

Condensed consolidated statement of income

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30	
	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	206	224	314
Deferred	127	100	651	380
	245	306	875	694
Net Income (Loss) from Continuing Operations	968	1,533	3,145	3,709
Net Income (Loss) from Discontinued Operations, Net of Tax	(204)	119	(233)	493
Net Income (Loss)	764	1,652	2,912	4,202
Net income (loss) attributable to non-controlling interests	127	168	408	498
Net Income (Loss) Attributable to Controlling Interests and to Common Shares	637	1,484	2,504	3,704
Amounts Attributable to Common Shares				
Net income (loss) from continuing operations	968	1,533	3,145	3,709
Net income (loss) attributable to non-controlling interests	127	168	408	498
Net income (loss) attributable to controlling interests and to common shares from continuing operations	841	1,365	2,737	3,211
Net income (loss) from discontinued operations, net of tax	(204)	119	(233)	493
Net Income (Loss) Attributable to Controlling Interests and to Common Shares	637	1,484	2,504	3,704

See accompanying Notes to the Condensed consolidated financial statements.

Condensed consolidated statement of comprehensive income

(unaudited - millions of Canadian \$)	three months ended September 30		nine months ended September 30	
	2025	2024	2025	2024
Net Income (Loss)	764	1,652	2,912	4,202
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	1,379	2,230	4,704
Comprehensive income (loss) attributable to non-controlling interests	362	43	56	739
Comprehensive Income (Loss) Attributable to Controlling Interests and to Common Shares	826	1,336	2,174	3,965

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	1,652	2,912	4,202
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	145	212	(222)	(309)
Net cash provided by operations	1,935	1,925	5,481	5,621
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)
Advances from parent repaid, net	(28)	(11)	(67)	(57)
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)
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	33	6,450	300	5,065
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	359	7,484	961	6,314
Cash balances classified as assets held for sale	—	34	—	—
Increase (Decrease) in Cash and Cash Equivalents	359	7,518	961	6,314
Cash and Cash Equivalents - Beginning of period	1,422	2,483	820	3,687
Cash and Cash Equivalents - End of period	1,781	10,001	1,781	10,001

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		1,781	820
Accounts receivable		2,487	2,612
Inventories		837	747
Other current assets		2,381	1,339
Current assets of discontinued operations		283	235
		7,769	5,753
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		2,224	2,395
Long-Term Assets of Discontinued Operations		3	136
		120,210	118,248
LIABILITIES			
Current Liabilities			
Notes payable		2,390	387
Accounts payable and other		4,978	5,349
Due to parent		2,214	2,281
Dividends payable		884	854
Accrued interest		831	828
Current portion of long-term debt		2,870	2,955
Current liabilities of discontinued operations		420	170
		14,587	12,824
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
		84,946	82,196
EQUITY			
Common shares, no par value		28,678	28,678
Issued and outstanding:	September 30, 2025 – 993 million shares December 31, 2024 – 993 million shares		
Accumulated deficit		(4,318)	(3,627)
Accumulated other comprehensive income (loss)		793	233
Controlling Interests		25,153	25,284
Non-Controlling Interests		10,111	10,768
		35,264	36,052
		120,210	118,248

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 and end of period	28,678	28,678	28,678	28,678
Additional Paid-In Capital				
Balance at beginning of period	3	—	—	—
Exercise and forfeitures of stock options	2	3	5	7
Disposition of equity interests, net of transaction costs	(5)	—	(5)	(22)
Reclassification of additional paid-in capital deficit to accumulated deficit	—	—	—	18
Balance at end of period	—	3	—	3
Accumulated Deficit				
Balance at beginning of period	(4,070)	(1,293)	(3,627)	(1,503)
Net income (loss) attributable to controlling interests	637	1,484	2,504	3,704
Common share dividends	(885)	(996)	(2,653)	(2,988)
Spinoff of Liquids Pipelines business	—	—	(542)	—
Reclassification of additional paid-in capital deficit to accumulated deficit	—	—	—	(18)
Balance at end of period	(4,318)	(805)	(4,318)	(805)
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	25,153	28,186	25,153	28,186
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	35,264	38,207	35,264	38,207

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 TransCanada PipeLines Limited (TCPL or the Company) have been prepared by management in accordance with U.S. GAAP. The accounting policies applied are consistent with those outlined in TCPL'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 the 2024 audited Consolidated financial statements.

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. 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, TCPL 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 and to Common Shares						637
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						(306)
Net Income (Loss) from Continuing Operations						1,533
Net Income (Loss) from Discontinued Operations, Net of Tax						119
Net Income (Loss)						1,652
Net (income) loss attributable to non-controlling interests						(168)
Net Income (Loss) Attributable to Controlling Interests and to Common Shares						1,484
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 and to Common Shares						2,504
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						(694)
Net Income (Loss) from Continuing Operations						3,709
Net Income (Loss) from Discontinued Operations, Net of Tax						493
Net Income (Loss)						4,202
Net (income) loss attributable to non-controlling interests						(498)
Net Income (Loss) Attributable to Controlling Interests and to Common Shares						3,704
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	4,870	4,194
	119,924	117,877
Discontinued Operations	286	371
	120,210	118,248

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 TCPL.

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 TCPL.

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. RELATED PARTY TRANSACTION

Related party transactions are conducted in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Due to Parent

TC Energy

TCPL has an unsecured \$4.5 billion demand revolving credit facility with TC Energy with an outstanding balance of \$2,214 million as at September 30, 2025 (December 31, 2024 – \$2,281 million) that is reflected in Due to parent on the Company's Condensed consolidated balance sheet. TC Energy and TCPL agreed to advance funds on a non-interest bearing basis.

8. 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, TCPL capitalized interest related to capital projects of \$2 million and \$7 million, respectively (2024 – \$66 million and \$200 million, respectively).

9. 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. 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.

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

TCPL 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

TCPL'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 TCPL's customers. While the majority of the Company's credit exposure is to large creditworthy entities, TCPL maintains close monitoring and communication with those counterparties experiencing greater financial pressures. Refer to TCPL's 2024 audited Consolidated financial statements 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. TCPL 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.

TCPL 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. TCPL'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, Due to parent, 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:

	three months ended September 30		nine months ended September 30	
(unaudited - millions of Canadian \$, pre tax)	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:

	three months ended September 30		nine months ended September 30	
(unaudited - millions of Canadian \$)	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. TCPL 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, TCPL entered into a factoring arrangement with the CFE and a major domestic bank in Mexico. Under the arrangement, TCPL 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 TCPL and TCPL 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, TCPL 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, TCPL 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

TCPL 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 TCPL'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 TCPL'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 TCPL 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 TCPL aided and abetted those breaches. TCPL's allocated share of damages was an estimated US\$350 million, plus post-judgment interest. TCPL 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 TCPL. On July 10, 2025, the Court granted the final order vacating its prior judgment and dismissing plaintiffs' claims against TCPL. As a result, this matter is now concluded in TCPL's favour with no liability. There is no further right of appeal.

Guarantees

TCPL 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.

TCPL 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 TCPL 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 TCPL'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 TCPL 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, TCPL 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.