



# Enhanced Combined Network for Our Customers

INVESTOR PRESENTATION  
May 2021



# Forward-Looking Statements



Certain statements included in this presentation constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 and under Canadian securities laws, including statements based on management’s assessment and assumptions and publicly available information with respect to KCS, regarding the proposed transaction between CN and KCS, the expected benefits and synergies of the proposed transaction, future opportunities for the combined company and future shareholder returns. By their nature, forward-looking statements involve risks, uncertainties and assumptions. The Company cautions that its assumptions may not materialize and that current economic conditions render such assumptions, although reasonable at the time they were made, subject to greater uncertainty. Forward-looking statements may be identified by the use of terminology such as “believes,” “expects,” “anticipates,” “assumes,” “outlook,” “plans,” “targets,” or other similar words.

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Forward-looking statements reflect information as of the date on which they are made. The Company assumes no obligation to update or revise forward-looking statements to reflect future events, changes in circumstances, or changes in beliefs, unless required by applicable securities laws. In the event CN does update any forward-looking statement, no inference should be made that CN will make additional updates with respect to that statement, related matters, or any other forward-looking statement.

# Additional Information



## No Offer or Solicitation

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## Additional Information and Where to Find It

This presentation relates to a proposal which CN has made for an acquisition of Kansas City Southern. In furtherance of this proposal and subject to future developments, CN (and, if a negotiated transaction is agreed, KCS) may file one or more registration statements, proxy statements, tender offer statements or other documents with the U.S. Securities and Exchange Commission ("SEC") or applicable securities regulators in Canada. This presentation is not a substitute for any proxy statement, registration statement, tender offer statement, prospectus or other document CN and/or KCS may file with the SEC or applicable securities regulators in Canada in connection with the proposed transactions.

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## Participants

This presentation is neither a solicitation of a proxy nor a substitute for any proxy statement or other filings that may be made with the SEC and applicable securities regulators in Canada. Nonetheless, CN and its directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transactions. Information about CN's executive officers and directors is available in its 2021 Management Information Circular, dated March 9, 2021, as well as its 2020 Annual Report on Form 40-F filed with the SEC on February 1, 2021, in each case available on its website at [www.cn.ca/investors/](http://www.cn.ca/investors/) and at [www.sec.gov](http://www.sec.gov) and [www.sedar.com](http://www.sedar.com). Additional information regarding the interests of such potential participants will be included in one or more registration statements, proxy statements, tender offer statements or other documents filed with the SEC and applicable securities regulators in Canada if and when they become available. These documents (if and when available) may be obtained free of charge from the SEC's website at [www.sec.gov](http://www.sec.gov) and [www.sedar.com](http://www.sedar.com), as applicable.

## Non-GAAP Measures

This presentation also includes certain forward looking non GAAP measures (Adjusted Diluted EPS). It is not practicable to reconcile, without unreasonable efforts, these forward looking measures to the most comparable GAAP measures (diluted EPS), due to unknown variables and uncertainty related to future results. Please see note on Forward Looking Statements above for further discussion.

**All amounts in this presentation are expressed in United States dollars, unless otherwise noted. All references to the "Company" are to CN.**

# CN+KCS is a Winning Combination



## Connected Continent

Creates the premier USMCA rail network for the 21<sup>st</sup> century

## Better Together

Enhancing value proposition, service offerings and customer choices

## Reaffirmed Estimates

High confidence in our previous estimate of US\$1B in EBITDA synergies <sup>(1)</sup>

## Constructive Discussions

Early discussions with KCS have helped identify additional opportunities beyond initial assessment

*(1) Management preliminary estimates based on public information.*

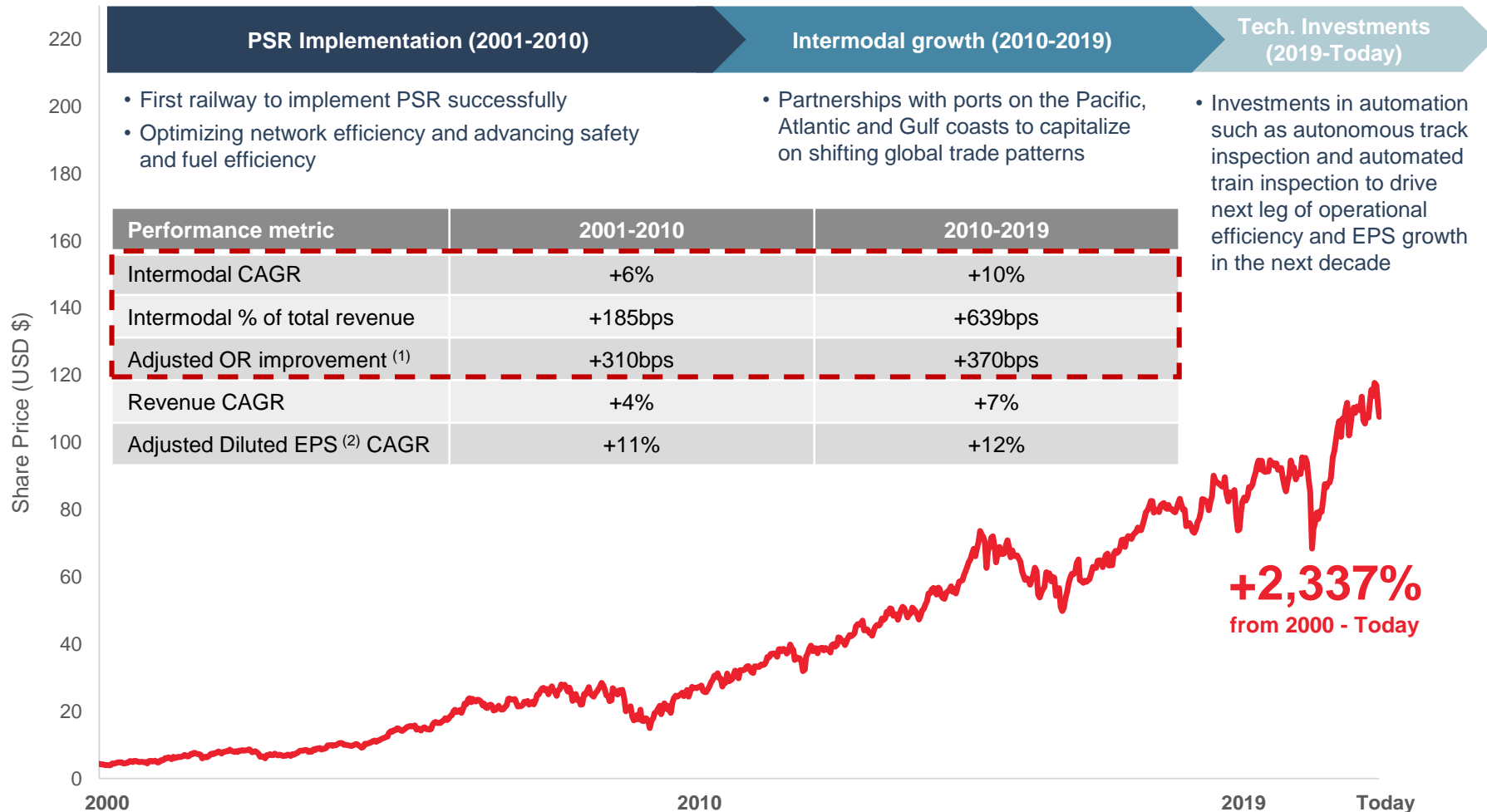
# A CN+KCS Combination Will Create the North American Railway for the 21st Century

- ✓ Introduces new access points and interchange options
- ✓ Preserving access to all existing gateways to enhance route choice
- ✓ More options and greater choice allow customers to optimize freight ROI
- ✓ Multiple new North / South routing options offer unmatched network resiliency
- ✓ Planned infrastructure investments in key communities across the new network, including IL, MO, MI, LA, and TX



# We Have Led the Sector in Growth Over the Past Two Decades While Continuing to Improve OR

## Share Price Performance Since 2000



Source: FactSet

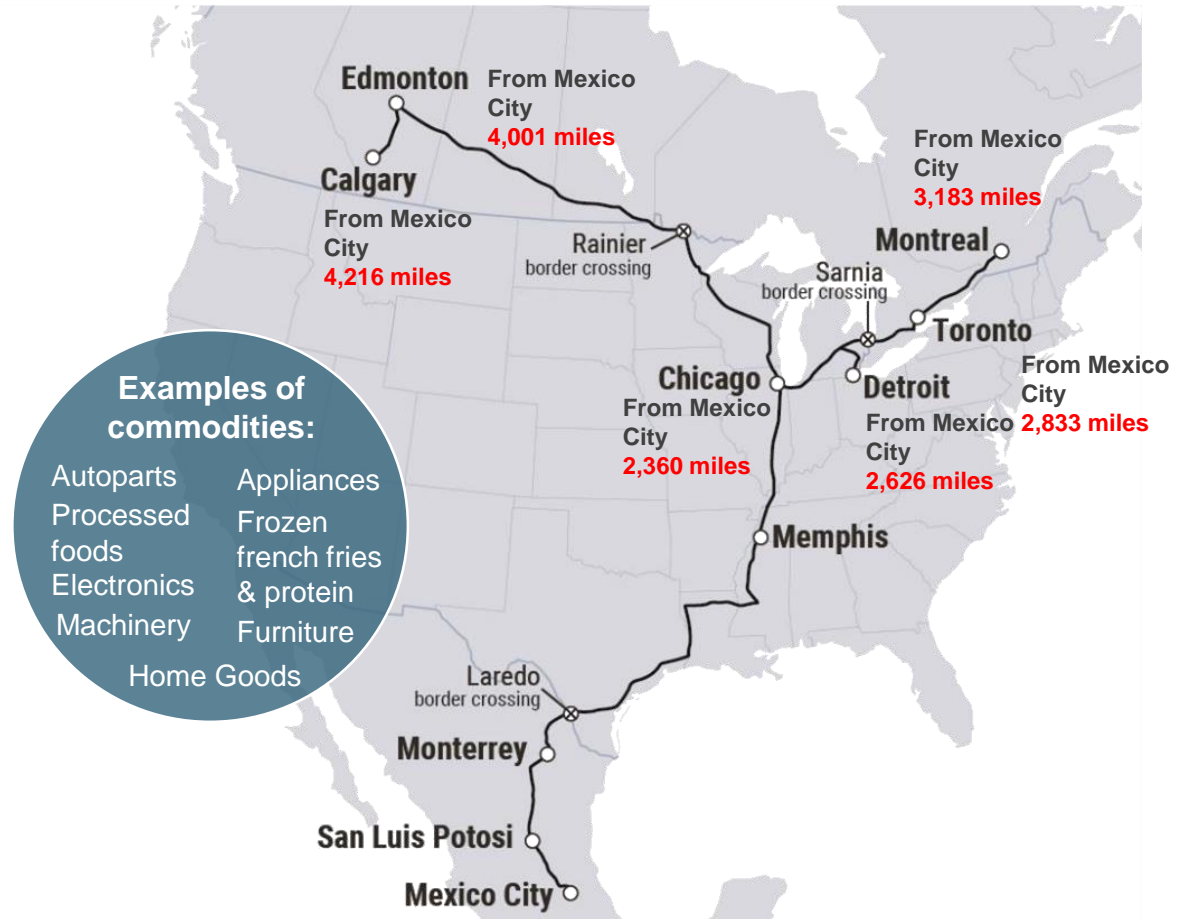
(1) 2010 adjusted OR reflects adjustment for pension accounting reclassification.

(2) Please see the heading Non-GAAP measures in this presentation.

# Creating the Best-in-class 21st Century USMCA Intermodal Service



- Single line
- Single operator
- Fluid border crossings
- One-stop customer service



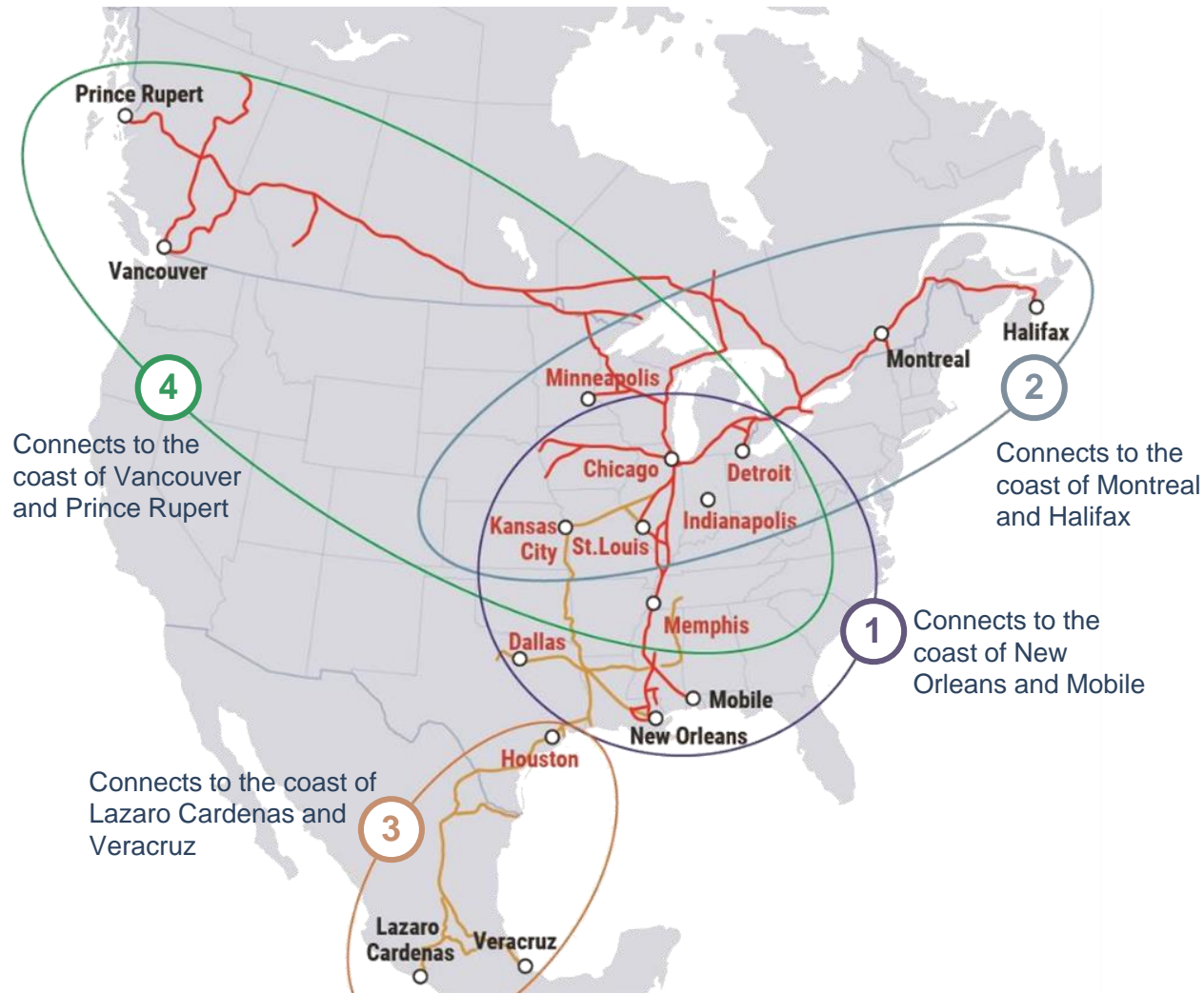
**Targeting US\$6B of incremental potential truck intermodal opportunity <sup>(1)</sup>**

(1) US\$6B is a part of previously announced total additional addressable market opportunity of US\$8B.

# Connecting the U.S. Industrial Core with the World via End-to-End Three Coast Network



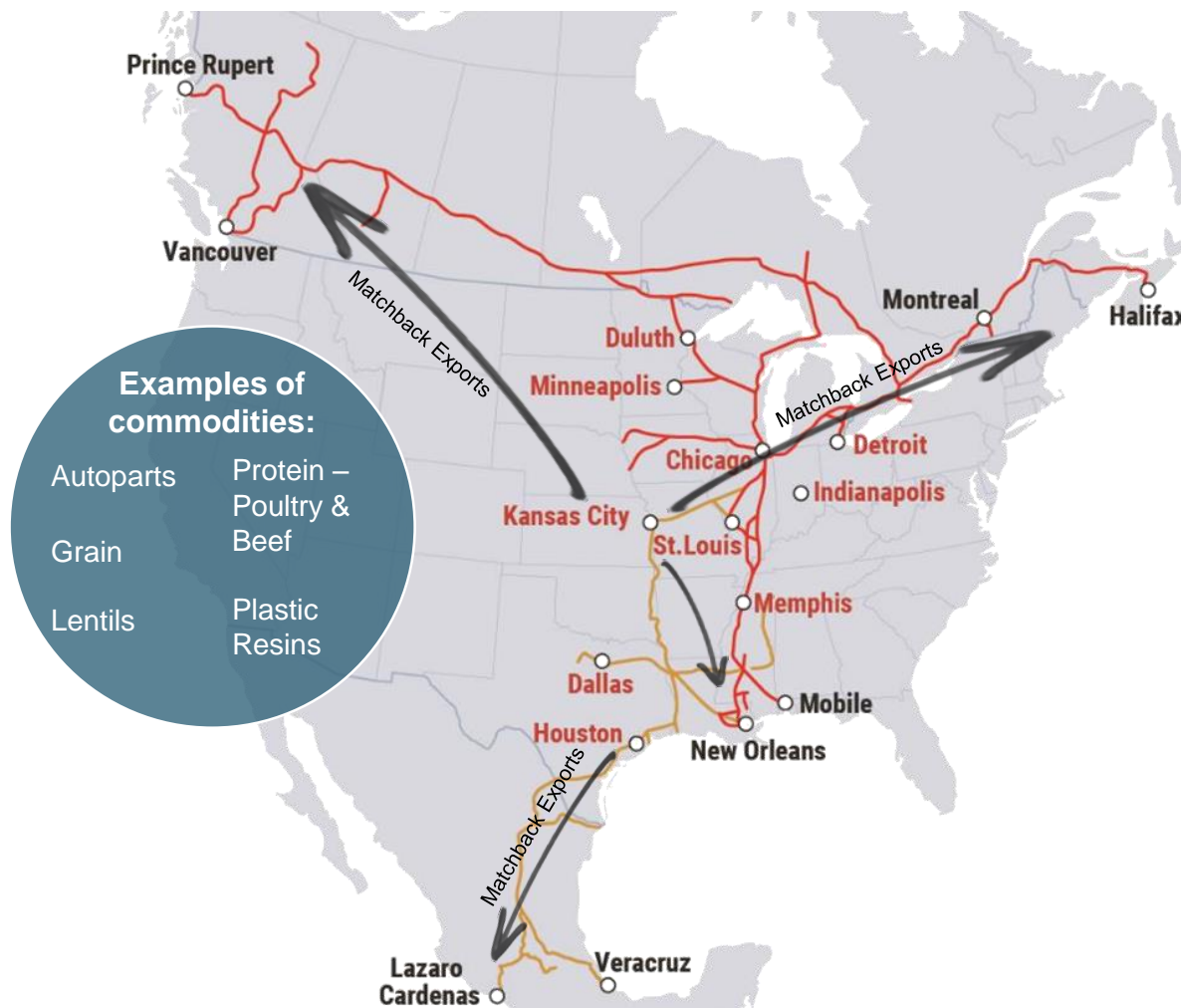
- More port options for middle America U.S. cities to connect with international markets
- Multiple options and more capacity for trade
- Example: Kansas City importers/exporters can now reach 3 coasts + 6 ports



# CN-KCS Export Matchback Opportunities



- Working closely to “match” ocean carriers with North America producers to load empty import containers with export products
- Helping exports with favorable return economics
- Access to container transload facilities throughout our network to facilitate exports



# Offering Competitive Single-Line Service for Carload Customers



- Customers with multiple rail carrier routings would now have access to a competitive single-line service
- Would provide a new option to other rail carriers

## US Midwest & Eastern Canada to/from TX/LA

- Petroleum & chemical products

## US Midwest to/from Kansas City region

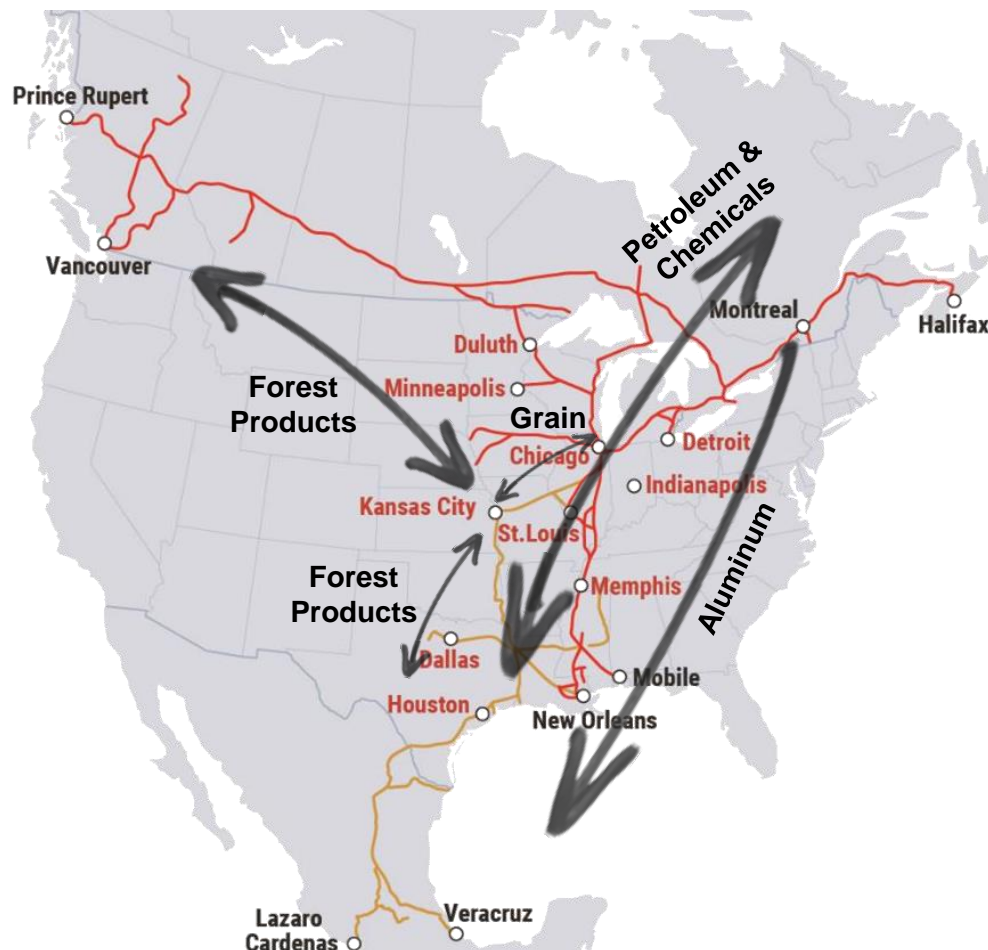
- Cereal grains, fertilizers, and other grain products

## Western Canada to/from Kansas City and TX/LA

- Forest products – Major shippers of lumber and OSB to one of the largest U.S. markets

## Quebec to TX/Mexico

- Aluminum from Quebec - With the USMCA agreement moving more supply to North America, Quebec low-cost aluminum is uniquely positioned to supply the biggest growth market in Mexico



**Targeting US\$2B of incremental potential rail opportunity <sup>(1)</sup>**

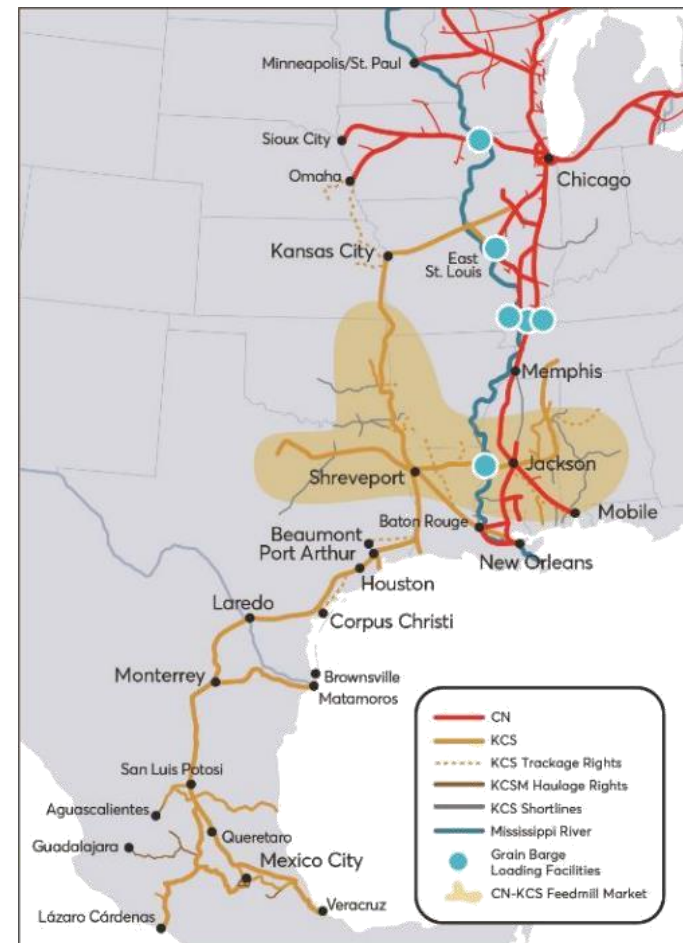
(1) US\$2B is a part of previously announced total additional addressable market opportunity of US\$8B.

# Creating a Stronger Combined Grain Franchise



## Enhanced Optionality for Grain Shippers and Processors

- KCS is destination heavy (especially Mexico) but lacks the grain origination network – CN is origination heavy (IL, IA, WI) – perfect match
- KCS- and CN-served feed mills in the southern US (MS, AR, LA, OK, AL, TX) tap into more competitive single linehaul origination network for corn and soybean meal
- Direct access for KCS grain/grain product shippers to multiple CN-served Gulf Coast export terminals along with direct access for CN shippers to Texas Gulf export facilities
- KCS shipper access to multiple additional CN-served barge loading facilities along the River network; multiple routing options to support grain shipments into the St. Louis barge market
- Bringing CN's approach to containerized export grain represents incremental opportunity for the KCS origination base



**Combined CN-KCS grain revenue opportunities estimated to be US\$130-230M annually <sup>(1)</sup>**

<sup>(1)</sup> US\$130-230M is a part of previously announced total additional addressable market opportunity of US\$8B.

# Better Together – For the Benefit of Customers, Communities and Shareholders

