

TC PipeLines, LP

Consolidated Financial Statements

June 30, 2026 and 2025

TC PIPELINES, LP
CONSOLIDATED STATEMENTS OF INCOME

(unaudited) (millions of dollars)	Six months ended June 30,	
	2026	2025
Transmission revenues, net (Note 4)	167	196
Equity earnings (Note 3)	148	120
Operating and other expenses:		
Operation and maintenance expenses	(39)	(41)
Property taxes	(8)	(9)
Depreciation and amortization	(38)	(41)
Total operating and other expenses	(85)	(91)
Operating income	230	225
Financial charges and other (Note 11)	(12)	(19)
Income before income taxes	218	206
Income taxes	—	—
Net income	218	206

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,	
	2026	2025
Net income	218	206
Other comprehensive income	—	—
Comprehensive income	218	206

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

TC PIPELINES, LP
CONSOLIDATED BALANCE SHEETS

(unaudited)

(millions of dollars)

	June 30, 2026	December 31, 2025
ASSETS		
Current Assets		
Accounts receivable and other (Note 10)	28	51
Demand loan receivable from affiliates (Note 8)	5	58
Inventories	15	14
Other	4	5
Total current assets	52	128
Equity investments (Note 3)	1,177	1,039
Property, plant and equipment (Net of \$1,408 million accumulated depreciation; 2025 - \$1,373 million)	1,658	1,670
Goodwill	71	71
Other assets	88	63
TOTAL ASSETS	3,046	2,971
LIABILITIES AND PARTNERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	29	39
Accounts payable to affiliates (Note 8)	7	7
Imbalance payable	4	3
Customer deposits	10	13
Accrued interest	3	3
Current portion of long-term debt (Note 5)	500	—
Total current liabilities	553	65
Long-term debt, net (Note 5)	374	874
Other liabilities	45	43
Total liabilities	972	982
Partners' Equity		
Common units	1,945	1,858
Class B units (Note 6)	95	98
General partner	29	28
Accumulated other comprehensive income (AOCI)	5	5
Total partners' equity	2,074	1,989
TOTAL LIABILITIES AND PARTNERS' EQUITY	3,046	2,971

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, 2026:

	Limited Partners					Accumulated Other Comprehensive Income	Total Equity
	Common Units		Class B Units		General Partner		
(unaudited)	millions of units	millions of dollars	millions of units	millions of dollars	millions of dollars	millions of dollars	millions of dollars
Partners' Equity at December 31, 2025	82.7	1,858	1.9	98	28	5	1,989
Net Income	—	214	—	—	4	—	218
Distributions	—	(196)	—	(3)	(4)	—	(203)
Contribution from parent (Note 6)		69			1		70
Partners' Equity at June 30, 2026	82.7	1,945	1.9	95	29	5	2,074

For the six months ended June 30, 2025:

	Limited Partners					Accumulated Other Comprehensive Income (Loss)	Total Equity
	Common Units		Class B Units		General Partner		
(unaudited)	millions of units	millions of dollars	millions of units	millions of dollars	millions of dollars	millions of dollars	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

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,	
	2026	2025
Cash flows from operating activities:		
Net Income	218	206
Adjustments to reconcile net income to partners to net cash provided by operating activities:		
Depreciation and amortization	38	41
Equity earnings from equity investments (Note 3)	(148)	(120)
Distributions received from operating activities of equity investments (Note 3)	80	99
Equity allowance for funds used during construction (AFUDC Equity)	(1)	(1)
Change in regulatory assets and liabilities	(25)	(30)
Change in other operating assets and liabilities	17	(17)
Net cash provided by operating activities	179	178
Cash flows from investing activities:		
Contribution made on our investment in Great Lakes (Note 3)	(70)	—
Contribution made on our investment in Northern Border (Note 3)	—	(75)
Capital expenditures	(24)	(49)
Customer advances for construction	(5)	2
Change in demand loan receivable (Note 8)	53	(11)
Net cash provided by (used in) investing activities	(46)	(133)
Cash flows from financing activities:		
Distributions paid to common units, including the General Partner (Note 6)	(200)	—
Distributions paid to Class B units (Note 6)	(3)	—
Contribution from parent (Note 6)	70	305
Debt repaid (Note 5)	—	(350)
Debt issuance costs	—	—
Net cash used in financing activities	(133)	(45)
Increase (Decrease) in cash and cash equivalents	—	—
Cash balances classified as assets held for sale	—	—
Cash and cash equivalents, beginning of period	—	—
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) and Iroquois Gas Transmission System, LP (Iroquois).

The Partnership is an indirect wholly owned subsidiary of TC Energy Corporation (TC Energy) through TransCanada PipeLines Limited and its wholly owned subsidiary, TransCanada PipeLines USA Ltd. The Partnership was formed by TransCanada PipeLines Limited 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. 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, 2026 and 2025 are not necessarily indicative of the results that may be expected for the full fiscal year. Certain prior period amounts have been reclassified to conform to current period presentation.

These financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2025 (2025 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 2025 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

In April 2025, Great Lakes filed a Section 4 Rate Case with the Federal Energy Regulatory Commission (FERC) requesting an increase to its maximum transportation rates effective November 1, 2025, subject to refund. On April 28, 2026, Great Lakes notified FERC that it had reached a settlement-in-principle with its customers, subject to revision following completion and approval of settlement terms, which we anticipate in fourth quarter 2026.

GTN

GTN operates under rates established as part of the FERC-approved Section 4 Rate Case proceeding effective April 1, 2024 (2024 Settlement). Pursuant to the 2024 Settlement, GTN implemented an 11% reduction to its scheduled transport rates effective April 1, 2026. Additionally, GTN shall file a new rate case with FERC for rates to become effective no later than July 1, 2027 per the 2024 Settlement comeback period.

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.

(unaudited) (millions of dollars)	Ownership Interest at	Equity Earnings ^(a)		Equity Investments	
	June 30,	Six months ended		June 30,	December 31,
	2026	2026	2025	2026	2025
Northern Border	50.00%	69	47	565	558
Great Lakes	46.45%	47	43	440	323
Iroquois	49.34%	32	30	172	158
		148	120	1,177	1,039

^(a) Equity Earnings represents our share in an investee's earnings and does not include any impairment charge on the equity method investment recorded as a reduction of carrying value of these investments.

Distributions from Equity Investments

Distributions received from equity investments in the six months ended June 30, 2026 totaled \$80 million (June 30, 2025 - \$99 million). All distributions received from equity investments in the three months ended June 30, 2026 and 2025 were considered as return on capital and included in "Operating Activities" of the Partnership's Consolidated Statements of Cash Flows.

Northern Border

For the six months ended June 30, 2026, the Partnership made no equity contribution to Northern Border (June 30, 2025 - \$75 million). The equity contributions made in the six months ended June 30, 2025 represented 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.

During the six months ended June 30, 2026, the Partnership received total distributions from Northern Border amounting to \$62 million (June 30, 2025 - \$48 million).

The Partnership did not have undistributed earnings from Northern Border for the six months ended June 30, 2026 and 2025.

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

(unaudited)

(millions of dollars)

	June 30, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	26	39
Other current assets	60	51
Property, plant and equipment, net	1,305	1,250
Other assets	10	9
	1,401	1,349
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	71	130
Deferred credits and other	54	53
Long-term debt, net ^(a)	375	279
Partners' equity	901	887
	1,401	1,349

	Six months ended	
	June 30,	
(unaudited)	2026	2025
(millions of dollars)		
Transmission revenues	191	155
Operating expenses	(43)	(40)
Depreciation	(31)	(30)
Financial charges and other	21	10
Net income	138	95

^(a) Includes current maturities of nil as of June 30, 2026 for Northern Border's 2.97% Series A Senior Notes (December 31, 2025 - nil), net of unamortized debt issuance costs and debt discounts. At June 30, 2026, 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, 2026, the Partnership made an equity contribution of \$70 million to Great Lakes (June 30, 2025 - nil). This amount represents the Partnership's 46.45 percent share of a \$150 million cash call from Great Lakes for general and financial needs.

During the six months ended June 30, 2026, the Partnership received nil distributions from Great Lakes (June 30, 2025 - \$26 million).

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

(unaudited)

(millions of dollars)	June 30, 2026	December 31, 2025
ASSETS		
Current assets	160	104
Property, plant and equipment, net	1,131	933
	1,291	1,037
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	135	111
Net long-term debt, including current maturities ^(a)	267	288
Other long term liabilities	25	25
Partners' equity	864	613
	1,291	1,037

	Six months ended	
	June 30,	
(unaudited)		
(millions of dollars)	2026	2025
Transmission revenues	145	148
Operating expenses	(40)	(39)
Depreciation	(17)	(19)
Financial charges and other	13	2
Net income	101	92

^(a) Includes current maturities of \$21 million as of June 30, 2026 (December 31, 2025 - \$21 million). At June 30, 2026, Great Lakes was in compliance with all of its financial covenants.

Iroquois

During the six months ended June 30, 2026 and 2025, the Partnership made no equity contributions to Iroquois.

During the six months ended June 30, 2026 the Partnership received total distributions from Iroquois amounting to \$18 million (June 30, 2025 - \$25 million).

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

(unaudited)

(millions of dollars)	June 30, 2026	December 31, 2025
ASSETS		
Cash and cash equivalents	84	48
Other current assets	28	46
Property, plant and equipment, net	459	453
Other assets	27	26
	598	573
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities	20	22
Long-term debt, net ^(a)	293	295
Other non-current liabilities	22	15
Partners' equity	263	241
	598	573

	Six months ended	
	June 30,	
(unaudited)	2026	2025
(millions of dollars)		
Transmission revenues	117	116
Operating expenses	(33)	(35)
Depreciation	(17)	(16)
Financial charges and other	(3)	(4)
Net income	64	61

^(a) Includes current maturities of \$3 million as of June 30, 2026 (December 31, 2025 - \$4 million). At June 30, 2026, 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, 2026 and 2025, 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, 2026	Weighted Average Interest Rate for the six months ended June 30, 2026		December 31, 2025	Weighted Average Interest Rate for the year ended December 31, 2025	
TC PipeLines, LP						
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			875		
Less: unamortized debt issuance costs and debt discount	(1)			(1)		
Less: current portion	500			—		
Total long-term debt, net	374			874		

(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, 2026 was 31.3 percent and GTN's total debt to total capitalization ratio at June 30, 2026 was 30.1 percent. As of June 30, 2026, GTN was in compliance with all its financial covenants.

Partnership

At June 30, 2026, 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, including restrictions on incurring additional debt and distributions to unitholders.

On March 13, 2025, the Partnership's \$350 million 4.375% Unsecured Senior Notes were fully repaid with funding from TransCanada PipeLine USA Ltd. (TCPL USA)'s cash management program. As of June 30, 2026, the Partnership's \$500 million 3.90% Senior Notes due May 2027 became current and we expect to repay this debt through funding from the Partnership's access to TCPL USA's cash management program.

The principal repayments required of the Partnership on its debt at June 30, 2026 are \$500 million in 2027, \$25 million in 2029, \$200 million in 2030, and beginning in 2031 and thereafter, \$150 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, 2026 and 2025, there were no Class B distributions as the threshold had not been exceeded. For the year ended December 31, 2025, the Class B distribution to TC Energy amounted to \$3 million, which was declared and paid in the first quarter of 2026.

Partnership

On April 8, 2026, the board of managers of our General Partner declared a cash contribution to the Partnership in the amount of \$70 million from subsidiaries of TransCanada PipeLine USA Ltd. (Refer to Note 1 for more details). The contribution was received on April 10, 2026.

On May 13, 2026, the board of managers of our General Partner declared a cash distribution by the Partnership in the amount of \$200 million to subsidiaries of TransCanada PipeLine USA Ltd. (Refer to Note 1 for more details). The distribution was paid on May 29, 2026.

NOTE 7 CHANGE IN OTHER OPERATING ASSETS AND LIABILITIES

(unaudited) (millions of dollars)	Six months ended June 30,	
	2026	2025
Change in accounts receivable and other	23	(5)
Change in imbalance receivable	—	(1)
Change in inventories	(1)	(1)
Change in other current assets	—	4
Change in accounts payable and accrued liabilities ^(a)	(1)	(1)
Change in customer deposits	(3)	(4)
Change in imbalance payable	(1)	—
Change in accounts payable to affiliates	—	(4)
Change in accrued interest	—	(5)
Change in other operating assets and liabilities	17	(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. 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 (Refer to Note 3, "Equity Investments").

Cash Management Program

The Partnership participates in 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, 2026, the net interest expense associated with the cash management program is \$1.1 million, (June 30, 2025 - nil net interest expense). At June 30, 2026 the Partnership had a demand loan receivable from TC Energy of \$5 million (December 31, 2025 - \$58 million).

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, 2026, Great Lakes earned 45 percent of its transportation revenues from TC Energy (June 30, 2025 - 43 percent).

At June 30, 2026, \$4 million was included in Great Lakes' receivables with regard to the transportation contracts with TC Energy (December 31, 2025 - \$9 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	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. Inputs include published interest rates, interest rate swap curves, yield curves and broker quotes from external data service providers. 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. Transfers between Level I and Level II would occur when there is a change in market circumstances.
Level III	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. 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.

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, 2026 and December 31, 2025 was \$866 million and \$873 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, 2026 are fixed.

NOTE 10 ACCOUNTS RECEIVABLE AND OTHER

<i>(millions of dollars)</i>	June 30, 2026	December 31, 2025
Trade accounts receivables	27	36
Other	1	15
	28	51

NOTE 11 FINANCIAL CHARGES AND OTHER

(unaudited) (millions of dollars)	Six months ended June 30,	
	2026	2025
Interest expense ^(a)	20	22
AFUDC	(1)	(1)
Other income	(7)	(2)
	12	19

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

NOTE 12 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, 2026, the regulatory asset recorded by GTN on its purchased emissions allowances, including interest was approximately \$87.8 million (December 31, 2025 - \$62.4 million).

NOTE 13 SUBSEQUENT EVENTS

Management of the Partnership has reviewed subsequent events through August 11, 2026, 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 2026 distribution of \$15.1 million on July 24, 2026, of which the Partnership received its 50 percent share of \$7.6 million on July 31, 2026.

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 2025 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 seven 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.

(unaudited) (millions of dollars)	Six months ended June 30,		\$ Change ^(a)	% Change ^(a)
	2026	2025		
Transmission revenues	167	196	(29)	(15)
Equity earnings	148	120	28	23
Operating, maintenance and administrative costs	(47)	(50)	3	6
Depreciation and amortization	(38)	(41)	3	7
Financial charges and other	(12)	(19)	7	37
Net income before taxes	218	206	12	6
Income taxes	—	—	—	—
Net income	218	206	12	6

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

Six Months Ended June 30, 2026 Compared to the Same Period in 2025

The Partnership's net income attributable to controlling interests in the six months ended June 30, 2026 increased compared to the same period in 2025, mainly due to the following:

Transmission revenues - Revenue decreased \$29 million largely due to:

- decrease in GTN operating revenues primarily related to decreases in demand and commodity delivery revenues

Equity Earnings - Equity earnings increased \$28 million primarily due to:

- higher equity earnings from our investment in Northern Border primarily due to higher operating revenues and AFUDC equity; and
- higher equity earnings from our investment in Great Lakes as a result of higher AFUDC equity

Operating, maintenance and administrative (OM&A) costs - OM&A costs decreased \$3 million primarily due to:

- decrease in GTN's OM&A costs primarily due to decrease in costs for safety and technical services

Depreciation and amortization - Depreciation and amortization decreased \$3 million primarily due to:

- decrease in GTN depreciation and amortization expenses due to an asset becoming fully depreciated in late 2025

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

- decrease in interest on long term debt primarily related to the Partnership's debt repayment in March 2025; and
- increase in interest income related to interest accrued on GTN's regulatory asset for purchased emissions allowances

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 11th day of August 2026.

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

By: /s/ Jayson Antolin
Jayson Antolin
Vice President, Controller and Treasurer
TC PipeLines GP, LLC.

By: /s/ Steve Fowler
Steve Fowler
Corporate Secretary
TC PipeLines GP, LLC.