual arrangements between the Coastal GasLink LP partners, was recognized as an in-substance distribution from Coastal GasLink LP in our financial statements as at December 31, 2024.

Coastal GasLink LP has resolved all material claims with contractors with a net positive recovery overall to Coastal GasLink LP. Refer to Note 14, Commitments, contingencies and guarantees, of our Condensed consolidated financial statements for additional information.

Indigenous Equity Option

In March 2022, we announced the signing of option agreements to sell up to a 10 per cent equity interest in Coastal GasLink LP to Indigenous communities across the project corridor, from our current 35 per cent equity ownership. In September 2025, prospective investors entered into a non-binding window, which is due to close at the end of 2025.

U.S. NATURAL GAS PIPELINES

Columbia Gas Section 4 Rate Case

Columbia Gas filed a Section 4 Rate Case with FERC in September 2024 requesting an increase to its maximum transportation rates effective April 1, 2025, subject to refund upon completion of the current rate proceeding. On October 30, 2025, FERC approved the settlement filing. Previously accrued rate refund liabilities will be refunded to customers, including interest, in fourth quarter 2025.

ANR and GLGT Section 4 Rate Cases

In April 2025, ANR and GLGT each filed Section 4 Rate Cases with FERC requesting an increase to their respective maximum transportation rates effective November 1, 2025, subject to refund. We will pursue a collaborative process to find a mutually beneficial outcome with our customers through settlement.

East Lateral XPress

The East Lateral XPress project, an expansion project on the Columbia Gulf system that connects supply to U.S. Gulf Coast LNG export markets, was placed in service in May 2025, with a total project cost of approximately US\$0.3 billion.

Northwoods Project

In April 2025, we approved the Northwoods project, an expansion project on our ANR system designed to provide 0.4 Bcf/d of capacity to serve natural gas-fired electric generation demand in the U.S. Midwest, including data centres and overall economic growth. The project involves pipeline looping, compressor facility additions as well as other system updates, with an anticipated in-service date of late 2029 and an estimated project cost of approximately US\$0.9 billion.

VR and WR Projects

In November 2025, we placed the VR and WR projects into service. The VR project, provides incremental capacity from Greensville County, Virginia to delivery points in Norfolk, Virginia, with a total project cost of approximately US\$0.5 billion. The WR project, provides mainline capacity to multiple points of delivery on our ANR System in Wisconsin with a total project cost of approximately US\$0.7 billion.

TCO Connector & Midwest Connector Projects

In October 2025, we approved the US\$0.3 billion TCO Connector and US\$0.1 billion Midwest Connector projects on our Columbia Gas and extended system. Together these projects are designed to provide approximately 0.6 Bcf/d of capacity to serve new natural gas-fired power generation supporting forecasted electric generation growth, including expected data centre growth across our system. The TCO Connector and Midwest Connector projects have anticipated in-service dates of 2030 and 2031, respectively.

MEXICO NATURAL GAS PIPELINES

TGNH Strategic Alliance with the CFE

The Southeast Gateway pipeline is in service and we commenced the collection of tolls beginning May 2025. In July 2025, the newly constituted Comisión Nacional de Energía (CNE) approved our regulated rates required to provide service to potential future interruptible service users on the Southeast Gateway pipeline other than the CFE.

During second quarter 2024, upon the CFE's equity injection of US\$340 million as well as non-cash consideration in recognition of the completion of certain contractual obligations, including land acquisition and permitting support, the CFE became a partner in TGNH with a 13.01 per cent equity interest. With the CFE's contractual support related to land acquisition, community relations and permitting, the CFE's equity in TGNH is expected to increase to a maximum of 15 per cent, subject to regulatory approvals, and will increase to approximately 35 per cent upon expiry of the contract in 2055.

POWER AND ENERGY SOLUTIONS

Bruce Power Life Extension

Bruce Power received approval of the Unit 5 MCR final cost and schedule estimate from the IESO on April 2, 2025. The Unit 5 MCR is expected to commence in fourth quarter 2026 with a return to service in early 2030.

CORPORATE

2016 Columbia Pipeline Acquisition Lawsuit

In 2018, former shareholders of Columbia Pipeline Group Inc. (CPG) commenced a class action lawsuit related to the acquisition of CPG by TC Energy in 2016. In 2023, the Delaware Chancery Court (the Court) found that the former CPG executives breached their fiduciary duties, that the former CPG Board breached its duty of care in overseeing the sale process and that TC Energy aided and abetted those breaches. TC Energy's allocated share of damages was an estimated US\$350 million, plus post-judgment interest. TC Energy appealed the decision to the Delaware Supreme Court and on June 17, 2025, the Supreme Court issued its decision reversing the Court's finding of liability against TC Energy. On July 10, 2025, the Court granted the final order vacating its prior judgment and dismissing plaintiffs' claims against TC Energy. As a result, this matter is now concluded in TC Energy's favour with no liability. There is no further right of appeal.

Financial condition

We strive to maintain financial strength and flexibility in all parts of the economic cycle. We rely on our operating cash flows to sustain our business, pay dividends and fund a portion of our growth. In addition, we access capital markets and engage in portfolio management activities to meet our financing needs and to manage our capital structure and credit ratings.

We believe that we have the financial capacity to fund our existing capital program through predictable cash flows from operations, access to capital markets, portfolio management activities, joint ventures, asset-level financing, cash on hand and substantial committed credit facilities. Annually, in the fourth quarter, we renew and extend our credit facilities as required.

At September 30, 2025, our current assets totaled \$7.5 billion and current liabilities amounted to \$11.9 billion, leaving us with a working capital deficit of \$4.4 billion compared to a deficit of \$4.8 billion at December 31, 2024, excluding discontinued operations. Our working capital deficiency is considered to be in the normal course of business and is managed through:

- our ability to generate predictable cash flows from operations
- a total of \$7.9 billion of TCPL committed revolving credit facilities, of which \$5.7 billion of short-term borrowing capacity remains available, net of \$2.2 billion backstopping outstanding commercial paper balances, and arrangements for a further \$2.0 billion of demand credit facilities, of which \$1.3 billion remains available as of September 30, 2025
- additional \$2.0 billion of committed revolving credit facilities at certain of our subsidiaries and affiliates, of which \$1.9 billion of short-term borrowing capacity remains available as of September 30, 2025, net of \$0.1 billion backstopping outstanding commercial paper balances
- our access to capital markets, including through securities issuances, incremental credit facilities, capital rotation and DRP, if deemed appropriate.

CASH PROVIDED BY OPERATING ACTIVITIES^{1,2}

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Net cash provided by operations	1,920	1,915	5,452	5,612
Increase (decrease) in operating working capital	(130)	(203)	251	313
Funds generated from operations	1,790	1,712	5,703	5,925
Specific items:				
Third-party settlement, net of current income tax	—	—	—	26
NGTL System ownership transfer costs	—	—	—	10
Current income tax (recovery) expense on sale of PNGTS and non-core assets	—	139	—	148
Liquids Pipelines business separation costs, net of current income tax	—	58	—	100
Focus Project costs, net of current income tax	—	4	—	13
Current income tax (recovery) expense on Keystone XL asset impairment charge and other	—	(3)	—	(3)
Current income tax (recovery) expense on Keystone regulatory decisions	—	(3)	—	(3)
Current income tax (recovery) expense on risk management activities	—	8	—	9
Comparable funds generated from operations	1,790	1,915	5,703	6,225

1 Includes continuing and discontinued operations.

2 Includes Liquids Pipelines earnings for the three and nine months ended September 30, 2024 compared to Liquids Pipelines earnings of nil for the same periods in 2025. Refer to the Discontinued operations section and our 2024 Annual Report for additional information.

Net cash provided by operations

Net cash provided by operations was generally consistent for the three months ended September 30, 2025 compared to the same period in 2024. Net cash provided by operations decreased by \$160 million for the nine months ended September 30, 2025 compared to the same period in 2024 primarily due to lower funds generated from operations, partially offset by the timing of working capital changes.

Comparable funds generated from operations

Comparable funds generated from operations, a non-GAAP measure, helps us assess the cash generating ability of our businesses by excluding the timing effects of working capital changes, as well as the cash impact of our specific items.

Comparable funds generated from operations decreased by \$125 million and \$522 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to lower comparable earnings and lower distributions from our equity investments.

CASH (USED IN) PROVIDED BY INVESTING ACTIVITIES

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Capital spending				
Capital expenditures	(1,255)	(1,756)	(3,924)	(4,668)
Capital projects in development	(2)	(8)	(12)	(41)
Contributions to equity investments	(249)	(345)	(758)	(888)
	(1,506)	(2,109)	(4,694)	(5,597)
Proceeds from sale of assets, net of transaction costs	—	743	—	791
Other distributions from equity investments	—	509	5	539
Deferred amounts and other	(87)	2	(126)	(126)
Net cash (used in) provided by investing activities	(1,593)	(855)	(4,815)	(4,393)

Net cash used in investing activities increased by \$738 million and \$422 million for the three and nine months ended September 30, 2025 compared to the same periods in 2024 primarily due to proceeds from sale of assets in 2024, partially offset by decreased capital spending in 2025.

Capital expenditures incurred for the nine months ended September 30, 2025 were primarily for the advancement of the Columbia Gas and ANR projects, as well as maintenance capital expenditures. Lower capital expenditures for the nine months ended September 30, 2025 compared to the same period in 2024 reflect the completion of the Southeast Gateway pipeline in second quarter 2025, partially offset by increased spending on ANR projects.

CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Notes payable issued (repaid), net	(59)	(1,137)	2,037	421
Long-term debt issued, net of issue costs	831	7,428	3,252	8,089
Long-term debt repaid	(805)	—	(4,029)	(1,662)
Junior subordinated notes issued, net of issue costs	989	1,465	2,043	1,465
Dividends and distributions paid	(1,025)	(1,325)	(3,122)	(3,699)
Common shares issued, net of issue costs	37	21	87	21
Disposition of equity interest, net of transaction costs	—	(7)	—	419
Contributions from non-controlling interest	—	11	—	16
Cash received from factoring arrangement	101	—	101	—
Net cash (used in) provided by financing activities	69	6,456	369	5,070

Long-term debt issued

The following table outlines significant long-term debt issuances in the nine months ended September 30, 2025:

(millions of Canadian \$, unless otherwise noted)					
Company	Issue date	Type	Maturity date	Amount	Interest rate
TransCanada PipeLines Limited	February 2025	Medium Term Notes	February 2035	1,000	4.58%
ANR Pipeline Company	September 2025	Senior Unsecured Notes	September 2031	US 250	5.23%
	September 2025	Senior Unsecured Notes	September 2035	US 350	5.69%
Columbia Pipelines Operating Company LLC	March 2025	Senior Unsecured Notes	February 2035	US 550	5.44%
	March 2025	Senior Unsecured Notes	February 2055	US 450	5.96%

On October 10, 2025, Great Lakes Gas Transmission Limited Partnership issued a US\$205 million unsecured term loan maturing in October 2028, bearing interest at a floating rate.

Long-term debt repaid/retired

The following table outlines significant long-term debt repaid/retired in the nine months ended September 30, 2025:

(millions of Canadian \$, unless otherwise noted)				
Company	Repayment date	Type	Amount	Interest rate
TransCanada PipeLines Limited	July 2025	Medium Term Notes	750	3.30%
Nova Gas Transmission Ltd.	May 2025	Medium Term Notes	87	8.90%
Columbia Pipelines Operating Company LLC	March 2025	Senior Unsecured Notes	US 1,000	4.50%
TC PipeLines, LP	March 2025	Senior Unsecured Notes	US 350	4.38%
TC Energía Mexicana, S. de R.L. de C.V.	Various	Senior Unsecured Term Loan	US 122	Floating

On October 14, 2025, TCPL retired US\$92 million of senior unsecured notes bearing interest at a fixed rate of 7.06 per cent.

Junior subordinated notes issued

The following table outlines significant junior subordinated notes issued in the nine months ended September 30, 2025:

(unaudited - millions of Canadian \$, unless otherwise noted)					
Company	Issue date	Type	Maturity date	Amount	Interest rate
TransCanada PipeLines Limited					
	August 2025	Junior Subordinated Notes	February 2056	1,000	5.20% ¹
	February 2025	Junior Subordinated Notes	June 2065	US 750	7.00% ²

1 Fixed rate of interest per year until February 15, 2031, and resetting every five years thereafter, subject to a rate-reset minimum.

2 Fixed rate of interest per year until June 1, 2030, and resetting every five years thereafter.

In October 2025, TCPL issued US\$370 million of junior subordinated notes, including the exercise of the over-allotment option, maturing in 2085 with a fixed interest rate of 6.25 per cent. We intend to use the proceeds from the issuance to redeem all issued and outstanding TC Energy Series 11 preferred shares on November 28, 2025 pursuant to their terms, to reduce indebtedness and for general corporate purposes.

Junior subordinated notes repaid/retired

In May 2025, TCPL exercised its option to fully repay and retire the US\$750 million junior subordinated notes that had a maturity date of 2075, bearing interest at 5.88 per cent to TransCanada Trust (the Trust). All of the proceeds from the repayment were used by the Trust to fund the redemption price of the US\$750 million in aggregate principal amount of outstanding Trust Notes - Series 2015-A, in May 2025 pursuant to their terms. Refer to Note 8, Junior subordinated notes, of our Condensed consolidated financial statements for additional information.

DIVIDENDS

On November 6, 2025, we announced a quarterly dividend on our outstanding common shares of \$0.85 per share payable on January 30, 2026 to shareholders of record at the close of business on December 31, 2025.

Commencing with the dividends payable on January 31, 2025 to shareholders of record at the close of business on December 31, 2024, the amounts reflect TC Energy's proportionate allocation following the Spinoff Transaction. Refer to our 2024 Annual Report for additional information.

SHARE INFORMATION

At October 30, 2025, we had approximately 1.0 billion issued and outstanding common shares and approximately 2.4 million outstanding options to buy common shares, of which 2.0 million were exercisable.

On June 30, 2025, 104,778 Series 3 preferred shares were converted, on a one-for-one basis, into Series 4 preferred shares and 1,822,829 Series 4 preferred shares were converted, on a one-for-one basis, into Series 3 preferred shares.

CREDIT FACILITIES

At October 30, 2025, we had a total of \$7.9 billion of TCPL committed revolving credit facilities, of which \$5.9 billion of short-term borrowing capacity remains available, net of \$2.0 billion backstopping outstanding commercial paper balances. We also have arrangements in place for a further \$2.0 billion of demand credit facilities, of which \$1.2 billion remains available.

In addition, we have \$2.1 billion of committed revolving credit facilities at certain of our subsidiaries and affiliates, of which \$2.0 billion of borrowing capacity remains available at October 30, 2025, net of \$0.1 billion backstopping outstanding commercial paper balances.

CONTRACTUAL OBLIGATIONS

Capital expenditure commitments at September 30, 2025 are consistent with amounts reported at December 31, 2024, reflecting new contractual commitments entered into for construction on U.S. natural gas pipelines primarily related to the construction costs associated with ANR and other pipeline projects, offset by completion of Southeast Gateway pipeline and normal course fulfillment of construction contracts.

There were no material changes to our contractual obligations in third quarter 2025 or to payments due in the next five years or thereafter. Refer to our 2024 Annual Report for additional information about our contractual obligations.

Discontinued operations

On October 1, 2024, TC Energy completed the spinoff of its Liquids Pipelines business into a new public company, South Bow Corporation (South Bow). Upon completion of the Spinoff Transaction, the Liquids Pipelines business was accounted for as a discontinued operation. Prior year amounts have been recast to present the Liquids Pipelines business as a discontinued operation. Refer to our 2024 Annual Report for additional information.

RESULTS FROM DISCONTINUED OPERATIONS

(millions of \$, except per share amounts)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Segmented earnings (losses) from discontinued operations	(210)	236	(239)	825
Interest expense	—	(101)	—	(218)
Interest income and other	14	28	14	31
Income (loss) from discontinued operations before income taxes	(196)	163	(225)	638
Income tax (expense) recovery	(8)	(44)	(8)	(145)
Net income (loss) from discontinued operations, net of tax	(204)	119	(233)	493
Net income (loss) per common share from discontinued operations - basic	(\$0.20)	\$0.11	(\$0.22)	\$0.47

1 Prior year results have been recast to reflect the Liquids Pipelines business as a discontinued operation as a result of the Spinoff Transaction.

In September 2025, we reached an agreement with South Bow with respect to liabilities we indemnified South Bow for under the Separation Agreement, releasing us from those liabilities. Inclusive of the recognition of the settlement, the net loss from discontinued operations, net of tax was \$204 million for the three months ended September 30, 2025 and has been excluded from our calculation of comparable measures from discontinued operations. Payments related to the settlement will occur in fourth quarter 2025 and in 2026.

In June 2025, we received \$24 million related to certain recoveries under the Separation Agreement with South Bow. At this time, we also revised our estimate of our share of future recoveries, resulting in a \$29 million impairment charge, which has been included in Net income (loss) from discontinued operations, net of tax in the Condensed consolidated statement of income and excluded from our calculation of comparable measures from discontinued operations. Refer to Note 3, Discontinued operations, of our Condensed consolidated financial statements for additional information.

NON-GAAP MEASURES

This MD&A references non-GAAP measures, which are described in the Non-GAAP measures section. These measures do not have any standardized meaning as prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities.

RECONCILIATION OF NET INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX TO COMPARABLE EARNINGS FROM DISCONTINUED OPERATIONS

(millions of \$, except per share amounts)	three months ended September 30		nine months ended September 30	
	2025	2024 ¹	2025	2024 ¹
Net income (loss) from discontinued operations, net of tax	(204)	119	(233)	493
Specific items (pre tax):				
South Bow settlement ²	196	—	196	—
Keystone XL asset impairment charge ³	—	21	29	21
Liquids Pipelines business separation costs ⁴	—	67	—	112
Keystone regulatory decisions ⁵	—	15	—	15
Risk management activities	—	(31)	—	(67)
Taxes related to specific items⁶	8	(11)	8	(9)
Comparable earnings from discontinued operations	—	180	—	565
Net income (loss) per common share from discontinued operations	(\$0.20)	\$0.11	(\$0.22)	\$0.47
Specific items (net of tax)	0.20	0.06	0.22	0.07
Comparable earnings per common share from discontinued operations	—	\$0.17	—	\$0.54

1 Prior year results have been recast to reflect the Liquids Pipelines business as a discontinued operation as a result of the Spinoff Transaction.

2 A pre-tax charge of \$196 million for the three and nine months ended September 30, 2025 resulting from the resolution reached in September 2025 under the Separation Agreement with South Bow.

3 A pre-tax impairment charge of \$29 million for the nine months ended September 30, 2025 related to our estimate of Keystone XL contractual recoveries.

4 A pre-tax charge of \$67 million and \$112 million for the three and nine months ended September 30, 2024, respectively, related to Liquids Pipelines business separation costs from the Spinoff Transaction.

5 A pre-tax charge of \$15 million for the three and nine months ended September 30, 2024 as a result of the FERC Administrative Law Judge decision on Keystone in respect of a tolling-related complaint pertaining to amounts recognized in prior period.

6 The income tax impacts on the specified items mentioned in the table above have been removed from our calculation of Income tax expense included in comparable earnings from discontinued operations below.

COMPARABLE EBITDA TO COMPARABLE EARNINGS - FROM DISCONTINUED OPERATIONS

Comparable EBITDA from discontinued operations represents segmented earnings (losses) from discontinued operations adjusted for the specific items described above, excluding charges for depreciation and amortization.

	three months ended September 30	nine months ended September 30
(millions of \$, except per share amounts)	2024 ¹	2024 ¹
Comparable EBITDA from discontinued operations	379	1,145
Depreciation and amortization	(85)	(253)
Interest expense included in comparable earnings	(59)	(176)
Interest income and other included in comparable earnings	—	3
Income tax (expense) recovery included in comparable earnings	(55)	(154)
Comparable earnings from discontinued operations	180	565
Comparable earnings per common share from discontinued operations	\$0.17	\$0.54

1 Prior year results have been recast to reflect the Liquids Pipelines business as a discontinued operation as a result of the Spinoff Transaction.

Financial risks and financial instruments

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

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

Refer to our 2024 Annual Report for additional information about the risks we face in our business which have not changed materially since December 31, 2024, other than as noted within this MD&A.

INTEREST RATE RISK

We utilize both short- and long-term debt to finance our operations which exposes us to interest rate risk. We typically pay fixed rates of interest on our long-term debt and floating rates on short-term debt including our commercial paper programs and amounts drawn on our credit facilities. A small portion of our long-term debt bears interest at floating rates. In addition, we are exposed to interest rate risk on financial instruments and contractual obligations containing variable interest rate components. We actively manage our interest rate risk using interest rate derivatives.

FOREIGN EXCHANGE RISK

Certain of our businesses generate all or most of their earnings in U.S. dollars and, since we report our financial results in Canadian dollars, changes in the value of the U.S. dollar against the Canadian dollar directly affect our comparable EBITDA and may also impact comparable earnings.

A portion of our Mexico Natural Gas Pipelines' monetary assets and liabilities are peso-denominated, while our Mexico operations' financial results are denominated in U.S. dollars. Therefore, changes in the value of the Mexican peso against the U.S. dollar can affect our comparable earnings. In addition, foreign exchange gains or losses calculated for Mexico income tax purposes on the revaluation of U.S. dollar-denominated monetary assets and liabilities result in a peso-denominated income tax exposure for these entities, leading to fluctuations in Income (loss) from equity investments and Income tax expense (recovery) in the Condensed consolidated statement of income.

We actively manage a portion of our foreign exchange risk using foreign exchange derivatives. We hedge a portion of our net investment in foreign operations (on an after-tax basis) with U.S. dollar-denominated debt and cross-currency interest rate swaps as appropriate.

COUNTERPARTY CREDIT RISK

We have exposure to counterparty credit risk in a number of areas including:

- cash and cash equivalents
- accounts receivable
- available-for-sale assets
- fair value of derivative assets
- net investment in leases and certain contract assets in Mexico.

Market events causing disruptions in global energy demand and supply may contribute to economic uncertainties impacting a number of our customers. While the majority of our credit exposure is to large creditworthy entities, we maintain close monitoring and communication with those counterparties experiencing greater financial pressures. Refer to our 2024 Annual Report for more information about the factors that mitigate our counterparty credit risk exposure.

We review financial assets carried at amortized cost for impairment using the lifetime expected loss of the financial asset at initial recognition and throughout the life of the financial asset. We use historical credit loss and recovery data, adjusted for our judgment regarding current economic and credit conditions, along with reasonable and supportable forecasts to determine any impairment, which is recognized in Plant operating costs and other. At September 30, 2025, we had no significant credit risk concentrations, with the exception of the CFE, which represents approximately 32 per cent of gross exposure. At this time, there were no significant amounts past due or impaired. We recorded a pre-tax recovery of \$14 million and pre-tax expense \$87 million on the expected credit loss provision on the TGNH net investment in leases and certain contract assets in Mexico for the three and nine months ended September 30, 2025 (2024 – pre-tax expense of \$5 million and pre-tax recovery of \$19 million, respectively). During second quarter 2025, we completed the Southeast Gateway pipeline and recognized a net investment in sales-type lease. Refer to Note 12, Risk management and financial instruments and Note 13, TGNH strategic alliance, of our Condensed consolidated financial statements for additional information.

We have significant credit and performance exposure to financial institutions that hold cash deposits and provide committed credit lines and letters of credit that help manage our exposure to counterparties and provide liquidity in commodity, foreign exchange and interest rate derivative markets. Our portfolio of financial sector exposure consists primarily of highly-rated investment grade, systemically important financial institutions.

LIQUIDITY RISK

Liquidity risk is the risk that we will not be able to meet our financial obligations as they come due. We manage our liquidity risk by continuously forecasting our cash flows and ensuring we have adequate cash balances, cash flows from operations, committed and demand credit facilities and access to capital markets to meet our operating, financing and capital expenditure obligations under both normal and stressed economic conditions.

FINANCIAL INSTRUMENTS

With the exception of Long-term debt and Junior subordinated notes, our derivative and non-derivative financial instruments are recorded on the balance sheet at fair value unless they were entered into and continue to be held for the purpose of receipt or delivery in accordance with our normal purchase and sales exemptions and are documented as such. In addition, fair value accounting is not required for other financial instruments that qualify for certain accounting exemptions.

Derivative instruments

We use derivative instruments to reduce volatility associated with fluctuations in commodity prices, interest rates and foreign exchange rates. Derivative instruments, including those that qualify and are designated for hedge accounting treatment, are recorded at fair value.

The majority of derivative instruments that are not designated or do not qualify for hedge accounting treatment have been entered into as economic hedges to manage our exposure to market risk and are classified as held-for-trading. Changes in the fair value of held-for-trading derivative instruments are recorded in net income in the period of change. This may expose us to increased variability in reported operating results since the fair value of the held-for-trading derivative instruments can fluctuate significantly from period to period.

The recognition of gains and losses on derivatives for Canadian natural gas regulated pipeline exposures is determined through the regulatory process. Gains and losses arising from changes in the fair value of derivatives accounted for as part of RRA, including those that qualify for hedge accounting treatment, are expected to be refunded or recovered through the tolls charged by us. As a result, these gains and losses are deferred as regulatory liabilities or regulatory assets and are refunded to or collected from the ratepayers in subsequent years when the derivative settles.

Balance sheet presentation of derivative instruments

The balance sheet presentation of the fair value of derivative instruments were as follows:

(millions of \$)	September 30, 2025	December 31, 2024
Other current assets	390	347
Other long-term assets	126	122
Accounts payable and other	(393)	(507)
Other long-term liabilities	(136)	(209)
	(13)	(247)

Unrealized and realized gains (losses) on derivative instruments

The following summary does not include hedges of our net investment in foreign operations.

(millions of \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Derivative Instruments Held for Trading¹				
Unrealized gains (losses) in the period				
Commodities ²	(63)	21	(36)	(36)
Foreign exchange	(68)	24	169	(78)
Realized gains (losses) in the period				
Commodities	20	40	(18)	111
Foreign exchange	39	(58)	111	(105)
Interest rate	1	—	6	—
Derivative Instruments in Hedging Relationships				
Realized gains (losses) in the period				
Commodities	3	6	17	24
Foreign exchange	2	—	6	—
Interest rate	(8)	(14)	(24)	(41)

1 Realized and unrealized gains (losses) on held-for-trading derivative instruments used to purchase and sell commodities are included on a net basis in Revenues. Realized and unrealized gains (losses) on foreign exchange and interest rate held-for-trading derivative instruments are included on a net basis in Foreign exchange (gains) losses, net and Interest expense, respectively, in the Condensed consolidated statement of income.

2 In the three and nine months ended September 30, 2025, unrealized gains of less than \$1 million and \$1 million, respectively, were reclassified to Net income (loss) from AOCI related to discontinued cash flow hedges (2024 - unrealized gains of \$4 million).

For further details on our non-derivative and derivative financial instruments, including classification assumptions made in the calculation of fair value and additional discussion of exposure to risks and mitigation activities, refer to Note 12, Risk management and financial instruments, of our Condensed consolidated financial statements.

Other information

CONTROLS AND PROCEDURES

Management, including our President and CEO and our CFO, evaluated the effectiveness of our disclosure controls and procedures as at September 30, 2025, as required by the Canadian securities regulatory authorities and by the SEC and concluded that our disclosure controls and procedures are effective at a reasonable assurance level.

There were no changes in third quarter 2025 that had or are likely to have a material impact on our internal controls over financial reporting.

CRITICAL ACCOUNTING ESTIMATES AND ACCOUNTING POLICY CHANGES

When we prepare financial statements that conform with U.S. GAAP, we are required to make estimates and assumptions that affect the timing and amounts we record for our assets, liabilities, revenues and expenses because these items may be affected by future events. We base the estimates and assumptions on the most current information available, using our best judgment. We also regularly assess the assets and liabilities themselves. In addition to the items discussed below, refer to our 2024 Annual Report for a listing of critical accounting estimates.

Impairment of goodwill

Goodwill is tested for impairment on an annual basis, or more frequently if events or changes in circumstances indicate it might be impaired. We can initially make this assessment based on qualitative factors. If we conclude that it is not more likely than not that the fair value of the reporting unit is greater than its carrying value, we will then perform a quantitative goodwill impairment test.

The estimated fair value in excess of the carrying value was less than 10 per cent on our Columbia and Great Lakes reporting units at the date of our last quantitative goodwill impairment test. Any future reductions in cash flow forecasts or adverse changes in other key assumptions could result in a future impairment of our goodwill balance.

Sales-type leases

We determined that the Southeast Gateway pipeline is classified as a sales-type lease between TGNH and the CFE. We allocated the expected contract consideration to the lease and non-lease components based on the stand-alone selling price for each distinct service at the inception of the agreement in 2022. Under a sales-type lease, we derecognize the underlying asset and record a net investment in lease equal to the present value of both the future lease payments and the estimated residual value of the leased asset.

To record the net investment in lease, we were required to prepare an estimate of the fair value of the Southeast Gateway pipeline. The TGNH pipelines, which includes the Southeast Gateway pipeline, are rate-regulated and the tolls are designed to recover the cost of providing service. On this basis, we applied judgment to determine that, at the inception of the lease arrangement, the fair value of the underlying assets approximated the carrying value and the residual value approximated the remaining carrying value at the end of the lease term. We estimated that if the assets were purchased at their carrying value, they would yield a return to the purchaser that is in line with current market participant expectations.

Accounting changes

Our significant accounting policies have remained unchanged since December 31, 2024 other than as described in Note 2, Accounting changes, of our Condensed consolidated financial statements. A summary of our significant accounting policies is included in our 2024 Annual Report.

Quarterly results

SELECTED QUARTERLY CONSOLIDATED FINANCIAL DATA

(millions of \$, except per share amounts)	2025				2024 ¹			2023 ¹
	Third	Second	First	Fourth	Third	Second	First	Fourth
Revenues	3,704	3,744	3,623	3,577	3,358	3,327	3,509	3,504
Net income (loss) attributable to common shares	609	833	978	971	1,457	963	1,203	1,463
from continuing operations	813	862	978	1,069	1,338	804	988	1,249
from discontinued operations	(204)	(29)	—	(98)	119	159	215	214
Comparable earnings²	805	848	983	1,094	1,074	978	1,284	1,403
from continuing operations	805	848	983	1,094	894	822	1,055	1,192
from discontinued operations	—	—	—	—	180	156	229	211
Per share statistics:								
Net income (loss) per common share – basic	\$0.58	\$0.80	\$0.94	\$0.94	\$1.40	\$0.93	\$1.16	\$1.41
from continuing operations	\$0.78	\$0.83	\$0.94	\$1.03	\$1.29	\$0.78	\$0.95	\$1.20
from discontinued operations	(\$0.20)	(\$0.03)	—	(\$0.09)	\$0.11	\$0.15	\$0.21	\$0.21
Comparable earnings per common share²	\$0.77	\$0.82	\$0.95	\$1.05	\$1.03	\$0.94	\$1.24	\$1.35
from continuing operations	\$0.77	\$0.82	\$0.95	\$1.05	\$0.86	\$0.79	\$1.02	\$1.15
from discontinued operations	—	—	—	—	\$0.17	\$0.15	\$0.22	\$0.20
Dividends declared per common share³	\$0.85	\$0.85	\$0.85	\$0.8225	\$0.96	\$0.96	\$0.96	\$0.93

1 Results have been recast to reflect the split between continuing and discontinued operations.

2 Additional information on the most directly comparable GAAP measure can be found in the Non-GAAP measures section.

3 Commencing fourth quarter 2024 and thereafter, amounts reflect dividends declared following the Spinoff Transaction. Refer to our 2024 Annual Report for additional information.

FACTORS AFFECTING QUARTERLY FINANCIAL INFORMATION BY BUSINESS SEGMENT

Quarter-over-quarter revenues and net income fluctuate for reasons that vary across our business segments. In addition to the factors below, our revenues and segmented earnings (losses) are impacted by fluctuations in foreign exchange rates, mainly related to our U.S. dollar-denominated operations and our peso-denominated exposure. Refer to the Foreign exchange section for additional information.

In our Natural Gas Pipelines business, except for seasonal fluctuations in short-term throughput volumes on U.S. pipelines, quarter-over-quarter revenues and segmented earnings (losses) generally remain relatively stable during any fiscal year.

Over the long term, however, they fluctuate because of:

- regulatory decisions
- negotiated settlements with customers
- newly constructed assets being placed in service
- acquisitions and divestitures
- natural gas marketing activities and commodity prices
- developments outside of the normal course of operations
- certain fair value adjustments
- provisions for expected credit losses on net investment in leases and certain contract assets in Mexico.

In Power and Energy Solutions, quarter-over-quarter revenues and segmented earnings (losses) are affected by:

- weather
- customer demand
- newly constructed assets being placed in service
- acquisitions and divestitures
- market prices for natural gas and power
- capacity prices and payments
- power marketing and trading activities
- planned and unplanned plant outages
- developments outside of the normal course of operations
- certain fair value adjustments.

FACTORS AFFECTING FINANCIAL INFORMATION BY QUARTER

We calculate comparable measures by adjusting certain GAAP measures for specific items we believe are significant but not reflective of our underlying operations in the period. Except as otherwise described herein, these comparable measures are calculated on a consistent basis from period to period and are adjusted for specific items in each period, as applicable. Refer to the Non-GAAP measures section for additional information.

In third quarter 2025, comparable earnings from continuing operations also excluded:

- pre-tax unrealized foreign exchange gains, net, of \$87 million on the peso-denominated intercompany loan between TCPL and TGNH, net of non-controlling interest
- a pre-tax recovery of \$12 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest.

In second quarter 2025, comparable earnings from continuing operations also excluded:

- pre-tax unrealized foreign exchange losses, net, of \$132 million on the peso-denominated intercompany loan between TCPL and TGNH, net of non-controlling interest
- a pre-tax expense of \$93 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest.

In first quarter 2025, comparable earnings from continuing operations also excluded:

- pre-tax unrealized foreign exchange gains, net, of \$3 million on the peso-denominated intercompany loan between TCPL and TGNH, net of non-controlling interest
- a pre-tax recovery of \$2 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest.

In fourth quarter 2024, comparable earnings from continuing operations also excluded:

- a pre-tax net gain on debt extinguishment of \$228 million related to the purchase and cancellation of certain senior unsecured notes and medium term notes and the retirement of outstanding callable notes in October 2024
- pre-tax unrealized foreign exchange gains, net, of \$143 million on the peso-denominated intercompany loan between TCPL and TGNH, net of non-controlling interest
- a pre-tax recovery of \$3 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest
- a deferred income tax expense of \$96 million resulting from the revaluation of remaining deferred tax balances following the Spinoff Transaction
- a pre-tax impairment charge of \$36 million related to development costs incurred on Project Tundra, a next-generation technology carbon capture and storage project, following our decision to end our collaboration on the project
- a pre-tax expense of \$9 million related to Focus Project costs.

In third quarter 2024, comparable earnings from continuing operations also excluded:

- a pre-tax gain of \$572 million related to the sale of PNGTS which was completed in August 2024
- pre-tax unrealized foreign exchange losses, net, of \$52 million on the peso-denominated intercompany loan between TCPL and TGNH, net of non-controlling interest
- a pre-tax expense of \$5 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest
- a pre-tax expense of \$5 million related to Focus Project costs.

In second quarter 2024, comparable earnings from continuing operations also excluded:

- a pre-tax gain of \$48 million related to the sale of non-core assets in U.S. Natural Gas Pipelines and Canadian Natural Gas Pipelines
- pre-tax unrealized foreign exchange losses, net, of \$3 million on the peso-denominated intercompany loan between TCPL and TGNH, net of non-controlling interest
- a pre-tax recovery of \$3 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico, net of non-controlling interest
- pre-tax costs of \$10 million related to the NGTL System Ownership Transfer.

In first quarter 2024, comparable earnings from continuing operations also excluded:

- pre-tax unrealized foreign exchange gains, net, of \$55 million on the peso-denominated intercompany loan between TCPL and TGNH
- a pre-tax recovery of \$21 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico
- a pre-tax expense of \$34 million related to a non-recurring third-party settlement
- a pre-tax expense of \$10 million related to Focus Project costs.

In fourth quarter 2023, comparable earnings from continuing operations also excluded:

- a \$74 million income tax recovery related to a revised assessment of the valuation allowance and non-taxable capital losses on our equity investment in Coastal GasLink LP
- pre-tax unrealized foreign exchange losses, net, of \$55 million on the peso-denominated intercompany loan between TCPL and TGNH
- a pre-tax expense of \$36 million on the expected credit loss provision related to TGNH net investment in leases and certain contract assets in Mexico
- a pre-tax expense of \$15 million related to Focus Project costs.

Condensed consolidated statement of income

	three months ended September 30		nine months ended September 30	
(unaudited - millions of Canadian \$, except per share amounts)	2025	2024	2025	2024
Revenues				
Canadian Natural Gas Pipelines	1,478	1,395	4,304	4,196
U.S. Natural Gas Pipelines	1,637	1,503	5,199	4,643
Mexico Natural Gas Pipelines	426	218	1,012	649
Power and Energy Solutions	161	242	544	706
Corporate	2	—	12	—
	3,704	3,358	11,071	10,194
Income (Loss) from Equity Investments	345	444	980	1,108
Operating and Other Expenses				
Plant operating costs and other	1,151	1,109	3,343	3,212
Commodity purchases resold	54	47	153	135
Property taxes	215	207	657	613
Depreciation and amortization	701	628	2,050	1,896
	2,121	1,991	6,203	5,856
Net Gain (Loss) on Sale of Assets	—	572	—	620
Financial Charges				
Interest expense	847	777	2,534	2,340
Allowance for funds used during construction	(55)	(210)	(417)	(551)
Foreign exchange (gains) losses, net	(30)	38	(142)	78
Interest income and other	(47)	(61)	(147)	(204)
	715	544	1,828	1,663
Income (Loss) from Continuing Operations before Income Taxes	1,213	1,839	4,020	4,403
Income Tax Expense (Recovery) from Continuing Operations				
Current	118	207	224	319
Deferred	127	100	651	380
	245	307	875	699
Net Income (Loss) from Continuing Operations	968	1,532	3,145	3,704
Net Income (Loss) from Discontinued Operations, Net of Tax	(204)	119	(233)	493
Net Income (Loss)	764	1,651	2,912	4,197
Net income (loss) attributable to non-controlling interests	127	168	408	498
Net Income (Loss) Attributable to Controlling Interests	637	1,483	2,504	3,699
Preferred share dividends	28	26	84	76
Net Income (Loss) Attributable to Common Shares	609	1,457	2,420	3,623
Amounts Attributable to Common Shares				
Net income (loss) from continuing operations	968	1,532	3,145	3,704
Net income (loss) attributable to non-controlling interests	127	168	408	498
Net income (loss) attributable to controlling interests from continuing operations	841	1,364	2,737	3,206
Preferred share dividends	28	26	84	76
Net income (loss) attributable to common shares from continuing operations	813	1,338	2,653	3,130
Net income (loss) from discontinued operations, net of tax	(204)	119	(233)	493
Net Income (Loss) Attributable to Common Shares	609	1,457	2,420	3,623
Net Income (Loss) per Common Share - Basic and Diluted				
Continuing operations	\$0.78	\$1.29	\$2.55	\$3.02
Discontinued operations	(\$0.20)	\$0.11	(\$0.22)	\$0.47
	\$0.58	\$1.40	\$2.33	\$3.49
Weighted Average Number of Common Shares (millions)				
Basic	1,040	1,038	1,040	1,038
Diluted	1,040	1,038	1,040	1,038

See accompanying Notes to the Condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income

	three months ended September 30		nine months ended September 30	
(unaudited - millions of Canadian \$)	2025	2024	2025	2024
Net Income (Loss)	764	1,651	2,912	4,197
Other Comprehensive Income (Loss), Net of Income Taxes				
Foreign currency translation gains and losses on net investment in foreign operations	431	(240)	(659)	457
Reclassification of foreign currency translation (gains) losses on net investment on disposal of foreign operations	—	(25)	—	(25)
Change in fair value of net investment hedges	—	1	1	(11)
Change in fair value of cash flow hedges	24	5	(16)	33
Reclassification to net income of (gains) losses on cash flow hedges	(21)	(6)	17	(8)
Reclassification to net income of actuarial (gains) losses on pension and other post-retirement benefit plans	—	—	1	—
Other comprehensive income (loss) on equity investments	(10)	(8)	(26)	56
	424	(273)	(682)	502
Comprehensive Income (Loss)	1,188	1,378	2,230	4,699
Comprehensive income (loss) attributable to non-controlling interests	362	43	56	739
Comprehensive Income (Loss) Attributable to Controlling Interests	826	1,335	2,174	3,960
Preferred share dividends	28	26	84	76
Comprehensive Income (Loss) Attributable to Common Shares	798	1,309	2,090	3,884

See accompanying Notes to the Condensed consolidated financial statements.

Condensed consolidated statement of cash flows

	three months ended September 30		nine months ended September 30	
(unaudited - millions of Canadian \$)	2025	2024	2025	2024
Cash Generated from Operations				
Net income (loss)	764	1,651	2,912	4,197
Depreciation and amortization	701	713	2,050	2,149
Goodwill and asset impairment charges and other	—	21	—	21
Deferred income taxes	135	165	659	397
(Income) loss from equity investments	(345)	(461)	(980)	(1,158)
Distributions received from operating activities of equity investments	339	362	1,091	1,343
Employee post-retirement benefits funding, net of expense	1	3	3	11
Net (gain) loss on sale of assets	—	(572)	—	(620)
Equity allowance for funds used during construction	(46)	(139)	(291)	(359)
Unrealized (gains) losses on financial instruments	131	(78)	(133)	46
Expected credit loss provision	(14)	4	88	(19)
Foreign exchange (gains) losses, net – intercompany loan	(76)	29	94	(53)
Other	200	14	210	(30)
(Increase) decrease in operating working capital	130	203	(251)	(313)
Net cash provided by operations	1,920	1,915	5,452	5,612
Investing Activities				
Capital expenditures	(1,255)	(1,756)	(3,924)	(4,668)
Capital projects in development	(2)	(8)	(12)	(41)
Contributions to equity investments	(249)	(345)	(758)	(888)
Other distributions from equity investments	—	509	5	539
Proceeds from sale of assets, net of transaction costs	—	743	—	791
Deferred amounts and other	(87)	2	(126)	(126)
Net cash (used in) provided by investing activities	(1,593)	(855)	(4,815)	(4,393)
Financing Activities				
Notes payable issued (repaid), net	(59)	(1,137)	2,037	421
Long-term debt issued, net of issue costs	831	7,428	3,252	8,089
Long-term debt repaid	(805)	—	(4,029)	(1,662)
Junior subordinated notes issued, net of issue costs	989	1,465	2,043	1,465
Dividends on common shares	(885)	(996)	(2,623)	(2,957)
Dividends on preferred shares	(29)	(26)	(85)	(73)
Common shares issued, net of issue costs	37	21	87	21
Disposition of equity interest, net of transaction costs	—	(7)	—	419
Contributions from non-controlling interests	—	11	—	16
Distributions to non-controlling interests and other	(111)	(303)	(414)	(669)
Cash received from factoring arrangement (Note 13)	101	—	101	—
Net cash (used in) provided by financing activities	69	6,456	369	5,070
Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	(16)	(36)	(5)	21
Increase (Decrease) in Cash and Cash Equivalents, Including Cash Balances Classified as Assets Held for Sale	380	7,480	1,001	6,310
Cash balances classified as assets held for sale	—	34	—	—
Increase (Decrease) in Cash and Cash Equivalents	380	7,514	1,001	6,310
Cash and Cash Equivalents - Beginning of period	1,422	2,474	801	3,678
Cash and Cash Equivalents - End of period	1,802	9,988	1,802	9,988

Includes continuing and discontinued operations. Refer to Note 3, Discontinued operations, for additional information.

See accompanying Notes to the Condensed consolidated financial statements.

Condensed consolidated balance sheet

(unaudited - millions of Canadian \$)		September 30, 2025	December 31, 2024
ASSETS			
Current Assets			
Cash and cash equivalents		1,802	801
Accounts receivable		2,474	2,611
Inventories		837	747
Other current assets		2,382	1,339
Current assets of discontinued operations		283	235
		7,778	5,733
Plant, Property and Equipment	net of accumulated depreciation of \$36,551 and \$35,397, respectively	71,233	77,501
Net Investment in Leases		8,235	2,477
Equity Investments		11,149	10,636
Restricted Investments		3,469	2,998
Regulatory Assets		2,906	2,682
Goodwill		13,222	13,670
Other Long-Term Assets		2,239	2,410
Long-Term Assets of Discontinued Operations		3	136
		120,234	118,243
LIABILITIES			
Current Liabilities			
Notes payable		2,390	387
Accounts payable and other		4,887	5,297
Dividends payable		901	874
Accrued interest		831	828
Current portion of long-term debt		2,870	2,955
Current liabilities of discontinued operations		420	170
		12,299	10,511
Regulatory Liabilities		5,767	5,303
Other Long-Term Liabilities		950	1,051
Deferred Income Tax Liabilities		7,540	6,884
Long-Term Debt		44,364	44,976
Junior Subordinated Notes		11,738	11,048
Long-Term Liabilities of Discontinued Operations		—	110
		82,658	79,883
EQUITY			
Common shares, no par value		30,199	30,101
Issued and outstanding:	September 30, 2025 – 1,041 million shares December 31, 2024 – 1,039 million shares		
Preferred shares		2,499	2,499
Accumulated deficit		(6,026)	(5,241)
Accumulated other comprehensive income (loss)		793	233
Controlling Interests		27,465	27,592
Non-Controlling Interests		10,111	10,768
		37,576	38,360
		120,234	118,243

Commitments, Contingencies and Guarantees (Note 14)

Variable Interest Entities (Note 15)

See accompanying Notes to the Condensed consolidated financial statements.

Condensed consolidated statement of equity

	three months ended September 30		nine months ended September 30	
(unaudited - millions of Canadian \$)	2025	2024	2025	2024
Common Shares				
Balance at beginning of period	30,158	30,002	30,101	30,002
Shares issued:				
Exercise of stock options	41	23	98	23
Balance at end of period	30,199	30,025	30,199	30,025
Preferred Shares				
Balance at beginning and end of period	2,499	2,499	2,499	2,499
Additional Paid-In Capital				
Balance at beginning of period	—	—	—	—
Exercise and forfeitures of stock options	(3)	—	(7)	4
Disposition of equity interests, net of transaction costs	(5)	—	(5)	(22)
Reclassification of additional paid-in capital deficit to accumulated deficit	8	—	12	18
Balance at end of period	—	—	—	—
Accumulated Deficit				
Balance at beginning of period	(5,741)	(2,839)	(5,241)	(2,997)
Net income (loss) attributable to controlling interests	637	1,483	2,504	3,699
Common share dividends	(885)	(996)	(2,653)	(2,988)
Preferred share dividends	(29)	(26)	(82)	(74)
Spinoff of Liquids Pipelines business	—	—	(542)	—
Reclassification of additional paid-in capital deficit to accumulated deficit	(8)	—	(12)	(18)
Balance at end of period	(6,026)	(2,378)	(6,026)	(2,378)
Accumulated Other Comprehensive Income (Loss)				
Balance at beginning of period	604	458	233	49
Other comprehensive income (loss) attributable to controlling interests	189	(148)	(330)	282
Impact of non-controlling interest	—	—	348	(21)
Spinoff of Liquids Pipelines business	—	—	542	—
Balance at end of period	793	310	793	310
Equity Attributable to Controlling Interests	27,465	30,456	27,465	30,456
Equity Attributable to Non-Controlling Interests				
Balance at beginning of period	9,860	10,374	10,768	9,455
Net income (loss) attributable to non-controlling interests	127	168	408	498
Other comprehensive income (loss) attributable to non-controlling interests	235	(125)	(352)	241
Disposition of equity interests	—	(104)	(348)	478
Contributions from non-controlling interests	—	11	—	16
Distributions declared to non-controlling interests	(111)	(303)	(365)	(667)
Balance at end of period	10,111	10,021	10,111	10,021
Total Equity	37,576	40,477	37,576	40,477

See accompanying Notes to the Condensed consolidated financial statements.

Notes to Condensed consolidated financial statements

(unaudited)

1. BASIS OF PRESENTATION

These Condensed consolidated financial statements of TC Energy Corporation (TC Energy or the Company) have been prepared by management in accordance with U.S. GAAP. The accounting policies applied are consistent with those outlined in TC Energy's annual audited Consolidated financial statements for the year ended December 31, 2024, except as described in Note 2, Accounting changes. Capitalized and abbreviated terms that are used but not otherwise defined herein are identified in TC Energy's 2024 Annual Report.

These Condensed consolidated financial statements reflect adjustments, all of which are normal recurring adjustments that are, in the opinion of management, necessary to reflect fairly the financial position and results of operations for the respective periods. These Condensed consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the 2024 audited Consolidated financial statements included in TC Energy's 2024 Annual Report. Certain comparative figures have been adjusted to reflect the current period's presentation.

On October 1, 2024, TC Energy completed the spinoff of its Liquids Pipelines business into the new public company, South Bow Corporation (South Bow) (the Spinoff Transaction). The historical results of the Liquids Pipelines business are presented as discontinued operations and have been excluded from continuing operations and segment disclosures for all periods presented. The Notes to the Condensed consolidated financial statements reflect continuing operations only, unless otherwise indicated. Prior to the spinoff, the operations of the Liquids Pipelines business were materially reported as the Company's Liquids Pipelines segment. Refer to Note 3, Discontinued operations for additional information.

Earnings for interim periods may not be indicative of results for the fiscal year in certain of the Company's segments primarily due to:

- Natural gas pipelines segments – the timing of regulatory decisions and negotiated rate case settlements as well as seasonal fluctuations in short-term throughput volumes on U.S. pipelines and marketing activities
- Power and Energy Solutions – the impacts of seasonal weather conditions on customer demand, market supply and prices of natural gas and power as well as maintenance outages in certain of the Company's investments in electrical power generation plants and Canadian non-regulated natural gas storage facilities and marketing activities.

In addition to the factors mentioned above, revenues and segmented earnings are impacted by fluctuations in foreign exchange rates, mainly related to the Company's U.S. dollar-denominated operations and Mexican peso-denominated exposure.

Out-of-Period Adjustments

During second quarter 2025, the Company recorded out-of-period adjustments to reclassify a pro rata portion of its net investment hedge losses recorded in Accumulated other comprehensive income (loss) (AOCI).

The adjustments included (i) a reclassification of net investment hedge losses of \$348 million from AOCI to Non-controlling interests (NCI) related to the sale of 40 per cent of Columbia Gas and Columbia Gulf on October 4, 2023, which was presented as Impact of non-controlling interest and Disposition of equity interests, respectively, in the Condensed consolidated statement of equity; and (ii) a reclassification of net investment hedge losses of \$542 million related to the spinoff of the Company's Liquids Pipelines business that occurred on October 1, 2024 from AOCI to Accumulated deficit.

The Company determined that the impact of these out-of-period adjustments was not material, individually or in the aggregate, to any previously reported quarterly or annual financial statements and was not material to the Company's Condensed consolidated financial statements.

Use of Estimates and Judgments

In preparing these Condensed consolidated financial statements, TC Energy is required to make estimates and assumptions that affect both the amount and timing of recording assets, liabilities, revenues and expenses since the determination of these items may be dependent on future events. The Company uses the most current information available and exercises careful judgment in making these estimates and assumptions. In the opinion of management, these Condensed consolidated financial statements have been properly prepared within reasonable limits of materiality and within the framework of the Company's significant accounting policies included in the annual audited Consolidated financial statements for the year ended December 31, 2024, except as described in Note 2, Accounting changes.

During second quarter 2025, the Company completed the Southeast Gateway pipeline and recognized a net investment in sales-type lease asset. As part of this process, the Company was required to estimate the fair value of the asset. The fair value measurement involved significant judgments. Refer to Note 13, TGNH strategic alliance, for additional information.

2. ACCOUNTING CHANGES

Changes in Accounting Policies for 2025

Income Taxes

In December 2023, the FASB issued new guidance to enhance the transparency and usefulness of income tax disclosures through improvements to the rate reconciliation and income taxes paid information. The new guidance requires entities to disclose specific categories in the rate reconciliation and sets specific disaggregation requirements for reconciling items that meet certain thresholds. Additionally, entities are required to disclose disaggregated information on income taxes paid, income from continuing operations before tax and income tax expense from continuing operations. This new guidance is effective for the annual period beginning January 1, 2025. The guidance is applied prospectively with retrospective application permitted. The Company will reflect the new standard in income tax disclosures in the annual audited Consolidated financial statements for the year ended December 31, 2025 on a retrospective basis.

Future Accounting Changes

Disaggregation of Income Statement Expenses

In November 2024, the FASB issued new guidance requiring additional disclosure on the nature of expenses included in the income statement. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The new guidance is effective for annual periods beginning January 1, 2027 and interim periods beginning January 1, 2028. Early adoption is permitted. The guidance is applied prospectively with retrospective application permitted. The Company is currently assessing the impact of the standard on the Company's financial statements.

Internal-Use Software

In September 2025, the FASB issued updated guidance for accounting for internal-use software costs. The updated guidance removes references to project development stages and outlines revised guidance for when capitalization begins for internal-use software costs. The guidance is effective for annual and interim periods beginning January 1, 2028. Early adoption is permitted as of the beginning of an annual reporting period. The guidance can be applied prospectively, retrospectively, or with a modified transition approach. The Company is currently assessing the impact of the standard on the Company's financial statements.

3. DISCONTINUED OPERATIONS

Spinoff of Liquids Pipelines Business

Presentation of Discontinued Operations

Upon completion of the Spinoff Transaction on October 1, 2024, the Liquids Pipelines business was accounted for as a discontinued operation. The Company's presentation of discontinued operations includes revenues and expenses directly attributable to the Liquids Pipelines business.

Income from Discontinued Operations

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Revenues	—	725	—	2,217
Income (Loss) from Equity Investments	—	17	—	50
Operating and Other Expenses				
Plant operating costs and other	210	237	210	697
Commodity purchases resold	—	135	—	387
Property taxes	—	28	—	84
Depreciation and amortization	—	85	—	253
Asset impairment charge	—	21	29	21
	210	506	239	1,442
Segmented Earnings (Losses) from Discontinued Operations	(210)	236	(239)	825
Financial Charges				
Interest expense	—	101	—	218
Interest income and other	(14)	(28)	(14)	(31)
	(14)	73	(14)	187
Income (Loss) from Discontinued Operations before Income Taxes	(196)	163	(225)	638
Income tax expense (recovery)	8	44	8	145
Net Income (Loss) from Discontinued Operations, Net of Tax	(204)	119	(233)	493

Assets and Liabilities of Discontinued Operations

(unaudited - millions of Canadian \$)	September 30, 2025	December 31, 2024
ASSETS		
Current Assets		
Other current assets	283	235
	283	235
Other Long-Term Assets	3	136
	286	371
LIABILITIES		
Current Liabilities		
Accounts payable and other	420	170
	420	170
Other Long-Term Liabilities	—	110
	420	280

Cash Flows from Discontinued Operations

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Net cash provided by (used in) operations	12	534	(41)	724
Net cash provided by (used in) investing activities	—	(81)	24	(89)

Separation Agreement

As part of the October 1, 2024 Spinoff Transaction, TC Energy and South Bow executed a series of agreements, including the Separation Agreement, which specified the separation of assets and liabilities between TC Energy and South Bow, and indemnified South Bow for 86 per cent of certain net liabilities and costs subject to a maximum liability to South Bow of \$30 million in aggregate for the indemnified matters.

In September 2025, TC Energy reached an agreement with South Bow with respect to liabilities TC Energy indemnified South Bow for under the Separation Agreement, releasing the Company from those liabilities. Inclusive of the recognition of the settlement, the net loss from discontinued operations, net of tax was \$204 million for the three months ended September 30, 2025.

In June 2025, TC Energy received \$24 million related to certain recoveries under the Separation Agreement with South Bow. At this time, the Company also revised its estimated share of future recoveries, resulting in a \$29 million impairment charge, which has been included in Net income (loss) from discontinued operations, net of tax in the Condensed consolidated statement of income.

4. SEGMENTED INFORMATION

three months ended September 30, 2025	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Corporate ¹	Total
(unaudited - millions of Canadian \$)						
Revenues	1,478	1,637	426	161	2	3,704
Intersegment revenues ²	—	23	—	—	(23)	—
	1,478	1,660	426	161	(21)	3,704
Income (loss) from equity investments	29	66	29	221	—	345
Operating costs ²	(594)	(656)	(25)	(163)	18	(1,420)
Depreciation and amortization	(380)	(269)	(23)	(29)	—	(701)
Segmented Earnings (Losses)	533	801	407	190	(3)	1,928
Interest expense						(847)
Allowance for funds used during construction						55
Foreign exchange gains (losses), net						30
Interest income and other						47
Income (Loss) from Continuing Operations before Income Taxes						1,213
Income tax (expense) recovery from continuing operations						(245)
Net Income (Loss) from Continuing Operations						968
Net Income (Loss) from Discontinued Operations, Net of Tax						(204)
Net Income (Loss)						764
Net (income) loss attributable to non-controlling interests						(127)
Net Income (Loss) Attributable to Controlling Interests						637
Preferred share dividends						(28)
Net Income (Loss) Attributable to Common Shares						609
Capital Spending³						
Capital expenditures	304	854	81	10	6	1,255
Capital projects in development	—	—	—	2	—	2
Contributions to equity investments	—	36	—	213	—	249
	304	890	81	225	6	1,506

1 Includes intersegment eliminations.

2 The Company records intersegment sales at contracted rates. For segmented reporting, these transactions are included as Intersegment revenues in the segment providing the service and Operating costs in the segment receiving the service. These transactions are eliminated on consolidation. Intersegment profit is recognized when the product or service has been provided to third parties or otherwise realized.

3 Included in Investing activities in the Condensed consolidated statement of cash flows.

three months ended September 30, 2024	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Corporate ¹	Total
(unaudited - millions of Canadian \$)						
Revenues	1,395	1,503	218	242	—	3,358
Intersegment revenues ²	—	24	—	—	(24)	—
	1,395	1,527	218	242	(24)	3,358
Income (loss) from equity investments	7	68	79	290	—	444
Operating costs ²	(557)	(606)	(37)	(156)	(7) ³	(1,363)
Depreciation and amortization	(350)	(231)	(23)	(22)	(2) ³	(628)
Other segmented items	—	572	—	—	—	572
Segmented Earnings (Losses)	495	1,330	237	354	(33)	2,383
Interest expense						(777)
Allowance for funds used during construction						210
Foreign exchange gains (losses), net						(38)
Interest income and other						61
Income (Loss) from Continuing Operations before Income Taxes						1,839
Income tax (expense) recovery from continuing operations						(307)
Net Income (Loss) from Continuing Operations						1,532
Net Income (Loss) from Discontinued Operations, Net of Tax						119
Net Income (Loss)						1,651
Net (income) loss attributable to non-controlling interests						(168)
Net Income (Loss) Attributable to Controlling Interests						1,483
Preferred share dividends						(26)
Net Income (Loss) Attributable to Common Shares						1,457
Capital Spending⁴						
Capital expenditures	294	757	580	7	35	1,673
Capital projects in development	—	(1)	—	9	—	8
Contributions to equity investments	173	—	—	172	—	345
	467	756	580	188	35	2,026
Discontinued operations						83
						2,109

1 Includes intersegment eliminations.

2 The Company records intersegment sales at contracted rates. For segmented reporting, these transactions are included as Intersegment revenues in the segment providing the service and Operating costs in the segment receiving the service. These transactions are eliminated on consolidation. Intersegment profit is recognized when the product or service has been provided to third parties or otherwise realized.

3 Includes shared costs and depreciation previously allocated to the Liquids Pipelines segment.

4 Included in Investing activities in the Condensed consolidated statement of cash flows.

nine months ended September 30, 2025	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Corporate¹	Total
(unaudited - millions of Canadian \$)						
Revenues	4,304	5,199	1,012	544	12	11,071
Intersegment revenues ²	—	74	—	50	(124)	—
	4,304	5,273	1,012	594	(112)	11,071
Income (loss) from equity investments	97	217	60	606	—	980
Operating costs ²	(1,675)	(1,906)	(191)	(478)	97	(4,153)
Depreciation and amortization	(1,126)	(767)	(72)	(85)	—	(2,050)
Segmented Earnings (Losses)	1,600	2,817	809	637	(15)	5,848
Interest expense						(2,534)
Allowance for funds used during construction						417
Foreign exchange gains (losses), net						142
Interest income and other						147
Income (Loss) from Continuing Operations before Income Taxes						4,020
Income tax (expense) recovery from continuing operations						(875)
Net Income (Loss) from Continuing Operations						3,145
Net Income (Loss) from Discontinued Operations, Net of Tax						(233)
Net Income (Loss)						2,912
Net (income) loss attributable to non-controlling interests						(408)
Net Income (Loss) Attributable to Controlling Interests						2,504
Preferred share dividends						(84)
Net Income (Loss) Attributable to Common Shares						2,420
Capital Spending³						
Capital expenditures	1,052	2,308	501	46	17	3,924
Capital projects in development	—	—	—	12	—	12
Contributions to equity investments	—	141	—	617	—	758
	1,052	2,449	501	675	17	4,694

1 Includes intersegment eliminations.

2 The Company records intersegment sales at contracted rates. For segmented reporting, these transactions are included as Intersegment revenues in the segment providing the service and Operating costs in the segment receiving the service. These transactions are eliminated on consolidation. Intersegment profit is recognized when the product or service has been provided to third parties or otherwise realized.

3 Included in Investing activities in the Condensed consolidated statement of cash flows.

nine months ended September 30, 2024	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Corporate¹	Total
(unaudited - millions of Canadian \$)						
Revenues	4,196	4,643	649	706	—	10,194
Intersegment revenues ²	—	74	—	49	(123)	—
	4,196	4,717	649	755	(123)	10,194
Income (loss) from equity investments	18	260	209	621	—	1,108
Operating costs ²	(1,677)	(1,742)	(74)	(475)	8 ³	(3,960)
Depreciation and amortization	(1,037)	(710)	(69)	(75)	(5) ³	(1,896)
Other segmented items	10	610	—	—	—	620
Segmented Earnings (Losses)	1,510	3,135	715	826	(120)	6,066
Interest expense						(2,340)
Allowance for funds used during construction						551
Foreign exchange gains (losses), net						(78)
Interest income and other						204
Income (Loss) from Continuing Operations before Income Taxes						4,403
Income tax (expense) recovery from continuing operations						(699)
Net Income (Loss) from Continuing Operations						3,704
Net Income (Loss) from Discontinued Operations, Net of Tax						493
Net Income (Loss)						4,197
Net (income) loss attributable to non-controlling interests						(498)
Net Income (Loss) Attributable to Controlling Interests						3,699
Preferred share dividends						(76)
Net Income (Loss) Attributable to Common Shares						3,623
Capital Spending⁴						
Capital expenditures	874	1,794	1,800	35	38	4,541
Capital projects in development	—	—	—	41	—	41
Contributions to equity investments	350	—	—	538	—	888
	1,224	1,794	1,800	614	38	5,470
Discontinued operations						127
						5,597

1 Includes intersegment eliminations.

2 The Company records intersegment sales at contracted rates. For segmented reporting, these transactions are included as Intersegment revenues in the segment providing the service and Operating costs in the segment receiving the service. These transactions are eliminated on consolidation. Intersegment profit is recognized when the product or service has been provided to third parties or otherwise realized.

3 Includes shared costs and depreciation previously allocated to the Liquids Pipelines segment.

4 Included in Investing activities in the Condensed consolidated statement of cash flows.

Total Assets by Segment

(unaudited - millions of Canadian \$)	September 30, 2025	December 31, 2024
Canadian Natural Gas Pipelines	31,533	31,167
U.S. Natural Gas Pipelines	56,541	56,304
Mexico Natural Gas Pipelines	16,323	15,995
Power and Energy Solutions	10,657	10,217
Corporate	4,894	4,189
	119,948	117,872
Discontinued Operations	286	371
	120,234	118,243

5. REVENUES

Disaggregation of Revenues

The following tables summarize total Revenues for the three and nine months ended September 30, 2025 and 2024:

three months ended September 30, 2025	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Total
(unaudited - millions of Canadian \$)					
Revenues from contracts with customers					
Capacity arrangements and transportation	1,478	1,337	110	—	2,925
Power generation	—	—	—	50	50
Natural gas storage and other ¹	—	261	39	104	404
	1,478	1,598	149	154	3,379
Sales-type lease income	—	—	277	—	277
Other revenues ²	—	39	—	7	46
	1,478	1,637	426	161	3,702
Corporate revenues ³					2
					3,704

1 The Mexico Natural Gas Pipelines segment includes \$34 million of revenues generated from non-lease components for the provision of operating and maintenance services with respect to sales-type leases on the in-service TGNH pipelines.

2 Includes income from the Company's marketing activities, financial instruments and \$29 million of operating lease income. Refer to Note 12, Risk management and financial instruments, for additional information.

3 Revenues generated from the Transition Services Agreement with South Bow.

three months ended September 30, 2024	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Total
(unaudited - millions of Canadian \$)					
Revenues from contracts with customers					
Capacity arrangements and transportation	1,391	1,264	110	—	2,765
Power generation	—	—	—	49	49
Natural gas storage and other ^{1,2}	4	211	31	108	354
	1,395	1,475	141	157	3,168
Sales-type lease income	—	—	77	—	77
Other revenues ³	—	28	—	85	113
	1,395	1,503	218	242	3,358

1 The Canadian Natural Gas Pipelines segment includes \$4 million of fee revenues from an affiliate related to development and construction of the Coastal GasLink pipeline project, which is 35 per cent owned by TC Energy.

2 The Mexico Natural Gas Pipelines segment includes \$24 million of revenues generated from non-lease components for the provision of operating and maintenance services with respect to sales-type leases on the in-service TGNH pipelines.

3 Includes income from the Company's marketing activities, financial instruments and \$29 million of operating lease income. Refer to Note 12, Risk management and financial instruments, for additional information.

nine months ended September 30, 2025	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Total
(unaudited - millions of Canadian \$)					
Revenues from contracts with customers					
Capacity arrangements and transportation	4,304	4,129	333	—	8,766
Power generation	—	—	—	170	170
Natural gas storage and other ¹	—	854	143	304	1,301
	4,304	4,983	476	474	10,237
Sales-type lease income	—	—	536	—	536
Other revenues ²	—	216	—	70	286
	4,304	5,199	1,012	544	11,059
Corporate revenues ³					12
					11,071

1 The Mexico Natural Gas Pipelines segment includes \$125 million of revenues generated from non-lease components for the provision of operating and maintenance services with respect to sales-type leases on the in-service TGNH pipelines.

2 Includes income from the Company's marketing activities, financial instruments and \$88 million of operating lease income. Refer to Note 12, Risk management and financial instruments, for additional information.

3 Revenues generated from the Transition Services Agreement with South Bow.

nine months ended September 30, 2024	Canadian Natural Gas Pipelines	U.S. Natural Gas Pipelines	Mexico Natural Gas Pipelines	Power and Energy Solutions	Total
(unaudited - millions of Canadian \$)					
Revenues from contracts with customers					
Capacity arrangements and transportation	4,182	3,939	327	—	8,448
Power generation	—	—	—	203	203
Natural gas storage and other ^{1,2}	14	637	92	296	1,039
	4,196	4,576	419	499	9,690
Sales-type lease income	—	—	230	—	230
Other revenues ³	—	67	—	207	274
	4,196	4,643	649	706	10,194

1 The Canadian Natural Gas Pipelines segment includes \$14 million of fee revenues from an affiliate related to development and construction of the Coastal GasLink pipeline project, which is 35 per cent owned by TC Energy.

2 The Mexico Natural Gas Pipelines segment includes \$73 million of revenues generated from non-lease components for the provision of operating and maintenance services with respect to sales-type leases on the in-service TGNH pipelines.

3 Includes income from the Company's marketing activities, financial instruments and \$88 million of operating lease income. Refer to Note 12, Risk management and financial instruments, for additional information.

Contract Balances

(unaudited - millions of Canadian \$)	September 30, 2025	December 31, 2024	Affected line item on the Condensed consolidated balance sheet
Receivables from contracts with customers	1,561	1,452	Accounts receivable
Contract assets	256	165	Other current assets
Long-term contract assets	642	608	Other long-term assets
Contract liabilities ¹	28	30	Accounts payable and other
Long-term contract liabilities	1	—	Other long-term liabilities

1 During the nine months ended September 30, 2025, \$21 million (2024 – \$42 million) of revenues were recognized that were included in contract liabilities at the beginning of the period.

Contract assets and long-term contract assets primarily relate to the Company's right to revenues for services completed but not invoiced at the reporting date on long-term committed capacity natural gas pipelines contracts. The change in contract assets is primarily related to the transfer to Accounts receivable when these rights become unconditional and the customer is invoiced, as well as the recognition of additional revenues that remain to be invoiced. Contract liabilities and long-term contract liabilities primarily represent unearned revenue for contracted services.

Future Revenues from Remaining Performance Obligations

At September 30, 2025, future revenues from long-term pipeline capacity arrangements and transportation as well as natural gas storage and other contracts extending through 2055 are approximately \$30.6 billion, of which approximately \$3.5 billion is expected to be recognized during the remainder of 2025.

6. INCOME TAXES

Effective Tax Rates

The effective income tax rates were 22 per cent and 16 per cent for the nine months ended September 30, 2025 and 2024, respectively. The increase in the effective income tax rate is primarily due to the impact of Mexico foreign exchange exposure and higher flow-through income taxes, partially offset by changes in geographic and business mix of earnings.

7. LONG-TERM DEBT

Long-Term Debt Issued

Long-term debt issued by the Company in the nine months ended September 30, 2025 included the following:

(unaudited - millions of Canadian \$, unless otherwise noted)					
Company	Issue date	Type	Maturity date	Amount	Interest rate
TransCanada Pipelines Limited	February 2025	Medium Term Notes	February 2035	1,000	4.58%
ANR Pipeline Company	September 2025	Senior Unsecured Notes	September 2031	US 250	5.23%
	September 2025	Senior Unsecured Notes	September 2035	US 350	5.69%
Columbia Pipelines Operating Company LLC	March 2025	Senior Unsecured Notes	February 2035	US 550	5.44%
	March 2025	Senior Unsecured Notes	February 2055	US 450	5.96%

On October 10, 2025, Great Lakes Gas Transmission Limited Partnership issued a US\$205 million unsecured term loan maturing in October 2028, bearing interest at a floating rate.

Long-Term Debt Repaid/Retired

Long-term debt repaid/retired by the Company in the nine months ended September 30, 2025 included the following:

(unaudited - millions of Canadian \$, unless otherwise noted)				
Company	Repayment date	Type	Amount	Interest rate
TransCanada Pipelines Limited	July 2025	Medium Term Notes	750	3.30%
ANR Pipeline Company	June 2025	Senior Unsecured Notes	US 7	7.00%
Nova Gas Transmission Ltd.	May 2025	Medium Term Notes	87	8.90%
Columbia Pipelines Operating Company LLC	March 2025	Senior Unsecured Notes ¹	US 1,000	4.50%
TC PipeLines, LP	March 2025	Senior Unsecured Notes	US 350	4.38%
TC Energía Mexicana, S. de R.L. de C.V.	Various	Senior Unsecured Term Loan	US 122	Floating

¹ The notes were fully repaid and retired in March 2025. Unamortized fair value adjustment of \$3 million related to the acquisition of Columbia Pipeline Group Inc. was included in Interest expense in the Condensed consolidated statement of income.

On October 14, 2025, TCPL retired US\$92 million of senior unsecured notes bearing interest at a fixed rate of 7.06 per cent.

Capitalized Interest

In the three and nine months ended September 30, 2025, TC Energy capitalized interest related to capital projects of \$2 million and \$7 million, respectively (2024 – \$66 million and \$200 million, respectively).

8. JUNIOR SUBORDINATED NOTES

Junior Subordinated Notes Issued

Junior subordinated notes issued by the Company in the nine months ended September 30, 2025 included the following:

(unaudited - millions of Canadian \$, unless otherwise noted)					
Company	Issue date	Type	Maturity date	Amount	Interest rate
TransCanada PipeLines Limited					
	August 2025	Junior Subordinated Notes	February 2056	1,000	5.20%
	February 2025	Junior Subordinated Notes	June 2065	US 750	7.00%

In August 2025, TCPL issued \$1.0 billion of junior subordinated notes maturing in 2056 with a fixed interest rate of 5.20 per cent per year until February 15, 2031. The rate on the junior subordinated notes will reset every five years commencing February 2031 until February 2056 to the then Five-Year Government of Canada Yield, as defined in the document governing the subordinated notes, plus 2.148 per cent per annum, subject to a rate-reset minimum. The junior subordinated notes are callable at TCPL's option at any time from November 15, 2030 to February 15, 2031 and on each interest payment and reset date thereafter at 100 per cent of the principal amount plus accrued and unpaid interest to the date of redemption.

In February 2025, TCPL issued US\$750 million of junior subordinated notes maturing in 2065 with a fixed interest rate of 7.00 per cent per year until June 1, 2030. The rate on the junior subordinated notes will reset every five years commencing June 2030 until June 2065 to the then Five-Year Treasury Rate, as defined in the document governing the subordinated notes, plus 2.614 per cent per annum. The junior subordinated notes are callable at TCPL's option at any time from March 1, 2030 to June 1, 2030 and on each interest payment and reset date thereafter at 100 per cent of the principal amount plus accrued and unpaid interest to the date of redemption.

Subsequent Junior Subordinated Notes Issued

In October 2025, TCPL issued US\$370 million of junior subordinated notes, including the exercise of the over-allotment option, maturing in 2085 with a fixed interest rate of 6.25 per cent. The junior subordinated notes are callable at TCPL's option at any time on or after November 1, 2030 at 100 per cent of the principal amount plus accrued and unpaid interest to the date of redemption.

Pursuant to the terms of each of the junior subordinated notes issued in 2025, TCPL has the option to defer payment of interest for one or more periods of up to ten years without giving rise to an event of default and without permitting acceleration of payment. TC Energy and TCPL would be prohibited from declaring or paying dividends during any deferral period. The junior subordinated notes are subordinated in right of payment to existing and future senior indebtedness and other obligations of TCPL.

Junior Subordinated Notes Repaid/Retired

In May 2025, TCPL exercised its option to fully repay and retire the US\$750 million junior subordinated notes that had a maturity date of 2075, bearing interest at 5.88 per cent to TransCanada Trust (the Trust). The related unamortized debt issue costs of \$11 million were included in Interest expense in the Condensed consolidated statement of income. All of the proceeds from the repayment were used by the Trust to fund the redemption price of the US\$750 million in aggregate principal amount of outstanding Trust Notes - Series 2015-A, in May 2025 pursuant to their terms.

9. COMMON SHARES AND PREFERRED SHARES

The Board of Directors of TC Energy declared quarterly dividends as follows:

(unaudited - Canadian \$, rounded to two decimals)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
per common share	0.85 ¹	0.96	2.55 ¹	2.88
per Series 1 preferred share	0.31	0.22	0.93	0.65
per Series 2 preferred share	0.28	0.42	0.91	1.28
per Series 3 preferred share	0.26	0.11	0.47	0.32
per Series 4 preferred share	0.24	0.38	0.79	1.16
per Series 5 preferred share	0.12	0.12	0.37	0.37
per Series 6 preferred share	0.27	0.39	0.82	1.20
per Series 7 preferred share	0.37	0.37	1.12	0.99
per Series 9 preferred share	0.32	0.24	0.95	0.71
per Series 10 preferred share	0.32	—	0.97	—
per series 11 preferred share	0.21	0.21	0.42	0.42

¹ The amount represents TC Energy's dividend declared following the Spinoff Transaction.

On June 30, 2025, 104,778 Series 3 preferred shares were converted, on a one-for-one basis, into Series 4 preferred shares and 1,822,829 Series 4 preferred shares were converted, on a one-for-one basis, into Series 3 preferred shares.

10. OTHER COMPREHENSIVE INCOME (LOSS) AND ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Components of other comprehensive income (loss), including the portion attributable to non-controlling interests and related tax effects, were as follows:

three months ended September 30, 2025 (unaudited - millions of Canadian \$)	Before tax amount	Income tax (expense) recovery	Net of tax amount
Foreign currency translation gains and losses on net investment in foreign operations	420	11	431
Change in fair value of cash flow hedges	28	(4)	24
Reclassification to net income of (gains) losses on cash flow hedges	(24)	3	(21)
Other comprehensive income (loss) on equity investments	(13)	3	(10)
Other Comprehensive Income (Loss)	411	13	424

three months ended September 30, 2024			
(unaudited - millions of Canadian \$)	Before tax amount	Income tax (expense) recovery	Net of tax amount
Foreign currency translation gains and losses on net investment in foreign operations	(237)	(3)	(240)
Reclassification of foreign currency translation (gains) losses on net investment on disposal of foreign operations	(25)	—	(25)
Change in fair value of net investment hedges	1	—	1
Change in fair value of cash flow hedges	7	(2)	5
Reclassification to net income of (gains) losses on cash flow hedges	(8)	2	(6)
Other comprehensive income (loss) on equity investments	(10)	2	(8)
Other Comprehensive Income (Loss)	(272)	(1)	(273)

nine months ended September 30, 2025			
(unaudited - millions of Canadian \$)	Before tax amount	Income tax (expense) recovery	Net of tax amount
Foreign currency translation gains and losses on net investment in foreign operations	(657)	(2)	(659)
Change in fair value of net investment hedges	1	—	1
Change in fair value of cash flow hedges	(24)	8	(16)
Reclassification to net income of (gains) losses on cash flow hedges	25	(8)	17
Reclassification to net income of actuarial (gains) losses on pension and other post-retirement benefit plans	1	—	1
Other comprehensive income (loss) on equity investments	(33)	7	(26)
Other Comprehensive Income (Loss)	(687)	5	(682)

nine months ended September 30, 2024			
(unaudited - millions of Canadian \$)	Before tax amount	Income tax (expense) recovery	Net of tax amount
Foreign currency translation gains and losses on net investment in foreign operations	455	2	457
Reclassification of foreign currency translation (gains) losses on net investment on disposal of foreign operations	(25)	—	(25)
Change in fair value of net investment hedges	(14)	3	(11)
Change in fair value of cash flow hedges	43	(10)	33
Reclassification to net income of (gains) losses on cash flow hedges	(10)	2	(8)
Other comprehensive income (loss) on equity investments	74	(18)	56
Other Comprehensive Income (Loss)	523	(21)	502

The changes in AOCI by component, net of tax, were as follows:

three months ended September 30, 2025					
(unaudited - millions of Canadian \$)	Currency translation adjustments	Cash flow hedges	Pension and other post-retirement benefit plans adjustments	Equity investments	Total
AOCI balance at July 1, 2025	(14)	(18)	23	613	604
Other comprehensive income (loss) before reclassifications ¹	196	24	—	(10)	210
Amounts reclassified from AOCI	—	(21)	—	—	(21)
Net current period other comprehensive income (loss)	196	3	—	(10)	189
AOCI balance at September 30, 2025	182	(15)	23	603	793

- 1 Other comprehensive income (loss) before reclassifications on currency translation adjustments is net of non-controlling interest gains of \$235 million (2024 – losses of \$125 million).

nine months ended September 30, 2025					
(unaudited - millions of Canadian \$)	Currency translation adjustments	Cash flow hedges	Pension and other post-retirement benefit plans adjustments	Equity investments	Total
AOCI balance at January 1, 2025	(402)	(16)	22	629	233
Other comprehensive income (loss) before reclassifications ¹	(306)	(16)	—	(24)	(346)
Amounts reclassified from AOCI ²	—	17	1	(2)	16
Net current period other comprehensive income (loss)	(306)	1	1	(26)	(330)
Impact of non-controlling interest ³	348	—	—	—	348
Spinoff of Liquids Pipelines business ⁴	542	—	—	—	542
AOCI balance at September 30, 2025	182	(15)	23	603	793

- 1 Other comprehensive income (loss) before reclassifications on currency translation adjustments is net of non-controlling interest losses of \$352 million (2024 – gains of \$241 million).
- 2 Gains related to cash flow hedges reported in AOCI and expected to be reclassified to net income in the next 12 months are estimated to be \$5 million (\$4 million after tax) at September 30, 2025. These estimates assume constant commodity prices, interest rates and foreign exchange rates over time; however, the amounts reclassified will vary based on the actual value of these factors at the date of settlement.
- 3 AOCI adjustment attributable to the 40 per cent non-controlling equity interest in Columbia Gas and Columbia Gulf upon its sale on October 4, 2023. Refer to Note 1, Basis of presentation, for additional information.
- 4 AOCI adjustment attributable to the Spinoff Transaction on October 1, 2024. Refer to Note 1, Basis of presentation, for additional information.

Details about reclassifications out of AOCI into the Condensed consolidated statement of income were as follows:

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30		Affected line item in the Condensed consolidated statement of income ¹
	2025	2024	2025	2024	
Cash flow hedges					
Commodities	2	11	17	19	Revenues (Power and Energy Solutions)
Foreign exchange	25	—	(33)	—	Interest expense and Foreign exchange gains (losses), net
Interest rate	(3)	(3)	(9)	(9)	Interest expense
	24	8	(25)	10	Total before tax
	(3)	(2)	8	(2)	Income tax (expense) recovery
	21	6	(17)	8	Net of tax
Pension and other post-retirement benefit plans					
Amortization of actuarial gains (losses)	—	—	(1)	—	Plant operating costs and other ²
	—	—	—	—	Income tax (expense) recovery
	—	—	(1)	—	Net of tax
Equity investments					
Equity income (loss)	—	5	2	15	Income (loss) from equity investments
	—	(1)	—	(3)	Income tax (expense) recovery
	—	4	2	12	Net of tax
Currency translation adjustments					
Foreign currency translation gains on disposal of foreign operations	—	15	—	15	Net gain (loss) on sale of assets
	—	—	—	—	Income tax (expense) recovery
	—	15	—	15	Net of tax

1 All amounts in parentheses indicate expenses to the Condensed consolidated statement of income.

2 These AOCI components are included in the computation of net benefit cost (recovery). Refer to Note 11, Employee post-retirement benefits, for additional information.

11. EMPLOYEE POST-RETIREMENT BENEFITS

The components of the net benefit cost (recovery) recognized for the Company's pension benefit plans and other post-retirement benefit plans were as follows:

(unaudited - millions of Canadian \$)	three months ended September 30				nine months ended September 30			
	Pension benefit plans		Other post-retirement benefit plans		Pension benefit plans		Other post-retirement benefit plans	
	2025	2024	2025	2024	2025	2024	2025	2024
Service cost ¹	25	26	—	—	75	80	1	1
Other components of net benefit cost (recovery) ¹								
Interest cost	41	39	4	4	122	116	11	11
Expected return on plan assets	(62)	(59)	(4)	(4)	(187)	(180)	(12)	(11)
Amortization of past service costs	—	—	—	—	—	—	(1)	—
Amortization of regulatory asset	—	—	—	—	—	—	—	(1)
	(21)	(20)	—	—	(65)	(64)	(2)	(1)
Net Benefit Cost (Recovery)	4	6	—	—	10	16	(1)	—

1 Service cost and other components of net benefit cost (recovery) are included in Plant operating costs and other in the Condensed consolidated statement of income.

12. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

Risk Management Overview

TC Energy has exposure to market risk and counterparty credit risk and has strategies, policies and limits in place to manage the impact of these risks on its earnings, cash flows and, ultimately, shareholder value.

Counterparty Credit Risk

TC Energy's exposure to counterparty credit risk includes its cash and cash equivalents, accounts receivable, available-for-sale assets, the fair value of derivative assets, net investment in leases and certain contract assets in Mexico.

Market events causing disruptions in global energy demand and supply may contribute to economic uncertainties impacting a number of TC Energy's customers. While the majority of the Company's credit exposure is to large creditworthy entities, TC Energy maintains close monitoring and communication with those counterparties experiencing greater financial pressures. Refer to TC Energy's 2024 Annual Report for more information about the factors that mitigate the Company's counterparty credit risk exposure.

The Company reviews financial assets carried at amortized cost for impairment using the lifetime expected loss of the financial asset at initial recognition and throughout the life of the financial asset. TC Energy uses historical credit loss and recovery data, adjusted for management's judgment regarding current economic and credit conditions, along with reasonable and supportable forecasts to determine any impairment, which is recognized in Plant operating costs and other.

For the three and nine months ended September 30, 2025, the Company recorded a recovery of \$14 million and expense of \$90 million, respectively (2024 – expense of \$3 million and a recovery of \$18 million, respectively) on the expected credit loss (ECL) provision before tax with respect to the net investment in leases associated with in-service TGNH pipelines. In second quarter 2025, the Company completed the Southeast Gateway pipeline. Refer to Note 13, TGNH strategic alliance, for additional information.

At September 30, 2025, the balance of the ECL provision was \$149 million (December 31, 2024 – \$59 million) with respect to the net investment in leases associated with in-service TGNH pipelines.

The ECL provision is driven primarily by a probability of default measure for the counterparty, which is calculated using information published by an external third party.

Other than the ECL provision noted above, the Company had no significant credit losses at September 30, 2025, and there were no significant credit risk concentrations or amounts past due or impaired.

TC Energy has significant credit and performance exposure to financial institutions that hold cash deposits and provide committed credit lines and letters of credit that help manage the Company's exposure to counterparties and provide liquidity in commodity, foreign exchange and interest rate derivative markets. TC Energy's portfolio of financial sector exposure consists primarily of highly-rated investment grade, systemically important financial institutions.

Net Investment in Foreign Operations

The Company hedges a portion of its net investment in foreign operations (on an after-tax basis) with U.S. dollar-denominated debt and cross-currency interest rate swaps as appropriate.

The fair values and notional amounts for the derivatives designated as a net investment hedge were as follows:

(unaudited - millions of Canadian \$, unless otherwise noted)	September 30, 2025		December 31, 2024	
	Fair value ^{1,2}	Notional amount	Fair value ^{1,2}	Notional amount
U.S. dollar cross-currency interest rate swaps ³	—	—	(11)	US 100

1 Fair value equals carrying value.

2 No amounts have been excluded from the assessment of hedge effectiveness.

3 Net income (loss) included no realized gains or losses in the three months ended September 30, 2025 (2024 - net realized gains of less than \$1 million) and net realized gains of less than \$1 million in the nine months ended September 30, 2025 and 2024 related to the interest component of cross-currency swap settlements which are reported within Interest expense in the Condensed consolidated statement of income.

The notional amounts and fair values of U.S. dollar-denominated debt designated as a net investment hedge were as follows:

(unaudited - millions of Canadian \$, unless otherwise noted)	September 30, 2025	December 31, 2024
Notional amount	25,300 (US 18,200)	26,000 (US 18,000)
Fair value	25,500 (US 18,300)	25,700 (US 17,800)

Non-Derivative Financial Instruments

Fair value of non-derivative financial instruments

Available-for-sale assets are recorded at fair value which is calculated using quoted market prices where available in addition to the Company's LMCI equity securities which are classified in Level I of the fair value hierarchy. Certain other non-derivative financial instruments included in Cash and cash equivalents, Accounts receivable, Other current assets, Net investment in leases, Restricted investments, Other long-term assets, Notes payable, Accounts payable and other, Dividends payable, Accrued interest and Other long-term liabilities have carrying amounts that approximate their fair value due to the nature of the item or the short time to maturity.

Credit risk has been taken into consideration when calculating the fair value of non-derivative financial instruments.

Balance sheet presentation of non-derivative financial instruments

The following table details the fair value of non-derivative financial instruments, excluding those where carrying amounts approximate fair value and would be classified in Level II of the fair value hierarchy:

(unaudited - millions of Canadian \$)	September 30, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Long-term debt, including current portion ^{1,2}	(47,234)	(48,295)	(47,931)	(48,318)
Junior subordinated notes	(11,738)	(11,748)	(11,048)	(10,824)
	(58,972)	(60,043)	(58,979)	(59,142)

1 Long-term debt is recorded at amortized cost, except for US\$3.0 billion (December 31, 2024 – US\$2.8 billion) that is attributed to hedged risk and recorded at fair value.

2 Net income (loss) for the three and nine months ended September 30, 2025 included unrealized losses of \$10 million and \$140 million, respectively (2024 – unrealized losses of \$222 million and \$95 million, respectively) for fair value adjustments attributable to the hedged interest rate risk associated with interest rate swap fair value hedging relationships.

The following tables summarize additional information about the Company's restricted investments that were classified as available-for-sale assets and equity securities with readily determinable fair values:

(unaudited - millions of Canadian \$)	September 30, 2025		December 31, 2024	
	LMCI restricted investments	Other restricted investments ¹	LMCI restricted investments	Other restricted investments ¹
Fair values of fixed income securities ^{2,3}				
Maturing within 1 year	—	82	—	33
Maturing within 1-5 years	35	250	3	256
Maturing within 5-10 years	1,796	4	1,578	—
Maturing after 10 years	—	15	—	—
Fair value of equity securities ^{2,4}	1,258	89	1,070	64
	3,089	440	2,651	353

- 1 Other restricted investments have been set aside to fund insurance claim losses to be paid by the Company's wholly-owned captive subsidiary and, in 2025, funds have also been set aside to pay for certain active employee medical benefits.
- 2 Available-for-sale assets and equity securities with readily determinable fair values are recorded at fair value and included in Other current assets and Restricted investments on the Company's Condensed consolidated balance sheet.
- 3 Classified in Level II of the fair value hierarchy.
- 4 Classified in Level I of the fair value hierarchy.

(unaudited - millions of Canadian \$)	September 30, 2025		September 30, 2024	
	LMCI restricted investments ¹	Other restricted investments ²	LMCI restricted investments ¹	Other restricted investments ²
Net unrealized gains (losses) in the period				
three months ended	119	(14)	107	7
nine months ended	192	(6)	217	12
Net realized gains (losses) in the period ³				
three months ended	13	21	13	1
nine months ended	1	21	(1)	2

- 1 Unrealized and realized gains (losses) arising from changes in the fair value of LMCI restricted investments impact the subsequent amounts to be collected through tolls to cover future pipeline abandonment costs. As a result, the Company records these gains and losses as regulatory liabilities or regulatory assets.
- 2 Unrealized and realized gains (losses) on other restricted investments are included in Interest income and other in the Condensed consolidated statement of income.
- 3 Realized gains (losses) on the sale of LMCI restricted investments are determined using the average cost basis.

Derivative Instruments

Fair value of derivative instruments

The fair value of foreign exchange and interest rate derivatives has been calculated using the income approach which uses period-end market rates and applies a discounted cash flow valuation model. The fair value of commodity derivatives has been calculated using quoted market prices where available. In the absence of quoted market prices, third-party broker quotes or other valuation techniques have been used. The fair value of options has been calculated using the Black-Scholes pricing model. Credit risk has been taken into consideration when calculating the fair value of derivative instruments. Unrealized gains and losses on derivative instruments are not necessarily representative of the amounts that will be realized on settlement.

In some cases, even though the derivatives are considered to be effective economic hedges, they do not meet the specific criteria for hedge accounting treatment or are not designated as a hedge and are accounted for at fair value with changes in fair value recorded in net income in the period of change. This may expose the Company to increased variability in reported earnings because the fair value of the derivative instruments can fluctuate significantly from period to period.

The recognition of gains and losses on derivatives for Canadian natural gas regulated pipeline exposures is determined through the regulatory process. Gains and losses arising from changes in the fair value of derivatives accounted for as part of rate-regulated accounting, including those that qualify for hedge accounting treatment, are expected to be refunded or recovered through the tolls charged by the Company. As a result, these gains and losses are deferred as regulatory liabilities or regulatory assets and are refunded to or collected from the rate payers in subsequent years when the derivative settles.

Balance sheet presentation of derivative instruments

The balance sheet classification of the fair value of derivative instruments was as follows:

at September 30, 2025				
(unaudited - millions of Canadian \$)	Cash flow hedges	Fair value hedges	Held for trading	Total fair value of derivative instruments ¹
Other current assets				
Commodities ²	13	—	330	343
Foreign exchange	7	—	38	45
Interest rate	—	2	—	2
	20	2	368	390
Other long-term assets				
Commodities ²	3	—	80	83
Foreign exchange	—	—	6	6
Interest rate	—	37	—	37
	3	37	86	126
Total Derivative Assets	23	39	454	516
Accounts payable and other				
Commodities ²	(2)	—	(332)	(334)
Foreign exchange	—	—	(49)	(49)
Interest rate	—	(10)	—	(10)
	(2)	(10)	(381)	(393)
Other long-term liabilities				
Commodities ²	(2)	—	(58)	(60)
Foreign exchange	(39)	—	(9)	(48)
Interest rate	—	(28)	—	(28)
	(41)	(28)	(67)	(136)
Total Derivative Liabilities	(43)	(38)	(448)	(529)
Total Derivatives	(20)	1	6	(13)

1 Fair value equals carrying value.

2 Includes purchases and sales of power and natural gas.

at December 31, 2024					
(unaudited - millions of Canadian \$)	Cash flow hedges	Fair value hedges	Net investment hedges	Held for trading	Total fair value of derivative instruments ¹
Other current assets					
Commodities ²	18	—	—	287	305
Foreign exchange	—	—	—	42	42
	18	—	—	329	347
Other long-term assets					
Commodities ²	9	—	—	104	113
Foreign exchange	—	—	—	9	9
	9	—	—	113	122
Total Derivative Assets	27	—	—	442	469
Accounts payable and other					
Commodities ²	(1)	—	—	(291)	(292)
Foreign exchange	—	—	(11)	(183)	(194)
Interest rate	—	(21)	—	—	(21)
	(1)	(21)	(11)	(474)	(507)
Other long-term liabilities					
Commodities ²	(1)	—	—	(46)	(47)
Foreign exchange	—	—	—	(44)	(44)
Interest rate	—	(118)	—	—	(118)
	(1)	(118)	—	(90)	(209)
Total Derivative Liabilities	(2)	(139)	(11)	(564)	(716)
Total Derivatives	25	(139)	(11)	(122)	(247)

1 Fair value equals carrying value.

2 Includes purchases and sales of power and natural gas.

The majority of derivative instruments held for trading have been entered into for risk management purposes and all are subject to the Company's risk management strategies, policies and limits. These include derivatives that have not been designated as hedges or do not qualify for hedge accounting treatment but have been entered into as economic hedges to manage the Company's exposures to market risk.

Non-derivatives in fair value hedging relationships

The following table details amounts recorded on the Condensed consolidated balance sheet in relation to cumulative adjustments for fair value hedges included in the carrying amount of the hedged liabilities:

(unaudited - millions of Canadian \$)	Carrying amount		Fair value hedging adjustments ¹	
	September 30, 2025	December 31, 2024	September 30, 2025	December 31, 2024
Long-term debt	(4,151)	(3,935)	(41)	98

1 At September 30, 2025 and December 31, 2024, adjustments for discontinued hedging relationships included in these balances were liabilities of \$40 million and \$41 million, respectively.

Notional and maturity summary

The maturity and notional amount or quantity outstanding related to the Company's derivative instruments excluding hedges of the net investment in foreign operations was as follows:

at September 30, 2025				
(unaudited)	Power	Natural gas	Foreign exchange	Interest rate
Net sales (purchases) ¹	10,334	45	—	—
Millions of U.S. dollars	—	—	6,537	2,950
Millions of Mexican pesos	—	—	16,250	—
Maturity dates	2025-2044	2025-2032	2025-2030	2030-2034

1 Volumes for power and natural gas derivatives are in GWh and Bcf, respectively.

at December 31, 2024				
(unaudited)	Power	Natural gas	Foreign exchange	Interest rate
Net sales (purchases) ¹	10,192	53	—	—
Millions of U.S. dollars	—	—	5,648	2,800
Millions of Mexican pesos	—	—	16,750	—
Maturity dates	2025-2044	2025-2031	2025-2027	2030-2034

1 Volumes for power and natural gas derivatives are in GWh and Bcf, respectively.

Unrealized and Realized Gains (Losses) on Derivative Instruments

The following summary does not include hedges of the net investment in foreign operations:

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Derivative Instruments Held for Trading¹				
Unrealized gains (losses) in the period				
Commodities ²	(63)	21	(36)	(36)
Foreign exchange	(68)	24	169	(78)
Realized gains (losses) in the period				
Commodities	20	40	(18)	111
Foreign exchange	39	(58)	111	(105)
Interest rate	1	—	6	—
Derivative Instruments in Hedging Relationships				
Realized gains (losses) in the period				
Commodities	3	6	17	24
Foreign exchange	2	—	6	—
Interest rate	(8)	(14)	(24)	(41)

1 Realized and unrealized gains (losses) on held-for-trading derivative instruments used to purchase and sell commodities are included on a net basis in Revenues. Realized and unrealized gains (losses) on foreign exchange and interest rate held-for-trading derivative instruments are included on a net basis in Foreign exchange (gains) losses, net and Interest expense, respectively, in the Condensed consolidated statement of income.

2 In the three and nine months ended September 30, 2025, unrealized gains of less than \$1 million and \$1 million, respectively, were reclassified to Net income (loss) from AOCI related to discontinued cash flow hedges (2024 - unrealized gains of \$4 million).

Derivatives in cash flow hedging relationships

The components of OCI (Note 10) related to the change in fair value of derivatives in cash flow hedging relationships before tax and including the portion attributable to non-controlling interests were as follows:

(unaudited - millions of Canadian \$, pre tax)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Gains (losses) in fair value of derivative instruments recognized in OCI ¹				
Commodities	3	7	4	43
Foreign exchange	25	—	(28)	—
	28	7	(24)	43

1 No amounts have been excluded from the assessment of hedge effectiveness.

Effect of fair value and cash flow hedging relationships

The following table details amounts presented in the Condensed consolidated statement of income in which the effects of fair value or cash flow hedging relationships were recorded:

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Fair Value Hedges				
Interest rate contracts ¹				
Hedged items	(44)	(44)	(133)	(114)
Derivatives designated as hedging instruments	(8)	(14)	(24)	(41)
Cash Flow Hedges				
Reclassification of gains (losses) on derivative instruments from AOCI to Net income (loss) ^{2,3}				
Commodities ⁴	2	11	17	19
Foreign exchange ⁵	25	—	(33)	—
Interest rate ¹	(3)	(3)	(9)	(9)

1 Presented within Interest expense in the Condensed consolidated statement of income.

2 Refer to Note 10, Other comprehensive income (loss) and accumulated other comprehensive income (loss), for the components of OCI related to derivatives in cash flow hedging relationships.

3 There are no amounts recognized in earnings that were excluded from effectiveness testing.

4 Presented within Revenues (Power and Energy Solutions) in the Condensed consolidated statement of income. In the three and nine months ended September 30, 2025, unrealized gains of less than one million and \$1 million, respectively, were reclassified to Net income (Loss) from AOCI related to discontinued cash flow hedges (2024 - unrealized gains of \$4 million).

5 Presented within Interest expense and Foreign exchange (gains) losses, net in the Condensed consolidated statement of income.

Offsetting of derivative instruments

The Company enters into derivative contracts with the right to offset in the normal course of business as well as in the event of default. TC Energy has no master netting agreements; however, similar contracts are entered into containing rights to offset. The Company has elected to present the fair value of derivative instruments with the right to offset on a gross basis on the Condensed consolidated balance sheet. The following tables show the impact on the presentation of the fair value of derivative instrument assets and liabilities had the Company elected to present these contracts on a net basis:

at September 30, 2025			
(unaudited - millions of Canadian \$)	Gross derivative instruments	Amounts available for offset¹	Net amounts
Derivative instrument assets			
Commodities	426	(323)	103
Foreign exchange	51	(48)	3
Interest rate	39	(6)	33
	516	(377)	139
Derivative instrument liabilities			
Commodities	(394)	323	(71)
Foreign exchange	(97)	48	(49)
Interest rate	(38)	6	(32)
	(529)	377	(152)

1 Amounts available for offset do not include cash collateral pledged or received.

at December 31, 2024			
(unaudited - millions of Canadian \$)	Gross derivative instruments	Amounts available for offset¹	Net amounts
Derivative instrument assets			
Commodities	418	(290)	128
Foreign exchange	51	(49)	2
	469	(339)	130
Derivative instrument liabilities			
Commodities	(339)	290	(49)
Foreign exchange	(238)	49	(189)
Interest rate	(139)	—	(139)
	(716)	339	(377)

1 Amounts available for offset do not include cash collateral pledged or received.

With respect to the derivative instruments presented above, the Company provided cash collateral of \$126 million and letters of credit of \$89 million at September 30, 2025 (December 31, 2024 – \$133 million and \$59 million, respectively) to its counterparties. At September 30, 2025, the Company held cash collateral of less than \$1 million and \$77 million letters of credit (December 31, 2024 – less than \$1 million and \$75 million, respectively) from counterparties on asset exposures.

Credit-risk-related contingent features of derivative instruments

Derivative contracts entered into to manage market risk often contain financial assurance provisions that allow parties to the contracts to manage credit risk. These provisions may require collateral to be provided if a credit-risk-related contingent event occurs, such as a downgrade in the Company's credit rating to non-investment grade. The Company may also need to provide collateral if the fair value of its derivative financial instruments exceeds pre-defined exposure limits.

Based on contracts in place and market prices at September 30, 2025, the aggregate fair value of all derivative instruments with credit-risk-related contingent features that were in a net liability position was \$7 million (December 31, 2024 – \$10 million), for which the Company has provided no collateral in the normal course of business. If the credit-risk-related contingent features in these agreements were triggered on September 30, 2025, the Company would have been required to provide collateral equal to the fair value of the related derivative instruments discussed above. Collateral may also need to be provided should the fair value of derivative instruments exceed pre-defined contractual exposure limit thresholds. The Company has sufficient liquidity in the form of cash and undrawn committed revolving credit facilities to meet these contingent obligations should they arise.

Fair Value Hierarchy

The Company's financial assets and liabilities recorded at fair value have been categorized into three categories based on a fair value hierarchy.

Levels	How fair value has been determined
Level I	Quoted prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date. An active market is a market in which frequency and volume of transactions provides pricing information on an ongoing basis.
Level II	This category includes interest rate and foreign exchange derivative assets and liabilities where fair value is determined using the income approach and commodity derivatives where fair value is determined using the market approach. Inputs include published exchange rates, interest rates, interest rate swap curves, yield curves and broker quotes from external data service providers.
Level III	This category includes long-dated commodity transactions in certain markets where liquidity is low. The Company uses the most observable inputs available or alternatively long-term broker quotes or negotiated commodity prices that have been contracted for under similar terms in determining an appropriate estimate of these transactions. Where appropriate, these long-dated prices are discounted to reflect the expected pricing from the applicable markets. There is uncertainty caused by using unobservable market data which may not accurately reflect possible future changes in fair value.

The fair value of the Company's derivative assets and liabilities measured on a recurring basis, including both current and non-current portions, were categorized as follows:

at September 30, 2025	Quoted prices in active markets (Level I)	Significant other observable inputs (Level II) ¹	Significant unobservable inputs (Level III) ¹	Total
(unaudited - millions of Canadian \$)				
Derivative instrument assets				
Commodities	157	220	49	426
Foreign exchange	—	51	—	51
Interest rate	—	39	—	39
Derivative instrument liabilities				
Commodities	(139)	(229)	(26)	(394)
Foreign exchange	—	(97)	—	(97)
Interest rate	—	(38)	—	(38)
	18	(54)	23	(13)

1 There were no transfers from Level II to Level III for the nine months ended September 30, 2025.

at December 31, 2024				
(unaudited - millions of Canadian \$)	Quoted prices in active markets (Level I)	Significant other observable inputs (Level II) ¹	Significant unobservable inputs (Level III) ¹	Total
Derivative instrument assets				
Commodities	126	214	78	418
Foreign exchange	—	51	—	51
Derivative instrument liabilities				
Commodities	(116)	(217)	(6)	(339)
Foreign exchange	—	(238)	—	(238)
Interest rate	—	(139)	—	(139)
	10	(329)	72	(247)

1 There were no transfers from Level II to Level III for the year ended December 31, 2024.

The Company has entered into contracts commencing in 2025 and 2026 to sell 50 MW of power with terms ranging from 15 to 20 years provided from specified renewable sources in the Province of Alberta. The fair value of these contracts is classified in Level III of the fair value hierarchy and is based on the assumption that the contract volumes will be sourced approximately 80 per cent from wind generation, 10 per cent from solar generation and 10 per cent from the market.

The following table presents the net change in fair value of derivative assets and liabilities classified as Level III of the fair value hierarchy:

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Balance at beginning of period	80	3	72	(11)
Net gains (losses) included in Net income (loss) ¹	(52)	8	(36)	25
Transfers to Level II	(3)	32	(5)	29
Settlements	(3)	—	(8)	—
Foreign exchange	1	—	—	—
Balance at end of period	23	43	23	43

1 For the three and nine months ended September 30, 2025, there were unrealized losses of \$52 million and \$36 million, respectively, recognized in Revenues attributed to derivatives in the Level III category that were held at September 30, 2025 (2024 – unrealized gains of \$8 million and \$25 million, respectively).

13. TGNH STRATEGIC ALLIANCE

Mexico Natural Gas Pipelines

Transportadora de Gas Natural de la Huasteca (TGNH)

In August 2022, the Company announced a strategic alliance with Mexico's state-owned electric utility, the CFE, for the development of new natural gas infrastructure in central and southeast Mexico.

In second quarter 2024, in accordance with the terms of the Company's strategic alliance, and in exchange for cash and non-cash consideration of \$561 million (US\$411 million), the CFE became a partner in TGNH with a 13.01 per cent equity interest. The transaction was accounted for as an equity transaction of which \$588 million was recognized in Non-controlling interests and \$21 million was recognized as AOCI attributable to the CFE's non-controlling interest. The difference between these amounts and the consideration received was recorded as a reduction to Additional paid-in capital of \$27 million.

In September 2025, TC Energy entered into a factoring arrangement with the CFE and a major domestic bank in Mexico. Under the arrangement, TC Energy is factoring monthly invoices for services provided on the TGNH system from August to November 2025. Invoices are factored to the bank without recourse to TC Energy and TC Energy will continue to receive invoiced amounts within the contractual payment period.

The factoring arrangement resulted in a lease modification for accounting purposes of the TGNH Transportation Service Agreement (TSA) with the CFE. As such, the Company reallocated contract consideration to the lease and non-lease components of the contract based on the updated operating and maintenance services stand-alone selling price for each non-lease component as of the date of modification. The change in allocation is accounted for prospectively.

Under lease accounting, TC Energy has recorded factored amounts in Accounts payable and other on the Condensed consolidated balance sheet. Cash amounts from the factoring arrangement are included in Financing activities in the Condensed consolidated statement of cash flows. During third quarter 2025, TC Energy assigned and received payment for receivables having an aggregate face value of \$101 million (US\$73 million).

Southeast Gateway Pipeline

During second quarter 2025, the Company announced the completion of the Southeast Gateway pipeline. The Company determined that the pipeline is a sales-type lease between TGNH and the CFE that commenced when the asset was made available to the customer. The Company allocated the expected contract consideration to the non-lease component for the provisioning of operating and maintenance services based on the estimated stand-alone selling price using an expected cost plus margin approach which was determined at the inception of the agreement in 2022. The residual amount of consideration from this process was then allocated to the lease component. The Company's estimate of future operating costs at the inception of the contract in 2022 influenced the allocation of contract consideration between lease and non-lease components. This estimate impacted the timing of income recognized under the contract and the calculation of the rate implicit in the lease.

Under a sales-type lease, the Company derecognizes the underlying asset and records a net investment in lease equal to the present value of both the future lease payments and the estimated unguaranteed residual value of the leased asset. The future lease payments and the unguaranteed residual asset value are discounted at the rate implicit in the lease. This is the rate that causes the present value of lease payments and unguaranteed residual value to equal the fair value of the underlying asset. The difference between the carrying amount of the underlying asset and the lower of the fair value of the underlying asset and the sum of the lease receivable is recorded as selling profit or loss in the Condensed consolidated statement of income.

The TGNH pipelines, which includes the Southeast Gateway pipeline, are rate-regulated and the tolls are designed to recover the cost of providing service. On this basis, the Company applied judgment to determine that, at the inception of the lease arrangement, the fair value of the underlying assets approximated the carrying value and the residual value approximated the

remaining carrying value at the end of the lease term. The Company estimated that if the assets were purchased at their carrying value, they would yield a return to the purchaser that is in line with current market participant expectations.

The Company recorded a net investment in lease asset of \$6.6 billion (US\$4.8 billion) with no selling profit or losses recorded upon derecognition of the underlying asset. At June 30, 2025, the Company recorded an expected credit loss provision of \$113 million in Plant operating costs and other, relating to the initial net investment in lease balance.

14. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Commitments

Capital expenditure commitments at September 30, 2025 are consistent with the amounts reported at December 31, 2024, reflecting new contractual commitments entered into for construction on U.S. natural gas pipelines, primarily related to the construction costs associated with ANR and other pipeline projects, offset by completion of Southeast Gateway pipeline and normal course fulfillment of construction contracts.

Contingencies

TC Energy and its subsidiaries are subject to various legal proceedings, arbitrations and actions arising in the normal course of business. The Company assesses all legal matters on an ongoing basis, including those of its equity investments, to determine if they meet the requirements for disclosure or accrual of a contingent loss. It is the opinion of management that the ultimate resolution of such proceedings and actions will not have a material impact on the Company's consolidated financial position or results of operations.

The following contingencies were concluded during the nine months ended September 30, 2025:

Macro Spiecapag Coastal GasLink Joint Venture

Coastal GasLink LP and Macro Spiecapag Coastal GasLink Joint Venture (MSJV) have reached a mutually acceptable resolution to their disputes. The settlement is not an admission of liability by either party and the parties have mutually released their respective claims in the arbitration. Details of the arbitration and the settlement are confidential and the settlement did not have a material impact on TC Energy's financial statements.

Pacific Atlantic Pipeline Construction Ltd.

Coastal GasLink LP and Pacific Atlantic Pipeline Construction Ltd., one of the prime contractors on the Coastal GasLink pipeline, and their parent company Bonatti S.p.A, have reached a mutually acceptable resolution to their disputes. The settlement is not an admission of liability by either party and the parties have mutually released their respective claims in the arbitration. Details of the arbitration and the settlement are confidential, but it does include the retention by Coastal GasLink LP of the letter of credit funds drawn in 2024 and the settlement did not have a material impact on TC Energy's financial statements.

2016 Columbia Pipeline Acquisition Lawsuit

In 2018, former shareholders of Columbia Pipeline Group Inc. (CPG) commenced a class action lawsuit related to the acquisition of CPG by TC Energy in 2016. In 2023, the Delaware Chancery Court (the Court) found that the former CPG executives breached their fiduciary duties, that the former CPG Board breached its duty of care in overseeing the sale process and that TC Energy aided and abetted those breaches. TC Energy's allocated share of damages was an estimated US\$350 million, plus post-judgment interest. TC Energy appealed the decision to the Delaware Supreme Court and on June 17, 2025, the Supreme Court issued its decision reversing the Court's finding of liability against TC Energy. On July 10, 2025, the Court granted the final order vacating its prior judgment and dismissing plaintiffs' claims against TC Energy. As a result, this matter is now concluded in TC Energy's favour with no liability. There is no further right of appeal.

Guarantees

TC Energy and its partner on the Sur de Texas pipeline, IEnova, have jointly guaranteed the financial performance of the entity which owns the pipeline. Such agreements include a guarantee and a letter of credit which are primarily related to the delivery of natural gas.

TC Energy and its joint venture partner on Bruce Power, BPC Generation Infrastructure Trust, have each severally guaranteed certain contingent financial obligations of Bruce Power related to a lease agreement and contractor and supplier services.

The Company and its partners in certain other jointly-owned entities have either (i) jointly and severally, (ii) jointly or (iii) severally guaranteed the financial performance of these entities. Such agreements include guarantees and letters of credit which are primarily related to construction services and the payment of liabilities. For certain of these entities, any payments made by TC Energy under these guarantees in excess of its ownership interest are to be reimbursed by its partners.

The carrying value of these guarantees has been included in Other long-term liabilities on the Condensed consolidated balance sheet. Information regarding the Company's guarantees is as follows:

		September 30, 2025		December 31, 2024	
(unaudited - millions of Canadian \$)	Term	Potential exposure ¹	Carrying value	Potential exposure ¹	Carrying value
Bruce Power	Renewable to 2065	88	—	88	—
Sur de Texas	Renewable to 2053	85	—	93	—
Other jointly-owned entities	to 2032	55	1	59	1
		228	1	240	1

1 TC Energy's share of the potential estimated current or contingent exposure.

15. VARIABLE INTEREST ENTITIES

Consolidated VIEs

A significant portion of the Company's assets are held through VIEs in which the Company holds a 100 per cent voting interest, the VIE meets the definition of a business and the VIE's assets can be used for general corporate purposes. The consolidated VIEs whose assets cannot be used for purposes other than for the settlement of the VIE's obligations, or are not considered a business, were as follows:

(unaudited - millions of Canadian \$)	September 30, 2025	December 31, 2024
ASSETS		
Current Assets		
Cash and cash equivalents	208	311
Accounts receivable	840	839
Inventories	213	205
Other current assets	100	121
	1,361	1,476
Plant, Property and Equipment	49,687	49,904
Equity Investments	977	865
Restricted Investments	1,157	950
Regulatory Assets	111	53
Goodwill	463	479
Other Long-Term Assets	98	59
	53,854	53,786
LIABILITIES		
Current Liabilities		
Notes Payable	174	—
Accounts payable and other	1,862	1,866
Accrued interest	212	202
Current portion of long-term debt	583	2,062
	2,831	4,130
Regulatory Liabilities	1,474	1,232
Other Long-Term Liabilities	67	70
Deferred Income Tax Liabilities	8	7
Long-Term Debt	12,799	12,387
	17,179	17,826

Non-Consolidated VIEs

The carrying value of non-consolidated VIEs and the maximum exposure to loss as a result of the Company's involvement with these VIEs are as follows:

(unaudited - millions of Canadian \$)	September 30, 2025	December 31, 2024
Balance Sheet Exposure		
Equity investments		
Bruce Power	7,585	7,043
Coastal GasLink	852	1,006
Other pipeline equity investments	159	160
Off-Balance Sheet Exposure¹		
Bruce Power	2,250	1,877
Coastal GasLink ²	265	265
Other pipeline equity investments	—	2
Maximum Exposure to Loss	11,111	10,353

1 Includes maximum potential exposure to guarantees and future funding commitments.

2 TC Energy is contractually obligated to fund the capital costs to complete the Coastal GasLink pipeline by funding the remaining equity requirements of Coastal GasLink LP through incremental capacity on the subordinated loan agreement with Coastal GasLink LP until final costs are determined. In addition to the subordinated loan agreement, TC Energy has entered into an equity contribution agreement to fund a maximum of \$37 million for its proportionate share of the equity requirements related to the Cedar Link project.