

TC PipeLines, LP

Consolidated Financial Statements

June 30, 2025 and 2024

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF INCOME

| <i>(unaudited)</i> <i>(millions of dollars)</i> | Six months ended | |
|---|--------------------------------|-------|
| | June 30, 2025 | 2024 |
| Transmission revenues, net (Note 4) | 196 | 230 |
| Equity earnings (Note 3) | 120 | 138 |
| Operation and maintenance expenses | (41) | (42) |
| Property taxes | (9) | (15) |
| Depreciation and amortization | (41) | (48) |
| Total operating and other expenses | (91) | (105) |
| Operating income | 225 | 263 |
| Financial charges and other (Note 10) | (19) | (26) |
| Income before income taxes | 206 | 237 |
| Income taxes | — | (2) |
| Net income | 206 | 235 |
| Less: Net income attributable to non-controlling interest | — | 17 |
| Net income attributable to controlling interests | 206 | 218 |

The accompanying notes are an integral part of these consolidated financial statements.

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

| <i>(unaudited)</i> <i>(millions of dollars)</i> | Six months ended | |
|---|------------------|------------|
| | June 30, | |
| | 2025 | 2024 |
| Net income | 206 | 235 |
| Other comprehensive income | | |
| Comprehensive income | 206 | 235 |
| Comprehensive income attributable to non-controlling interests | — | 17 |
| Comprehensive income attributable to controlling interests | 206 | 218 |

The accompanying notes are an integral part of these consolidated financial statements.

TC PIPELINES, LP
CONSOLIDATED BALANCE SHEETS

(unaudited)

(millions of dollars)

June 30, 2025

December 31, 2024

| ASSETS | | |
|--|--------------|--------------|
| Current Assets | | |
| Accounts receivable and other | 36 | 31 |
| Demand loan receivable from affiliates (Note 8) | 142 | 131 |
| Inventories | 15 | 13 |
| Other | 3 | 7 |
| Total current assets | 196 | 182 |
| Equity investments (Note 3) | 1,078 | 981 |
| Property, plant and equipment (Net of \$1,337 million accumulated depreciation; 2024 - \$1,299 million) | 1,659 | 1,673 |
| Goodwill | 71 | 71 |
| Other assets | 39 | 9 |
| TOTAL ASSETS | 3,043 | 2,916 |
| LIABILITIES AND PARTNERS' EQUITY | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | 35 | 59 |
| Accounts payable to affiliates | 7 | 11 |
| Imbalance payable | 2 | 2 |
| Customer deposits | 13 | 18 |
| Accrued interest | 3 | 8 |
| Current portion of long-term debt (Note 5) | — | 350 |
| Total current liabilities | 60 | 448 |
| Long-term debt, net (Note 5) | 874 | 873 |
| Other liabilities | 41 | 38 |
| Total liabilities | 975 | 1,359 |
| Partners' Equity | | |
| Common units | 1,941 | 1,440 |
| Class B units (Note 6) | 95 | 95 |
| General partner | 29 | 19 |
| Accumulated other comprehensive income (AOCI) | 3 | 3 |
| Total Partner's Equity | 2,068 | 1,557 |
| TOTAL LIABILITIES AND PARTNERS' EQUITY | 3,043 | 2,916 |

The accompanying notes are an integral part of these consolidated financial statements.

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF CHANGES IN PARTNERS' EQUITY

For the six months ended June 30, 2025:

| (unaudited) | Limited Partners | | | | General Partner | Accumulated Other Comprehensive Income | Non-Controlling Interest | Total Equity |
|---------------------------------------|-------------------|---------------------|-------------------|---------------------|-----------------|--|--------------------------|--------------|
| | Common Units | | Class B Units | | | | | |
| | millions of units | millions of dollars | millions of units | millions of dollars | | | | |
| Partners' Equity at December 31, 2024 | 82.7 | 1,440 | 1.9 | 95 | 19 | 3 | — | 1,557 |
| Net Income | — | 202 | — | — | 4 | — | — | 206 |
| Contribution from parent (Note 6) | — | 299 | — | — | 6 | — | — | 305 |
| Partners' Equity at June 30, 2025 | 82.7 | 1,941 | 1.9 | 95 | 29 | 3 | — | 2,068 |

For the six months ended June 30, 2024:

| (unaudited) | Limited Partners | | | | | General Partner | Accumulated Other Comprehensive Income (Loss) | Non-Controlling Interest | Total Equity |
|---------------------------------------|-------------------|---------------------|-------------------|---------------------|---------------------|---------------------|---|--------------------------|--------------|
| | Common Units | | Class B Units | | | | | | |
| | millions of units | millions of dollars | millions of units | millions of dollars | millions of dollars | millions of dollars | millions of dollars | millions of dollars | |
| Partners' Equity at December 31, 2023 | 82.7 | 1,580 | 1.9 | 95 | 22 | 2 | 80 | 1,779 | |
| Net Income | — | 214 | — | — | 4 | — | 17 | 235 | |
| Distributions | — | (225) | — | — | (25) | — | (18) | (271) | |
| Partners' Equity at June 30, 2024 | 82.7 | 1,569 | 1.9 | 92 | 1 | 2 | 79 | 1,743 | |

The accompanying notes are an integral part of these consolidated financial statements.

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF CASH FLOWS

| (unaudited) (millions of dollars) | Six months ended | |
|---|------------------|----------|
| | June 30, | |
| | 2025 | 2024 |
| Cash flows from operating activities: | | |
| Net Income | 206 | 235 |
| Adjustments to reconcile net income to partners to net cash provided by operating activities: | | |
| Depreciation and amortization | 41 | 48 |
| Amortization of debt issue costs reported as interest expense | — | 1 |
| Equity earnings from equity investments (Note 3) | (120) | (138) |
| Distributions received from operating activities of equity investments (Note 3) | 95 | 132 |
| Equity allowance for funds used during construction (AFUDC Equity) | (1) | (3) |
| Change in regulatory assets and liabilities | (30) | (2) |
| Change in other operating assets and liabilities (Note 7) | (17) | — |
| Net cash provided by operating activities | 174 | 273 |
| Cash flows from investing activities: | | |
| Contribution made on our investment in Northern Border (Note 3) | (75) | — |
| Capital expenditures | (49) | (25) |
| Distribution received from Iroquois as return of investment (Note 3) | 4 | 22 |
| Customer advances for construction | 2 | 6 |
| Change in demand loan receivable (Note 8) | (11) | (9) |
| Net cash provided by (used in) investing activities | (129) | (6) |
| Cash flows from financing activities: | | |
| Distributions paid to common units, including the General Partner | — | (250) |
| Distributions paid to Class B units (Note 6) | — | (3) |
| Distributions paid to non-controlling interests | — | (18) |
| Contribution from parent (Note 6) | 305 | — |
| Debt repaid (Note 5) | (350) | — |
| Net cash used in financing activities | (45) | (271) |
| Increase (Decrease) in cash and cash equivalents, | — | (4) |
| Cash balances classified as assets held for sale | — | (25) |
| Cash and cash equivalents, beginning of period | — | 29 |
| Cash and cash equivalents, end of period | — | — |

The accompanying notes are an integral part of these consolidated financial statements.

TC PIPELINES, LP
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

NOTE 1 ORGANIZATION

Unless the context clearly indicates otherwise, TC PipeLines, LP and its subsidiaries are collectively referred to in this quarterly report as “we,” “us,” “our”, “TC PipeLines” and the “Partnership.” We use “our pipeline systems” and “our pipelines” when referring to the Partnership’s ownership interests in Gas Transmission Northwest LLC (GTN), Northern Border Pipeline Company (Northern Border), Bison Pipeline LLC (Bison), Great Lakes Gas Transmission Limited Partnership (Great Lakes), North Baja Pipeline, LLC (North Baja), Tuscarora Gas Transmission Company (Tuscarora), Portland Natural Gas Transmission System (PNGTS) and Iroquois Gas Transmission System, LP (Iroquois).

On August 15, 2024, TC Energy completed the sale of PNGTS to a third party. As part of the sale, TC Energy provided customary transition services, which was fully terminated on August 31, 2025.

The Partnership was formed by TransCanada PipeLines Limited, a wholly-owned subsidiary of TC Energy Corporation (TC Energy Corporation together with its subsidiaries collectively referred to herein as TC Energy), to acquire, own and participate in the management of energy infrastructure assets in North America. The Partnership is managed by its General Partner, TC Pipelines GP, LLC (General Partner), an indirect wholly-owned subsidiary of TC Energy Corporation. The General Partner provides management and operating services to the Partnership and is reimbursed for its costs and expenses.

NOTE 2 SIGNIFICANT ACCOUNTING MATTERS

These unaudited consolidated financial statements and related notes have been prepared in accordance with United States generally accepted accounting principles (GAAP) and amounts are stated in United States (U.S.) dollars. The results of operations for the six months ended June 30, 2025 and 2024 are not necessarily indicative of the results that may be expected for the full fiscal year.

These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2024 (2024 Financial Statements). That report contains a more comprehensive summary of the Partnership's significant accounting policies. Our significant accounting policies are consistent with those disclosed in Note 2 of our 2024 Financial Statements.

Basis of Presentation

The Partnership consolidates its interests in entities over which it is able to exercise control. To the extent there are interests owned by other parties, these interests are included as non-controlling interests. The Partnership uses the equity method of accounting for its investments in entities over which it is able to exercise significant influence. The Partnership is considered to have a variable interest in Great Lakes, which is accounted for as an equity investment since the Partnership is not the primary beneficiary (Refer to Note 3 for more details).

U.S. federal and certain state income taxes are the responsibility of the limited partners and are not reflected in these consolidated financial statements. The tax effect of the Partnership's activities accrues to its limited partners. The Partnership's taxable income or loss, which may vary substantially from the net income or loss reported in the Consolidated Statements of Income, can be included in the U.S. federal income tax returns of each partner.

In instances where the Partnership's consolidated entities are subject to state income taxes, the asset-liability method is used to account for taxes. This method requires recognition of deferred tax assets and liabilities for future tax consequences attributable to the differences between the financial statement carrying amount of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are classified as non-current on our Consolidated Balance Sheets.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates are reasonable, actual results could differ from these estimates.

Regulatory Matters

Great Lakes

Great Lakes operates under a rate settlement approved by Federal Energy Regulatory Commission (FERC) on April 26, 2022 (2022 Settlement), which maintains the Great Lakes's existing maximum transportation rates through the term of the 2022 Settlement. The 2022 Settlement contains a moratorium until October 31, 2025. Great Lakes filed for new rates on April 30, 2025, with new rates effective no later than November 1, 2025.

NOTE 3 EQUITY INVESTMENTS

The Partnership has equity interests in Northern Border, Great Lakes and Iroquois. The pipeline systems owned by these entities are regulated by FERC. The Northern Border and Great Lakes pipeline systems are operated by subsidiaries of TC Energy. The Iroquois pipeline system is operated by Iroquois Pipeline Operating Company, a wholly owned subsidiary of Iroquois. The Partnership uses the equity method of accounting for its interests in its equity investees.

| | Ownership Interest at | Equity Earnings Six months ended | | Equity Investments | |
|--------------------------------------|--------------------------|-------------------------------------|------------------|--------------------|----------------------|
| (unaudited) (millions of dollars) | June 30, 2025 | June 30, 2025 | June 30, 2024 | June 30, 2025 | December 31, 2024 |
| Northern Border | 50.00% | 47 | 47 | 523 | 448 |
| Great Lakes | 46.45% | 43 | 42 | 397 | 380 |
| Iroquois | 49.34% | 30 | 49 | 158 | 153 |
| | | 120 | 138 | 1,078 | 981 |

Distributions from Equity Investments

Distributions received from equity investments in the six months ended June 30, 2025 totaled \$99 million (June 30, 2024 - \$153 million).

During the six months ended June 30, 2025, \$4 million of the total \$99 million distributions received from equity investments (June 30, 2024 - \$22 million) was considered as return of capital and included in "Investing Activities" of the Partnership's Consolidated Statements of Cash Flows. The return of capital was related to our investment in Iroquois (see further discussion below).

Northern Border

During the six months ended June 30, 2025, the Partnership made equity contributions in the total amount of \$75 million to Northern Border. This amount represents the Partnership's 50 percent share of \$150 million in cash calls from Northern Border to partially repay outstanding debt and fund certain capital expenditures. For the six months ended June 30, 2024, the Partnership made no equity contribution to Northern Border.

During the six months ended June 30, 2025, the Partnership received total distributions from Northern Border amounting to \$48 million (June 30, 2024 - \$52 million).

The Partnership did not have undistributed earnings from Northern Border for the six months ended June 30, 2025 and 2024.

The summarized financial information provided to us by Northern Border is as follows:
(unaudited)

| (millions of dollars) | June 30, 2025 | December 31, 2024 |
|---|---------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | 124 | 60 |
| Other current assets | 45 | 47 |
| Property, plant and equipment, net | 1,071 | 1,005 |
| Other assets | 10 | 10 |
| | 1,250 | 1,122 |
| LIABILITIES AND PARTNERS' EQUITY | | |
| Current liabilities | 83 | 73 |
| Deferred credits and other | 51 | 51 |
| Long-term debt, net ^(a) | 300 | 331 |
| Partners' equity | 816 | 667 |
| | 1,250 | 1,122 |

| (unaudited) (millions of dollars) | Six months ended | |
|--------------------------------------|------------------|-----------|
| | June 30, 2025 | 2024 |
| Transmission revenues | 155 | 161 |
| Operating expenses | (40) | (40) |
| Depreciation | (30) | (32) |
| Financial charges and other | 10 | 5 |
| Net income | 95 | 94 |

^(a) Includes current maturities of nil as of June 30, 2025 for Northern Border's 2.97% Series A Senior Notes (December 31, 2024 - nil), net of unamortized debt issuance costs and debt discounts. At June 30, 2025, Northern Border was in compliance with all of its financial covenants.

Great Lakes, a variable interest entity

The Partnership is considered to have a variable interest in Great Lakes, which is accounted for as an equity investment as we are not its primary beneficiary. A variable interest entity is a legal entity that either does not have sufficient equity at risk to finance its activities without additional subordinated financial support, is structured such that equity investors

lack the ability to make significant decisions relating to the entity's operations through voting rights or do not substantively participate in the gains or losses of the entity.

During the six months ended June 30, 2025 and 2024, the Partnership made no equity contributions to Great Lakes.

During the six months ended June 30, 2025, the Partnership received distributions from Great Lakes amounting to \$26 million (June 30, 2024 - \$45 million).

The summarized financial information provided to us by Great Lakes is as follows:
(unaudited)

| (millions of dollars) | June 30, 2025 | December 31, 2024 |
|---|---------------|----------------------|
| ASSETS | | |
| Current assets | 116 | 141 |
| Property, plant and equipment, net | 808 | 795 |
| | 924 | 936 |
| LIABILITIES AND PARTNERS' EQUITY | | |
| Current liabilities | 66 | 95 |
| Net long-term debt, including current maturities ^(a) | 62 | 83 |
| Other long term liabilities | 24 | 23 |
| Partners' equity | 772 | 735 |
| | 924 | 936 |

| | Six months ended | |
|-----------------------------|------------------|-----------|
| (unaudited) | June 30, | |
| (millions of dollars) | 2025 | 2024 |
| Transmission revenues | 148 | 147 |
| Operating expenses | (39) | (37) |
| Depreciation | (19) | (19) |
| Financial charges and other | 2 | (1) |
| Net income | 92 | 90 |

^(a) Includes current maturities of \$21 million as of June 30, 2025 (December 31, 2024 - \$21 million). At June 30, 2025, Great Lakes was in compliance with all of its financial covenants.

Iroquois

During the six months ended June 30, 2025 and 2024, the Partnership made no equity contributions to Iroquois.

During the six months ended June 30, 2025 the Partnership received total distributions from Iroquois amounting to \$25 million (June 30, 2024 - \$56 million) which includes \$4 million (June 30, 2024 - \$22 million) non-recurring distribution from Iroquois, reported as return of capital investing activity in the consolidated statements of cash flows. Both 2025 and 2024 non-recurring distributions from Iroquois relates to returns of equity contributions due to delays in the permitting of the EXC project, which were reported as a return of investment in the Partnership's respective Consolidated Statements of Cash Flows.

The summarized financial information provided to us by Iroquois is as follows:
(unaudited)

| (millions of dollars) | June 30, 2025 | December 31, 2024 |
|---|---------------|----------------------|
| ASSETS | | |
| Cash and cash equivalents | 73 | 45 |
| Other current assets | 28 | 50 |
| Property, plant and equipment, net | 449 | 448 |
| Other assets | 22 | 24 |
| | 572 | 567 |
| LIABILITIES AND PARTNERS' EQUITY | | |
| Current liabilities | 21 | 19 |
| Long-term debt, net ^(a) | 293 | 299 |
| Other non-current liabilities | 16 | 17 |
| Partners' equity | 242 | 232 |
| | 572 | 567 |

| | Six months ended | |
|-----------------------------|------------------|------------|
| (unaudited) | June 30, | |
| (millions of dollars) | 2025 | 2024 |
| Transmission revenues | 116 | 153 |
| Operating expenses | (35) | (34) |
| Depreciation | (16) | (16) |
| Financial charges and other | (4) | (3) |
| Net income | 61 | 100 |

^(a) Includes current maturities of \$4 million as of June 30, 2025 (December 31, 2024 - \$4 million). At June 30, 2025, Iroquois was in compliance with all of its financial covenants.

NOTE 4 REVENUES

Revenue Recognition

The Partnership's revenues are generated from contractual arrangements for committed capacity and from transportation of natural gas which are treated as a single performance obligation. For the six months ended June 30, 2025 and 2024, effectively all of the Partnership's revenues were from capacity arrangements and transportation contracts with customers.

Revenues earned from firm contracted capacity arrangements are recognized over the term of the contract regardless of the amount of natural gas that is transported. Transportation revenues for interruptible or volumetric-based services are recognized when the service is performed. The Partnership utilizes the practical expedient of recognizing revenue as invoiced. In the application of the right to invoice practical expedient, the Partnership's revenues from regulated capacity arrangements are recognized based on rates specified in the contract. Therefore, the amount invoiced, which includes the capacity contracted and available volume of natural gas transported, corresponds directly to the value the customer received. Revenues are invoiced and paid on a monthly basis.

The Partnership's pipeline systems do not take ownership of the natural gas that is transported for customers. Revenues from contracts with customers are recognized net of any taxes collected from customers, which are subsequently remitted to governmental authorities.

The Partnership's pipeline systems are subject to FERC regulations and, as a result, a portion of revenues collected may be subject to refund if invoiced during an interim period when a rate proceeding is ongoing. Allowances for these potential refunds are recognized using management's best estimate based on the facts and circumstances of the

proceeding. Any allowances that are recognized during the proceeding process are refunded or retained, as applicable, at the time a regulatory decision becomes final.

NOTE 5 DEBT

| <i>(unaudited)</i> <i>(millions of dollars)</i> | June 30, 2025 | Weighted Average Interest Rate for the six months ended June 30, 2025 | | December 31, 2024 | Weighted Average Interest Rate for the year ended December 31, 2024 | |
|--|------------------|--|-----|----------------------|---|-----|
| TC PipeLines, LP | | | | | | |
| 4.375% Unsecured Senior Notes due 2025 | — | 4.375% | (a) | 350 | 4.375% | (a) |
| 3.90% Unsecured Senior Notes due 2027 | 500 | 3.90% | (a) | 500 | 3.90% | (a) |
| GTN | | | | | | |
| 3.12% Series A Senior Notes due 2030 | 175 | 3.12% | (a) | 175 | 3.12% | (a) |
| 4.92% Series B Senior Notes due 2030 | 50 | 4.92% | (a) | 50 | 4.92% | (a) |
| 5.69% Unsecured Senior Notes due 2035 | 150 | 5.69% | (a) | 150 | 5.69% | (a) |
| Total | 875 | | | 1,225 | | |
| Less: unamortized debt issuance costs and debt discount | (1) | | | (2) | | |
| Less: current portion | — | | | 350 | | |
| Total long-term debt, net | 874 | | | 873 | | |

(a) Fixed interest rate

GTN

GTN's Series A Notes and Series B Notes contain a covenant that limits total funded debt to no greater than 65 percent of total consolidated capitalization and GTN's Unsecured Senior Notes contain a covenant that limits total debt to no greater than 70 percent of GTN's total capitalization. GTN's total consolidated funded debt to adjusted capitalization ratio at June 30, 2025 was 31.0 percent and GTN's total debt to total capitalization ratio at June 30, 2025 was 29.9 percent. As of June 30, 2025, GTN was in compliance with all its financial covenants.

Partnership

At June 30, 2025, the Partnership was in compliance with all debt terms and conditions including its financial covenants and its other covenants including restrictions on entering into mergers, consolidations, sales of assets, and granting of liens. The Partnership was also in compliance with the related provisions of the Fourth Amended and Restated Agreement of Limited Partnership (Partnership Agreement), including restrictions on incurring additional debt and distributions to unitholders.

On March 13, 2025, the Partnership's \$350 million 4.375% Unsecured Senior Notes was fully repaid with funding from TCPL USA's cash management program.

The principal repayments required of the Partnership on its debt at June 30, 2025 are \$500 million in 2027 and beginning in 2030 and thereafter, \$375 million.

NOTE 6 PARTNERS' EQUITY

Class B units issued to TC Energy

The Class B units entitle TC Energy to an annual distribution from 2020 onward based on 30 percent of GTN's annual distributable cash flow less \$20 million, multiplied by 25 percent (Class B Distribution). Additionally, for any calendar year for which the cash distributions payable on the Partnership's common units are less than \$3.94 per common unit, the Class B Distribution will be reduced by the same percentage as the percentage by which distributions payable on the common units are reduced below \$3.94 per common unit (Class B Reduction).

For the six months ended June 30, 2025 there were no Class B distributions as the threshold had not been exceeded, therefore no distributions were declared related to the Class B units. In 2024, the Partnership declared and then paid a Class B distribution to TC Energy amounting to \$2.6 million which was paid in the second quarter of 2024.

Contribution from parent to Partnership

On May 15, 2025, TC Energy declared and paid on May 27, 2025, a cash contribution to the Partnership in the amount of \$305 million, which included a \$275 million payment from TransCan Northern LLC, a subsidiary of TC Energy, and a \$30 million payment from the General Partner. The contribution was used to fund the repayment of the Partnership's outstanding balance on TCPL USA's cash management program which was used to repay the \$350 million 4.375% Unsecured Senior Notes.

NOTE 7 CHANGE IN OTHER OPERATING ASSETS AND LIABILITIES

| (unaudited) (millions of dollars) | Six months ended June 30, | |
|---|------------------------------|------|
| | 2025 | 2024 |
| Change in accounts receivable and other | (5) | 1 |
| Change in imbalance receivable | (1) | (3) |
| Change in other current assets | 4 | 2 |
| Change in accounts payable and accrued liabilities ^(a) | (1) | 11 |
| Change in customer deposits | (4) | (8) |
| Change in imbalance payable | — | 1 |
| Change in accounts payable to affiliates | (4) | (4) |
| Change in accrued interest | (5) | — |
| Change in other operating assets and liabilities | (17) | — |

^(a) Excludes certain non-cash items primarily related to capital accruals and credits.

NOTE 8 RELATED PARTY TRANSACTIONS

As operator of our pipelines, except Iroquois, TC Energy provides capital and operating services to our pipeline systems. TC Energy incurs costs on behalf of our pipeline systems, including, but not limited to, employee salary and benefit costs, and property and liability insurance costs. These costs are reimbursed by our pipeline systems. Iroquois does not receive any capital and operating services from TC Energy (Refer to Note 3, "Equity Investments"). The Iroquois pipeline system is operated by Iroquois Pipeline Operating Company, a wholly owned subsidiary of Iroquois. Therefore, Iroquois does not receive capital and operating services from TC Energy.

Prior to the August 15, 2024 sale of PNGTS, TC Energy was the operator of PNGTS, except for a certain portion of the PNGTS facilities, jointly owned with Maritimes and Northeast Pipeline LLC (MNE) (the Joint Facilities). The Joint Facilities were operated by M&N Operating Company, LLC. Therefore, the Joint Facilities did not receive capital and operating services from TC Energy.

Cash Management Program

The Partnership participates in TransCanada PipeLine USA Ltd. (TCPL USA)'s cash management program. As a result, all of the Partnership's cash including Great Lakes, with the exception of cash generated by Iroquois and Northern Border, is managed by TCPL USA. This program matches short-term cash surpluses and needs of participating related parties, thus minimizing total borrowings from outside sources. Monies advanced under the program are considered loans, accruing interest and repayable on demand. The Partnership receives interest on monies advanced to TCPL USA at the rate of interest earned by TCPL USA on its short-term cash investments. The Partnership pays interest on monies advanced from TCPL USA based on TCPL USA's short-term borrowing costs. For the six months ended, June 30, 2025, the net interest expense associated with the cash management program is \$nil, (June 30, 2024 - \$0.5 million net interest income). At June 30, 2025 the Partnership had a demand loan receivable from TC Energy of \$142 million and demand loan receivable from TC Energy of \$131 million at December 31, 2024.

Great Lakes

Great Lakes earns significant transportation revenues from TC Energy and its affiliates, some of which are provided at discounted rates and some at maximum recourse rates. For the six months ended June 30, 2025, Great Lakes earned 43 percent of its transportation revenues from TC Energy (June 30, 2024 - 48 percent).

At June 30, 2025, \$9 million was included in Great Lakes' receivables with regard to the transportation contracts with TC Energy (December 31, 2024 - \$14 million).

NOTE 9 FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

Under ASC 820 - *Fair Value Measurements and Disclosures*, fair value measurements are characterized in one of three levels based upon the inputs used to arrive at the measurement. The three levels of the fair value hierarchy are as follows:

| Levels | How fair value has been determined |
|-----------|--|
| Level I | Quoted prices in active markets for identical assets and liabilities that the Partnership 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 | <p>Valuation based on the extrapolation of inputs, other than quoted prices included within Level I, for which all significant inputs are observable directly or indirectly.</p> <p>Inputs include published interest rates, interest rate swap curves, yield curves and broker quotes from external data service providers.</p> <p>This category includes interest rate 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.</p> <p>Transfers between Level I and Level II would occur when there is a change in market circumstances.</p> |
| Level III | <p>Valuation of assets and liabilities are measured using a market approach based on extrapolation of inputs that are unobservable or where observable data does not support a significant portion of the derivative's fair value. This category mainly includes long-dated commodity transactions in certain markets where liquidity is low and the Partnership uses the most observable inputs available or, if not available, long-term broker quotes to estimate the fair value for these transactions.</p> <p>Assets and liabilities measured at fair value can fluctuate between Level II and Level III depending on the proportion of the value of the financial instruments that extends beyond the time frame for which significant inputs are considered to be observable. As the financial instruments near maturity and observable market data becomes available, they are transferred out of Level III and into Level II.</p> |

Fair Value of Financial Instruments

The carrying value of "cash and cash equivalents", "demand loan receivable from affiliates," "accounts receivable and other," "accounts payable and accrued liabilities," "demand loan payable to affiliates," "customer deposits," "accounts payable to affiliates," and "accrued interest" approximate their fair values because of the short maturity or duration of these instruments, or because the instruments bear a variable rate of interest or a rate that approximates current rates. The fair value of the Partnership's debt is estimated by discounting the future cash flows of each instrument at estimated current borrowing rates. The fair value of interest rate derivatives is calculated using the income approach, which uses period-end market rates and applies a discounted cash flow valuation model.

The Partnership has classified the fair value of natural gas imbalance receivable and payable as a Level 2 of the fair value hierarchy for fair value disclosure purposes, as the valuation approach includes quoted prices in the market index and observable volumes for the imbalance.

Long-term debt is recorded at amortized cost and classified as Level 2 of the fair value hierarchy for fair value disclosure purposes. Interest rate derivative assets and liabilities are classified as Level 2 for all periods presented where the fair value is determined by using valuation techniques that refer to observable market data or estimated market prices. The estimated fair value of the Partnership's debt as of June 30, 2025 and December 31, 2024 was \$862 million and \$1,197 million, respectively.

Interest rate risk is the risk that changes in market interest rates may result in fluctuations in the fair values or cash flows of financial instruments. The Partnership is not subject to interest rate risk as the interest rates on the Partnership's debt at June 30, 2025 are fixed.

NOTE 10 FINANCIAL CHARGES AND OTHER

| (unaudited) (millions of dollars) | Six months ended June 30, | |
|--------------------------------------|------------------------------|------|
| | 2025 | 2024 |
| Interest expense ^(a) | 22 | 29 |
| AFUDC | (1) | (3) |
| Other income | (2) | — |
| | 19 | 26 |

(a) Includes amortization of debt issuance costs and discount costs.

NOTE 11 GTN CARBON EMISSION CREDITS

In 2021, the state of Washington passed its Climate Commitment Act establishing a market-based cap-and-invest program to reduce carbon emissions. This program took effect on January 1, 2023, and sets a limit, or cap, on overall carbon emissions in the state and requires businesses to obtain allowances equal to its annual covered carbon emissions. The current compliance period being January 1, 2023 through December 31, 2026. The state's cap will be reduced over time to meet the state's carbon emissions reduction targets, which means fewer carbon emissions allowances will be available to purchase each year. These allowances can be purchased through quarterly auctions hosted by the state or bought and sold on a secondary market. In 2023, GTN began purchasing allowances for the carbon emissions from three compressor stations within the state whose annual carbon emissions exceed 25,000 metric tons of carbon dioxide equivalent. The 2024 GTN Settlement allows for the recovery of the costs of purchasing allowances under the program through a regulatory asset.

GTN records the purchased emission allowances at cost and the associated accumulated interest to Other Assets on the Balance Sheet. At June 30, 2025, the regulatory asset recorded by GTN on its purchased emissions allowances, including interest was approximately \$39.2 million (December 31, 2024 - \$9.4 million).

NOTE 12 SUBSEQUENT EVENTS

Management of the Partnership has reviewed subsequent events through August 13, 2025, the date the consolidated financial statements were issued, and concluded there were no events or transactions during this period that would require recognition or disclosure in the consolidated financial statements other than what is disclosed here and/or those already disclosed in the preceding notes.

Distribution

Northern Border declared its June 2025 distribution of \$16.2 million on July 16, 2025, of which the Partnership received its 50 percent share of \$8.1 million on July 31, 2025.

Great Lakes declared its second quarter 2025 distribution of \$110.6 million on July 24, 2025, of which the Partnership received its 46.45 percent share or \$51.4 million on July 31, 2025.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis (MD&A) should be read in conjunction with the unaudited consolidated financial statements and notes included in Item 1 "Financial Statements" of this Quarterly Report, as well as our 2024 Financial Statements. Additionally, readers are cautioned that this section contains certain forward-looking statements. Forward-looking statements are identified by words and phrases such as: "anticipate," "assume," "estimate," "expect," "project," "intend," "plan," "believe," "forecast," "should," "predict," "could," "will," "may," and other terms and expressions of similar meaning. The absence of these words, however, does not mean that the statements are not forward-looking. 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.

RESULTS OF OPERATIONS

Our ownership interests in eight pipelines were our only material sources of income during the period. Therefore, our results of operations and cash flows were influenced by, and reflect the same factors that influenced, our pipeline systems.

| <i>(unaudited)</i> <i>(millions of dollars)</i> | Six months ended June 30, | | \$ Change ^(a) | % Change ^(a) |
|--|------------------------------|------|-----------------------------|----------------------------|
| | 2025 | 2024 | | |
| Transmission revenues | 196 | 230 | (34) | (15) |
| Equity earnings | 120 | 138 | (18) | (13) |
| Operating, maintenance and administrative costs | (50) | (57) | 7 | 12 |
| Depreciation and amortization | (41) | (48) | 7 | 15 |
| Financial charges and other | (19) | (26) | 7 | 27 |
| Net income before taxes | 206 | 237 | (31) | (13) |
| Income taxes | — | (2) | 2 | 100 |
| Net income | 206 | 235 | (29) | (12) |
| Less: Net income attributable to non-controlling interests | — | 17 | (17) | (100) |
| Net income attributable to controlling interests | 206 | 218 | (12) | (6) |

^(a) Positive number represents a favorable change; bracketed or negative number represents an unfavorable change.

Six Months Ended June 30, 2025 Compared to the Same Period in 2024

The Partnership's net income attributable to controlling interests in the six months ended June 30, 2025 decreased compared to the same period in 2024, mainly due to the following:

Transmission revenues - Revenue decreased \$34 million largely due to:

- decrease in PNGTS revenues for 2025 due to sale on August 15, 2024; partially offset by
- higher demand revenues from GTN

Equity Earnings - Equity earnings decreased \$18 million primarily due to:

- lower equity earnings from our investment in Iroquois due to lower discretionary revenues compared to the same period in 2024 offset by;
- higher equity earnings from our investment in Great Lakes and Northern Border

Operating, maintenance and administrative (OM&A) costs - OM&A costs decreased \$7 million primarily due to:

- decrease in PNGTS OM&A costs due to sale on August 15, 2024; offset by
- increase in GTN's OM&A costs primarily due to increase in operational costs related to GTN's compliance programs, including higher personnel and G&A expenses;

Depreciation and amortization - Depreciation and amortization decreased \$7 million primarily due to:

- decrease in PNGTS depreciation expense due to classification as Asset Held for Sale beginning March 2024; and
- decrease in GTN depreciation and amortization expenses due to rate case settlement terms

Financial charges and other - Financial charges and other decreased \$7 million primarily due to:

- decrease in interest on long term debt primarily related to sale of PNGTS; and
- decrease of AFUDC equity primarily related to GTN and intercompany interest income

LIQUIDITY AND CAPITAL RESOURCES

The Partnership strives to maintain financial strength and flexibility in all parts of the economic cycle. Our principal sources of liquidity and cash flows currently include distributions received from our equity investments and operating cash flows from our subsidiaries and access to TC Energy's cash management program, which matches short-term cash surpluses and needs of participating related parties, thus minimizing total borrowings from outside sources.

We continue to be financially disciplined by using our available cash to fund ongoing operating expenses and capital expenditures and maintaining debt at prudent levels and we believe we are well positioned to fund our obligations as required.

We believe our, (1) operating cash-flows and (2) access to cash through TC Energy's cash management program are sufficient to fund our short-term liquidity requirements, ongoing capital expenditures, required debt repayments and other financing needs such as capital contribution requests from our equity investments.

SIGNATURES

The Partnership has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 13th day of August 2025.

TC PIPELINES, LP
(A Delaware Limited Partnership)
by its General Partner, TC PipeLines GP, LLC.

By: /s/ Jayson Antolin
Jayson Antolin
Member of Board of Managers
TC PipeLines GP, LLC.

By: /s/ Burton D. Cole
Burton D. Cole
Controller and Treasurer
TC PipeLines GP, LLC.