A Leading North American Transportation and Logistics Company

INVESTOR PRESENTATION
SEPTEMBER 2020
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. 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 by their nature address matters that are, to different degrees, uncertain, such as statements about the impacts of the COVID-19 pandemic on our business operations, financial results and financial position and on the global supply chain. Forward-looking statements may be identified by the use of terminology such as "believes," "expects," "anticipates," "assumes," "outlook," "plans," "targets," or other similar words.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause the actual results or performance of the Company to be materially different from the outlook or any future results or performance implied by such statements. Accordingly, readers are advised not to place undue reliance on forward-looking statements. Important risk factors that could affect the forward-looking statements include, but are not limited to, the duration and effects of the COVID-19 pandemic, general economic and business conditions, particularly in the context of the COVID-19 pandemic; industry competition; inflation, currency and interest rate fluctuations; changes in fuel prices; legislative and/or regulatory developments; compliance with environmental laws and regulations; actions by regulators; increases in maintenance and operating costs; security threats; reliance on technology and related cybersecurity risk; trade restrictions or other changes to international trade arrangements; transportation of hazardous materials; various events which could disrupt operations, including illegal blockades of rail networks, and natural events such as severe weather, droughts, fires, floods and earthquakes; climate change; labor negotiations and disruptions; environmental claims; uncertainties of investigations, proceedings or other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; and other risks detailed from time to time in reports filed by CN with securities regulators in Canada and the United States. Reference should be made to Management’s Discussion and Analysis in CN's annual and interim reports, Annual Information Form and Form 40-F, filed with Canadian and U.S. securities regulators on SEDAR at www.sedar.com as well as on the U.S. Securities and Exchange Commission’s website at www.sec.gov through EDGAR and available on CN's website at www.cn.ca/en/investor, for a description of major risk factors.

Forward-looking statements reflect information as of the date on which they are made. CN 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.
Non-GAAP Measures

CN reports its financial results in accordance with United States generally accepted accounting principles (GAAP). CN also uses non-GAAP measures in this presentation that do not have any standardized meaning prescribed by GAAP, including adjusted performance measures, constant currency, free cash flow and adjusted debt-to-adjusted EBITDA multiple. These non-GAAP measures may not be comparable to similar measures presented by other companies. For further details of these non-GAAP measures, including a reconciliation to the most directly comparable GAAP financial measures, refer to the Company’s website, Second Quarter Results at www.cn.ca/financial-results.

All amounts in this presentation are expressed in Canadian dollars, unless otherwise noted.
Covid-19 Pandemic

• The COVID-19 pandemic is having an unprecedented and extraordinary impact on the economy.

• The economic outlook, and therefore overall demand for transportation services, are highly correlated with the duration of containment measures and the impacts on businesses and consumers, which at this point remain uncertain.

• As a result, CN withdrew its 2020 financial guidance and 3-year targets provided at the 2019 Investor Day.

• Please refer to page 59 for further information.

We remain committed to delivering value to customers and shareholders.
A backbone of the North American economy and an enabler of trade
- U.S., Canada and Mexico represent ~500M in population and GDP of US$24.3 trillion

High barriers to entry
- Significant capital cost to replicate rail network
- Infrastructure owned by the railroads, except in Mexico

Current trends favoring rails
- Trucking regulations and driver shortage
- Growing environmental pressure
- Highway congestion and aging public infrastructure

Safety as a core value
- More than 99.999% of all hazmat moved by rail reaches its destination without a release caused by an incident (1)

Sustainable way to move goods
- A freight train on average moves one ton of freight more than 470 miles on one gallon (200km on one liter) of fuel (1)

(1) Source: Association of American Railroads (AAR)
CN at a Glance

TSX: CNR  NYSE: CNI

• Backbone of the economy and enabler of trade transporting goods for a wide range of business sectors, ranging from resource products to manufactured products to consumer goods, across a rail network of approximately 20,000 route-miles (32,000 km) spanning Canada and mid-America

• Regarded internationally as one of the best-performing transportation and logistics companies; our commitment is to create value for both customers and shareholders by deepening customer engagement, leveraging the strength of our franchise and delivering Operational and Service Excellence

• 5 out of 6 CN employees participate in the Company’s Employee Share Investment Plan (ESIP) and collectively own over $700 million worth of shares

$15B  $97.5B
Total revenues  Latest market cap (1)

62.5%  15.1%
(Adjusted 61.7%) (3)  Adjusted ROIC (2)
Operating ratio

$2.0B  $3.9B
Free cash flow (3)  Capital investments

25,975  5.9M
Employees (end of period)  Carloads

Figures presented are as at or for the year ending December 31, 2019 unless otherwise noted.


(2) Please see the Appendix for an explanation of this non-GAAP measure.

(3) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.
CN’s Strengths and Competitive Advantages

- Unique franchise with 3-coast access
- Strategic and accretive acquisition track record
- Network fluidity advantage around Chicago
- Pioneers of Scheduled Railroading
- Industry leader in fuel and carbon efficiency
- Consistent pricing above rail inflation and disciplined and balanced approach to capital allocation

- West Coast trade benefitting from Canada Transpacific partnership, East Coast trade from Comprehensive Economic and Trade Agreement (CETA)
- Talented management team with proven track record
- Best-in-class supply chain enabler
- Strong balance sheet

Consistently Outpaced the Market
(cumulative total return over last 10 years)
Our Strategic Game Plan
Aiming to deliver long-term profitable growth and create shareholder value

Driving shareholder value creation
Consistent capital allocation strategy with financial discipline and flexibility to drive strong and sustainable ROIC

Implementing advanced technologies to modernize Scheduled Railroading
At forefront of industry further enhancing safety, reliability and carbon efficiency

Targeting long-term profitable growth
Multiple levers with solid pipeline to continue growing faster than the economy at low incremental cost

Right talent to win
Action-oriented, deep bench with strong track record and focus on diversity and continuous improvement

Our foundation
Service and operational excellence driven by culture of continuous improvement and social responsibility; pioneers of Scheduled Railroading with unique network
Our Foundation
Building blocks of our success

• Unparalleled three-coast network built through accretive acquisitions
  • Well-diversified portfolio, customer base and geographic exposure

• Pioneered Scheduled Railroading over 15 years ago
  • Optimizing network to move customer goods quicker – balancing operational and service excellence
  • Leading the industry in locomotive fuel efficiency

• Delivering Responsibly with a strong focus on ESG
  • Culture of safety, efficiency, integrity and diversity; part of the climate solution
Unparalleled Network Built Through Acquisitions

Solid track record of accretive inorganic growth

**2019-2020**
FURTHER EXPANDING OUR REACH
- Massena rail line (pending closing)
- TransX
- H&R

**2009**
STRUCTURAL ADVANTAGE IN CHICAGO
- Elgin, Joliet and Eastern Railway

**2006–2008**
SOLIDIFYING OUR REACH
- Savage Alberta Railway
- Mackenzie Northern Railway
- Lakeland & Waterways Railway
- Central Western Railway
- Athabasca Northern Railway
- Chemin de fer de la Matapédia et du Golfe
- Ottawa Central Railway
- New Brunswick East Coast Railway
- Compagnie de Gestion de Matane

**1998–2004**
BUILDING A THREE COAST ACCESS
- Illinois Central Railway
- Wisconsin Central Railway
- B.C. Railway
- Great Lakes Transportation

**1995**
SOLID CANADIAN FOOTPRINT
- CN Network at privatization
Unique Three Coast Network

Well-Diversified Portfolio Supported by Solid Base of Customers and Partners

Well-diversified portfolio

- Automotive: 4%
- Metals and Minerals: 11%
- Forest Products: 13%
- Grain and Fertilizers: 19%
- Petroleum and Chemicals: 20%
- Coal: 4%
- Other: 4%
- International Intermodal: 17%

Global West 29%
Domestic Canada 17%
Transborder Southbound Northbound 32%
Domestic U.S. 16%
Global South 2%
Global East 4%
Domestic U.S. 16%

TRAFFIC DENSITY LEGEND

(1) The map refers to traffic density based on 2019 gross ton mile (GTM) production (million GTMs per route mile).

For more information on CN's network, please visit www.cn.ca/en/our-services/maps-and-network.
Scheduled Railroading is Our Foundation

• CN pioneered Scheduled Railroading over 15 years ago
  • Optimizing the rail network to transport more freight with the same amount of railcars and locomotives
  • Moving customer goods more efficiently by increasing train lengths, speed and reducing dwell time at yards
  • Moving more goods with much less fuel and environmental impact

• Driving safety, service, productivity, asset utilization and cost control

• Deploying technology – next strategic driver of value
  • Continuing to further advance our operational model to the next level for improved safety and fuel efficiency

• Continuing to be nimble on resource allocation
  • Rightsizing the railcars, locomotives and crews according to the customer demand
Productivity and Cost Control

- Adjusted resources quickly and aggressively as volumes started declining mid-March and bottomed in May
- Nimble and connected with our customers in early stage of recovery

**Rightsizing our Resources**

- **26%** YoY reduction in Train & Engine (T&E) employees
- **14%** YoY reduction in active cars online with ~14,500 cars in storage
- **500+** locomotives in storage
- Idled operations in 4 switching yards and reduced mechanical activities in more than 20 locations
- Starting to recall T&E employees selectively

**Focusing on Train Productivity**

- **21%** YoY reduction in crew starts with **18%** YoY reduction in RTMs
- Record train length and train weight in Q2

**Train Length**

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>7,000</td>
<td>7,500</td>
<td>8,000</td>
</tr>
<tr>
<td>2019</td>
<td>7,500</td>
<td>8,500</td>
<td>9,000</td>
</tr>
<tr>
<td>2020</td>
<td>8,500</td>
<td>9,500</td>
<td>10,500</td>
</tr>
</tbody>
</table>

**Train Weight**

<table>
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<td>9,000</td>
</tr>
<tr>
<td>2020</td>
<td>8,500</td>
<td>9,500</td>
<td>10,500</td>
</tr>
</tbody>
</table>

Data presented reflects results for Q2 2020 vs. Q2 2019. For T&E headcount data, the change YoY is based on the average headcount in each period.
Delivering Long-Term Value

- Focus on our long-term agenda: cost, ESG and technology
- Some of the improvements made in the recent months are expected to remain going forward

**Fuel Efficiency / Carbon Footprint**

- Quarterly record fuel efficiency of 0.88 US gallons of locomotive fuel consumed per 1,000 gross ton miles (GTMs) in Q2
- Direct savings of ~$7M and 29K tons of CO₂ emissions avoided

**Fuel efficiency**

(US gallons of locomotive fuel consumed/1,000 GTMs)

<table>
<thead>
<tr>
<th>Q1</th>
<th>Q2</th>
<th>Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.05</td>
<td>1.00</td>
<td>0.95</td>
<td>0.90</td>
</tr>
</tbody>
</table>

**Lasting Structural Changes**

- **Transportation**
  - Permanent closure of underutilized rail yards
  - Optimized train configuration and schedules
  - Enhanced productivity on handheld devices

- **Mechanical**
  - Rightsizing of mechanical shops across the network
  - Automated train inspection portal replaced roll-by inspections in Winnipeg

- **Engineering**
  - Increased labor productivity (productive hours, longer work blocks, lower installation unit costs)
Measuring Service as Defined by Customers

- Service metrics that are relevant for our customers, defined with them
- Through the years, evolved beyond only trip plan
- Working closely with our customers during disruptions and volume uncertainty
- Delivering on our commitments
- Collaborating closely with customers to ensure the delivery of critical products such as medical PPE/supplies and food to the communities we serve

**Intermodal**

<table>
<thead>
<tr>
<th>Intermodal service index</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
</tr>
<tr>
<td>75%</td>
</tr>
<tr>
<td>50%</td>
</tr>
</tbody>
</table>

Q1 Q2 Q3 Q4

2019 2020

Various service metrics for International and Domestic customers; for example, including container dwell at ports for imports

**Bulk**

<table>
<thead>
<tr>
<th>Bulk service index</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
</tr>
<tr>
<td>75%</td>
</tr>
<tr>
<td>50%</td>
</tr>
</tbody>
</table>

Q1 Q2 Q3 Q4

2019 2020

Delivering the number of cars committed to our unit train customers

**Merchandise**

<table>
<thead>
<tr>
<th>Merchandise service index</th>
</tr>
</thead>
<tbody>
<tr>
<td>100%</td>
</tr>
<tr>
<td>75%</td>
</tr>
<tr>
<td>50%</td>
</tr>
</tbody>
</table>

Q1 Q2 Q3 Q4

2019 2020

Delivering the number of cars committed to our customers in the timeframe agreed
Track Record of Profitable Growth Over the Years

Industry Revenue Ton Miles (RTMs)

(Index – 2013 =100)

<table>
<thead>
<tr>
<th>Year</th>
<th>CN</th>
<th>CP</th>
<th>UP</th>
<th>CSX</th>
<th>NSC</th>
<th>KSU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>61.7%</td>
<td>64.7%</td>
<td>59.9%</td>
<td>63.2%</td>
<td>60.6%</td>
<td>58.4%</td>
</tr>
<tr>
<td>2014</td>
<td>110.2%</td>
<td>109.3%</td>
<td>110.0%</td>
<td>110.3%</td>
<td>110.4%</td>
<td>110.5%</td>
</tr>
<tr>
<td>2015</td>
<td>110.4%</td>
<td>110.6%</td>
<td>110.8%</td>
<td>110.9%</td>
<td>111.0%</td>
<td>111.2%</td>
</tr>
<tr>
<td>2016</td>
<td>110.7%</td>
<td>110.9%</td>
<td>111.1%</td>
<td>111.2%</td>
<td>111.3%</td>
<td>111.5%</td>
</tr>
<tr>
<td>2017</td>
<td>111.0%</td>
<td>111.2%</td>
<td>111.4%</td>
<td>111.5%</td>
<td>111.6%</td>
<td>111.8%</td>
</tr>
<tr>
<td>2018</td>
<td>111.3%</td>
<td>111.5%</td>
<td>111.7%</td>
<td>111.8%</td>
<td>111.9%</td>
<td>112.1%</td>
</tr>
<tr>
<td>2019</td>
<td>111.6%</td>
<td>111.8%</td>
<td>112.0%</td>
<td>112.1%</td>
<td>112.2%</td>
<td>112.4%</td>
</tr>
</tbody>
</table>

(1) RTM CAGR is calculated from 2013 to 2019.
(2) Operating Ratio (OR) and Adjusted Operating Ratio for CN and KSU as reported for 2019 and based on companies’ publicly available financial statements.

Industry leading in volume growth
### Delivering Responsibly for a Sustainable Future

CN supports the United Nations Sustainable Development Goals (SDGs), which align with our vision for a sustainable world. Our five sustainability pillars are aligned with the SDGs where we have the potential to make the greatest contribution. We are committed to reporting our progress on these goals as we continue to evolve, transform and innovate our business.

<table>
<thead>
<tr>
<th>Environment</th>
<th>Safety</th>
<th>People</th>
<th>Community</th>
<th>Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct our operations with minimal environmental impact, while providing cleaner, more sustainable transportation services to our customers.</td>
<td>Be the safest railroad in North America by establishing an uncompromising safety culture and implementing a management system designed to minimize risk and drive continuous improvement</td>
<td>Provide a safe, supportive and diverse work environment where our employees can grow to their full potential and be recognized for their contributions to our success</td>
<td>Build safer, stronger communities by investing in community development, creating positive socio-economic benefits and ensuring open lines of communication</td>
<td>Continuously improve our culture of integrity and ethical business, building trust and confidence with all our stakeholders</td>
</tr>
</tbody>
</table>

1. **Environment**: Conduct our operations with minimal environmental impact, while providing cleaner, more sustainable transportation services to our customers.

2. **Safety**: Be the safest railroad in North America by establishing an uncompromising safety culture and implementing a management system designed to minimize risk and drive continuous improvement.

3. **People**: Provide a safe, supportive and diverse work environment where our employees can grow to their full potential and be recognized for their contributions to our success.

4. **Community**: Build safer, stronger communities by investing in community development, creating positive socio-economic benefits and ensuring open lines of communication.

5. **Governance**: Continuously improve our culture of integrity and ethical business, building trust and confidence with all our stakeholders.

#### SDG References:

1. **13. Climate Action**: Take urgent action to combat climate change and its impacts.
2. **9. Industry, Innovation and Infrastructure**: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.
3. **8. Decent Work and Economic Growth**: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
5. **5. Gender Equality**: Achieve gender equality and empower all women.
ESG Priorities

Delivering Responsibly is at the heart of how CN is building for a sustainable future. It means moving customer goods safely and efficiently, being environmentally responsible, attracting and developing the best and diverse railroaders, helping build safer, stronger communities, while adhering to the highest ethical standards

<table>
<thead>
<tr>
<th>Environmental Protection</th>
<th>Social Responsibility</th>
<th>Strong Governance</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Achieved 38% locomotive emission intensity improvement over the last 25 years</td>
<td>• Leveraging recent advances in technology to drive improved safety</td>
<td>• Continuously improving our culture of integrity and ethical business conduct</td>
</tr>
<tr>
<td>• CN leads the North American rail industry, consuming ~15% less fuel per gross ton mile of freight</td>
<td>• In 2019 adopted Life Critical Rules as a means to strengthen our safety culture</td>
<td>• Executive compensation aligned with ESG objectives, including safety and fuel efficiency</td>
</tr>
<tr>
<td>• Diverted ~90% of our waste from landfill in 2019</td>
<td>• Signatory to the Catalyst Accord 2022; committed to extend gender diversity beyond the board to executive management with a target of 30%</td>
<td>• 38% of CN’s directors are women, exceeding CN’s policy of at least 1/3 representation by women</td>
</tr>
</tbody>
</table>

29%

CN was the first railroad in North America to set a climate science target of 29% carbon emission intensity reduction by 2030 based on 2015 levels

Zero

Goal to reduce serious injuries and fatalities to zero at CN

40%

CN aspires to attain board composition of 40% representation from diverse groups by end of 2022
A Strong Track Record of Fuel and Carbon Efficiency

Areas of focus – Opportunities

Achieved 38%
Improvement in locomotive emission intensity over the past 25 years

Targeting 29%
Reduction in emissions per tonne kilometers by 2030 vs 2015 – CN’s science-based target for carbon emissions
The Industry Leader in Locomotive Fuel Efficiency: CN

Fuel Efficiency \(^{(1)}\)
(US gallons of locomotive fuel consumed per 1,000 GTMs)

(1) Data obtained from publicly available financial reports.
Right Talent to Win
Action-oriented, deep bench with strong track record

• Seasoned leadership team with an average of 20+ years

• Onboarding experienced, external talent to drive next wave of innovation

• Leveraging existing employee base with new talent to value methodology

• Committed to diversity and inclusion
Highly Experienced Leadership Team

JJ Ruest
President & Chief Executive Officer
- 24 years with CN
- Served as CMO for 8 years

Rob Reilly
Executive VP and Chief Operating Officer
- 30 years of experience in the rail industry
- Deep understanding of the intermodal business at major ports & large terminals

Ghislain Houle
Executive VP & Chief Financial Officer
- 22 years with CN
- Qualified conductor and engineer

Sean Finn
Executive VP Corporate Services & Chief Legal Officer
- 26 years with CN
- 11 years in current role

Keith Reardon
Senior VP Consumer Product Supply Chain
- 19 years with CN
- 7 years leading Intermodal at CN

James Cairns
Senior VP Rail Centric Supply Chain
- 32 years with CN
- Over 20 years in carload markets
- Operational experience

Dominique Malenfant
Executive VP & Chief Information and Technology Officer
- 30 years of experience in transportation
- Extensive leadership experience and deep knowledge of rail technologies

Dorothea Klein
Senior VP & Chief Human Resources Officer
- 30 years experience in various industries
- Strong background in HR, finance, M&A and workforce transformation

Paul Butcher
VP Investor Relations
- 26 years with CN
- 10 years in investor relations

For more information on CN’s company officers, please visit www.cn.ca/company-officers.
Leveraging Strong Talent Pool
First railroad to implement talent to value methodology

Empowering internal talent
- Seasoned scheduled railroaders and proven market makers each with over 20 years of experience

Embracing external talent
- Challenging the art of what is possible
- Bringing best in class ideas from other industries to further enhance our world class model
Developing the Best Railroaders

Continuous learning and development

1.2 million hours in 2019, covering skills, re-certification, and various leadership development programs as well as entry-level training

Ensuring continuous learning for our employees is critical to having a skilled, safe and engaged labor force

<table>
<thead>
<tr>
<th>Position</th>
<th>Number of employees (1)</th>
<th>Expiration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conductors and yard coordinators</td>
<td>3,551</td>
<td>July 23, 2022</td>
</tr>
<tr>
<td>Track forces</td>
<td>2,739</td>
<td>December 31, 2023</td>
</tr>
<tr>
<td>Shopcraft</td>
<td>2,066</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Locomotive engineers</td>
<td>1,949</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Clerical and Intermodal</td>
<td>1,714</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Signals and communications</td>
<td>761</td>
<td>December 31, 2021</td>
</tr>
</tbody>
</table>

Labour stability

Canadian unionized workforce

U.S. unionized workforce

CN is part of a national labor relation council which works in collaboration with all the railroads to provide a stable landscape to operate in the U.S.

(1) As at December 31, 2019. Excludes rail traffic controllers, special agents and other.
Creating a Diverse and Inclusive Work Environment

**Strengthening our diversity commitment**

- Focus on diversity, including Gender, People of Colour, persons with disabilities as well as Aboriginal peoples
- Looking to increase diversity at more senior levels within our company, as our workforce continues to turnover due to retirements
- Signatory to the 2022 Catalyst Accord; committed to extend gender diversity beyond the Board to Executive Management with a target of 30%

**Partnerships driving our diversity objectives**

- Continued to partner with PGNAETA (1) to train future Aboriginal railroaders, hiring several graduates in 2019
- Sponsoring and participating in key events to promote opportunities for women in non-traditional roles

**Promoting cultural awareness**

- Hosted a conference aimed at providing members tools to help promote diversity and inclusion
- Provided cultural awareness training on Aboriginal issues, and continued to sensitize employees to diversity and inclusion through awareness campaigns across our network

38%

Of our directors are women; meeting CN's policy of minimum Board representation of 1/3 women

35%

New employees in Canada and 43% in U.S. represented by diversity groups

3%

Increase in hiring of visible minorities and persons with disabilities in Canada, and 7% increase in veterans in the U.S., despite a 40% decrease in hiring

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(1) Prince George Nechako Aboriginal Employment Training Association (PGNAETA)
Targeting Long-Term Profitable Growth

Strategic pipeline of growth opportunities

- Focused on consumer product and railcentric supply chain organicopportunities
- Disciplined acquisitions and strategicpartnerships
- Aiming to deliver compounded pricingabove rail inflation
Recent indications of record 2020/21 Canadian grain crop and investment in 1,500 high-capacity grain hopper cars – opportunity to set record Canadian grain volumes in 2021
Canadian West Coast Port Strategy

Vancouver – Investing to accommodate future growth

Customer investments – Over $1B in private sector investments

1. Centerm – Planned increase in capacity from 900k TEU to 1.5M TEU (early 2022)
   Vanterm – Planned increase in capacity from 850k TEU to 1.065M TEU (2020)

2. Neptune – Coal capacity from 12.2MT to 18.5MT (2021) and Potash capacity from 6MT to 11.5MT (completed)
   Fibreco (Grain / wood pellets) – added grain
   Kinder Morgan – Increased agriculture products through terminal
   Cargill (Grain) – Added third dumper
   Richardson International Ltd (Grain) – Increased storage and throughput with over 6MTE capacity
   G3 (Grain) – New grain terminal with 8MTE capacity Q2 2020

3. Fraser Surrey Docks – DPW acquisition of terminal Q1 2020

4. Deltaport – Increased capacity from 1.2M TEU to 2.4M TEU (completed)

Rail investments (over $400M jointly funded by CN, Port of Vancouver and Canadian Federal Government)

A. 4.3 KM extension of double track (2021)
B. Improving rail access to North Shore
   • 5.8 km staging track, and tunnel ventilation improvements (2020)
   • Grade separation (2024)
C. 5.6 km double track (2021)

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Canadian West Coast Port Strategy
Prince Rupert – Served exclusively by CN

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.

Customer terminal and logistics – Over $1B in private and Canadian Federal Government investments

1. Fairview Terminal (DPW) – Planned increase in capacity from 1.35M TEU to 1.6M TEU (2022) and 1.6M TEU to 1.8M TEU (2023)
2. Vopak Pacific Canada – Planned bulk liquids terminal scaling to 12 MMT by 2026 (Phase 1: 4 MMT by 2023)
3. Raymont Logistics – Agricultural products transload
4. Export Logistics (PRPA) – Planned permanent dry bulk, forest products and intermodal transloading (2022)
5. Import Logistics (Metlakatla First Nation) – Announced import value-added logistics support services (non-rail)

Supporting road and rail infrastructure investment – Over $350M jointly funded by CN, PRPA and the Canadian Federal Government

A. New long siding for port area staging (2020)
B. Zanardi Bridge, Rail and Causeway Expansion (2022)
   • New double track bridge over the Zanardi Rapids
   • Two new dedicated leads to Ridley Island development
   • Existing bridge rehabilitation
C. Connector Road and Siding Project (2021)
   • Two additional long sidings for intermodal support
   • Connector Road directly linking current and planned Ridley Island logistics with Fairview Terminal

Long-Term Profitable Growth
Canadian East Coast Port Strategy

Emulating the success of our Prince Rupert model

Leveraging our Eastern network capacity

- East Coast port developments aim to capture growth from ultra large container vessels
- Canadian East Coast ports offer competitive gateways for Southeast Asia, Europe and the Mediterranean
- Partnering with Eastern Canadian port operators to develop market competitive end-to-end service to the U.S. Midwest and Ontario

Recent developments

- **Halifax** – Strategic partnership with PSA, new operator of Halterm Container Terminal
- **Quebec City** – Development of new container terminal port in collaboration with Hutchison Ports, expected to open Spring of 2024

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Leveraging our Unique Network
Key capacity expansions across our network

• **Expansion of terminals**
  - Success of the supply chain and collaboration with our partners to compete in a global environment
  - Consistent service provides customers ability to grow their business
  - Investing in our inland terminals supporting continued growth in key consumer growth markets

• **New terminals**
  - To reach new destination markets for our customers and handle more freight

• **New automotive storefronts**
  - Strengthening and growing our relationships with our new Vancouver auto compound (operational)
  - Extending our reach into new markets; Minneapolis auto compound expected to be completed in late 2020

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
International Intermodal – Prince Rupert

Long term opportunity from ongoing capacity expansion

• Best West Coast gateway to North America
  • 1-2 days closer sailing time
  • Favorable roundtrip economics supported by export balance
  • Close partnership between terminal and rail operations driving efficiency and premium customer service
  • 10 global ocean carriers now leveraging Prince Rupert’s unique advantages

• Planned investments for Prince Rupert, jointly funded by CN, Prince Rupert Port Authority (PRPA) and the Canadian Federal government
  • Additional 450,000 TEU capacity by 2023
  • Including import and export logistics park

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
International Intermodal – Vancouver

Joint investments by all supply chain stakeholders

- Significant terminal investments increasing available capacity
- Rail-related investments in Vancouver, funded by CN, Port of Vancouver and Federal Government, aligned to ensure gateway fluidity

**Deltaport**
- 600K TEU capacity expansion completed in 2018 – CN well-positioned to drive growth

**Centerm DP WORLD**
- Expansion project started Q3 2019
  - Plan to increase annual container throughput capacity by 600K TEUs to 1.5M TEUs by early 2022

**Vanterm**
- Planned expansion in 2020
  - Plan to increase annual container throughput capacity by 215K TEUs to 1.065M TEUs

*Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.*
International Intermodal – Port of Halifax
Feeding the eastern network

• PSA International, a leading global port terminal operator, acquired Halterm Terminal in 2019

• $250M of investments in the past 10 years:
  • Longer and deeper piers
  • Upgraded gates and marshalling areas

• 2020 investments
  • Super Post-Panamax ship-to-shore crane, largest in Eastern Canada; became operational in August 2020
  • Berth extension that will enable the terminal to handle two Ultra Class vessels concurrently (completion in H2 2020)

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Domestic Intermodal – Innovating to Create Flexibility and Sustainability

Acquisitions to further expand the service-sensitive refrigerated transportation business
Aiming for best operating ratio within intermodal companies

Member of EMP - Providing nation-wide supply chain flexibility

Intermodal interline partnership
NY/NJ/Philly to/from Montreal/Toronto

Fleet of 1,000 CN-owned next generation refrigerated containers
Door-to-door latest tracking technology

Working closely with wholesale partners
Offering numerous channels for retailers, ecommerce, industrials, commodities, …

Domestic Repositioning Program (DRP)
Providing capacity to domestic shippers and reducing inland cost for ocean carriers

CargoCool
Cold supply chain

DRP

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Automotive

New storefronts and capacity expansions

- New auto compound in Vancouver providing ability to drive growth in the area
- New auto compound in New Richmond, WI to access Minnesota market with direct, single-line CN service
- New plant expansion plans/future product investments from Ford and Fiat Chrysler Automobiles (FCA)
- Renewed and expanded agreement with GM
  - First customer at the new automotive compounds in Vancouver (operational) and New Richmond, WI (expected to open Q4 2020)
- AutoMobile International Terminal (2021) – Roll-on/Roll-off (RORO) terminal for imports and short sea shipping from Mexico, conducive to CN rail network to/from Canada and Midwest markets

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Crude Oil

Best-in-class network from Western Canada to U.S. Gulf Coast

- Working to create long term crude-by-rail demand by promoting diluent recovery capacity (DRUs), aiming to bring rail transportation costs in line with new pipelines.

ESG Spotlight:
Advancing partnerships for CanaPux™ pilot and eventual full-scale deployment
  - CanaPux™ is a safe and innovative process for transporting bitumen, formed by blending and coating bitumen with polymer.

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
NGLs and Frac Sand
Leveraging new propane terminals in Prince Rupert

NGLs

- Providing Western Canadian propane access to Asian markets
  - AltaGas propane export facility at Prince Rupert (opened May 2019)
  - Second facility (Pembina) expected to open in 2021
- CN direct access to NGL fractionation capacity in Edmonton area
  - Generating additional product that must move by rail due to lack of pipeline capacity

Frac Sand

- Great origination and termination frac sand franchise
  - Single-line efficient hook-and-haul operation with long length of haul from Wisconsin to Western Canada
- Mindful of risk related to local sourcing of frac sand and demand volatility

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Coal & Petroleum Coke

Export supply chains solely served by CN

- Unique single access to Ridley and Convent Terminals, offering opportunities for growth in Canadian export coal

- Ramp-up of new Coal Spur (Vista) coal mine (started in May 2019) at 6M tonnes annualized; potential to eventually increase to 10M tonne range

- New Teck contract to start in 2021 – Shipments destined to Vancouver and Prince Rupert

- Sale of Ridley Terminal to the private sector is positive for CN’s bulk export opportunities and potential for commodity diversification

- Planned investments at Port of Prince Rupert jointly funded by CN, PRPA and the Canadian Federal government, supporting continued expansion of this growing gateway

- Lower thermal coal prices continue to challenge the U.S. coal market

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Refined Petroleum Products & Sulphur

- Refined petroleum products – Creating opportunities to source refined petroleum products from Alberta to Southern Ontario
- Sulphur – Unique CN reach from origin to export facilities in Vancouver and the St. Lawrence Seaway

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
CN Serving the Majority of New Grain Elevators Built in Canada since 2015

<table>
<thead>
<tr>
<th>CN grain revenues originating from Canada (1)</th>
<th>New investment in 1,500 high-capacity grain hopper cars for delivery in January of 2021</th>
<th>Increased customer participation in CN’s Western Canada fleet integration program</th>
</tr>
</thead>
<tbody>
<tr>
<td>75%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24 new grain elevators built on CN lines:

<table>
<thead>
<tr>
<th>In operation</th>
<th>Announced</th>
<th>Shared</th>
<th>Other railroad</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>5</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td><strong>23 CN exclusive</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) Based on Q2 2020 revenues.

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Strategic Acquisitions and Partnerships
Building on our acquisition track record

Rail Centric

Intermodal and Logistics

Port Partnerships

Pursuing targets that help our customers get their products to market more efficiently, extend our reach, and increase volume on our network

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Disciplined Target Selection

**Right Target to Feed the Network**
- Creates incremental rail volume
- Onboards talent
- Enables modal options & complementary services
- Extends physical & commercial reach

**Financially Compelling and Executable**
- Determine standalone ROIC
- Identify revenue and cost synergies
- Consider required regulatory approvals

**Proven Track Record of Integration**
- Deliver on expected standalone return
- Realize synergies
- Cross-pollinate best practices

**ONE Goal**

Driving shareholder value

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Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
TransX – Recent Intermodal Transaction

Creating Incremental Rail Volume
Shifting over-the-road moves to rail and leveraging additional services to increase rail volumes

Onboarding Talent
Strong entrepreneurial management team with deep expertise in logistics, operations, dispatch and temperature-controlled supply chain

Enabling Complementary Services
Enhancing CN’s existing intermodal supply chain solutions

Extending Physical and Commercial Reach
Deepening the temperature-controlled service offering

Broadening our intermodal services and solidifying our leadership as an end-to-end transportation and logistics company

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Implementing Advanced Technologies

Our next strategic driver of value

- Increasing speed to market, repeatable and reusable
- Focused on key projects – from pilot to implementation
  - Autonomous track inspection program
  - Automated inspection portals
  - Handheld technology
  - Process automation
  - Smart network (digital twin)
Information & Technology
Advancing technology deployment as strategic driver of value

- Autonomous Track Inspection Program
- Automated Inspection Portals
- Handheld Technology for Conductors
- Enterprise Automation
- Handheld Technology for Car Mechanics
- Smart Network

Improving safety, creating capacity, reducing costs and driving service reliability
Autonomous Track Inspection Program (ATIP)

Cutting edge technology will unlock capacity and improve safety performance

<table>
<thead>
<tr>
<th>8 ATIP cars deployed across the network</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully automated rail cars that use the latest sensor and AI technology to test and monitor real-time geometric track parameters without interrupting normal railroad operations</td>
</tr>
<tr>
<td>Benefits include:</td>
</tr>
<tr>
<td>• Fully-automated track inspections can be performed 24/7/365</td>
</tr>
<tr>
<td>• Reduced time required for manual inspections, increasing network capacity and fluidity</td>
</tr>
<tr>
<td>• Earlier detection of track defects and better data capture for improved predictive maintenance, moving from reactive to preventative maintenance and ultimately building a safer and more reliable rail network</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Test Program Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>U.S.</strong></td>
</tr>
<tr>
<td>• Phase 1 of FRA (1) test program underway: 79,300 miles of track inspected July YTD with ATIP car versus 4,800 miles for heavy geometry car over same period last year (17X greater inspection rate)</td>
</tr>
<tr>
<td>• Transitioning to Phase 2: target reduction of manual visual inspection frequency by 50%</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
</tr>
<tr>
<td>• Received exemption from Transport Canada (TC) to use ATIP for regulatory heavy geometry testing on 43 subdivisions</td>
</tr>
<tr>
<td>• Working closely with TC to develop a test corridor for future autonomous testing methodologies similar to the FRA program</td>
</tr>
</tbody>
</table>

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(1) Federal Railroad Administration.

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Advanced Technologies

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8 ATIP cars (all geometry and 3 Laser & LiDAR equipped)
Automated Inspection Portals

High resolution imaging hardware coupled with powerful machine learning software is changing how we inspect our fleet

- Immediate benefits include improved safety with continuous surveillance of rolling stock through automated inspections
- Future benefits include better network fluidity through the reduction of online failures utilizing matured algorithms that can detect a wide variety of mechanical defects
- Sophisticated technology provides 360° view of the train including the undercarriage and typically hard to access areas, avoiding potential for human error to miss defects
- Improved employee efficiency by reducing inspection time required and allowing for more time spent on repairs
- Automated train inspection portal replaced roll-by inspections in Winnipeg in April
- The algorithms developed to date allowed detection of a significant number of defects not visible to the human eye, thereby improving quality of inspection and safety of our operations

<table>
<thead>
<tr>
<th>2019</th>
<th>2020-2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 portals installed</td>
<td>Develop ~100 algorithms and leverage them to automate an enhanced inspection process</td>
</tr>
<tr>
<td>9 algorithms developed</td>
<td></td>
</tr>
</tbody>
</table>
Handheld Technology

Digitization of manual processes driving standardization, improved productivity, reduced costs and better revenue capture

Mobile Device for Car Mechanics (550 devices deployed)
• Increase data accuracy and scope of work billed – automate material billing
• Improve supervisors’ visibility of work progression and efficiency with remote surveillance

Mobile Device for Train Crews (10,450 devices deployed)
• Speed up information flow to customers and increase accuracy and completeness in reporting work performed – capture material revenue
• Enable dynamic planning and work assignment, real-time status

Documentation on Mobile Devices
• Improve safety and productivity with easier navigation and access to operating rules, customization of content and more robust update process
• Eliminating ~30 million printed pages of paper annually at CN

2019
• Full deployment of Electronic Operating Manual and the first phase of Mobile Reporting Services

2020
• Full deployment of Car Repair Billing application

Enable digital reporting on services to customers
Process Automation

Using technology to automate and eliminate labour-intensive and low-value repetitive tasks

- Leveraging a variety of tools, such as Robotic Process Automation (RPA), smart data capture, conversational interfaces (chatbots), cognitive automation and agile orchestration technologies
- Scalability at low incremental cost
- Enables employees to focus on value added tasks
- Chief Digital Officer and team are accelerating digitization of labor intensive repetitive work process
- Launched first set of digital products to customers in Q1 2020, that allow customers to connect seamlessly with CN for shipment information

2019 | Mid-year 2020 over 50 automated processes | 2021
---|---|---
17 processes automated | 2020 | Healthy pipeline of further opportunity
Smart Network (Digital Twin)
An integrated digital scenario analysis and simulation tool to improve insight and enhance capacity planning relative to changing demand

- Simulates train movements on the network to gain insight on capacity, cost and operational fluidity
- Stress testing scenario analysis will help identify options/trade-offs to handle forecasted volume, including identification of specific pinch points, on a more timely basis
- Improves speed and accuracy of analysis of long lead time assets; infrastructure, crew and locomotive demand
- Modeling capabilities extended to incorporate work block programs, giving insight into operational trade-offs

Q4 2019
Integrated with modernized simulator engine

2020
Locomotive and crew planning model in place

2021
Full integrated network simulator
Building the Intermodal of the Future
Brampton Intermodal Terminal (Toronto) – First terminal to be upgraded

Yard design
Improving capacity, productivity and service levels, including new container slot locations, storage methods, and traffic flows

Telematics
Sensors on cranes and shunt trucks to locate containers within the yard

Smart screens and smart maps
Visualization of inventory and moving equipment within the yard that reduce number of lifts per container

Operating system
Terminal decision making, capacity, productivity, and service levels

- Lower operating costs
- Enhance customer experience
- Increase terminal capacity
Shareholder Value Creation

• Ability to adjust resources through economic cycles

• Strong balance sheet and disciplined capital allocation

• Solid historical Total Shareholder Return (TSR)
Track Record of Delivering Solid Results

**Revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$12,037</td>
<td>$13,041</td>
</tr>
<tr>
<td>2017</td>
<td>$13,041</td>
<td>$14,321</td>
</tr>
<tr>
<td>2018</td>
<td>$14,321</td>
<td>$14,917</td>
</tr>
<tr>
<td>2019</td>
<td>$7,503</td>
<td>$6,754</td>
</tr>
</tbody>
</table>

CAGR 7%

**Net Income**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$3,640</td>
<td>$5,484</td>
</tr>
<tr>
<td>2017</td>
<td>$4,328</td>
<td>$4,216</td>
</tr>
<tr>
<td>2018</td>
<td>$4,328</td>
<td>$4,216</td>
</tr>
<tr>
<td>2019</td>
<td>$2,148</td>
<td>$1,556</td>
</tr>
</tbody>
</table>

CAGR 5%

**Free Cash Flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$2,520</td>
<td>$2,778</td>
</tr>
<tr>
<td>2017</td>
<td>$2,778</td>
<td>$2,514</td>
</tr>
<tr>
<td>2018</td>
<td>$2,514</td>
<td>$1,992</td>
</tr>
<tr>
<td>2019</td>
<td>$799</td>
<td>$1,581</td>
</tr>
</tbody>
</table>

CAGR -8%

**Diluted EPS**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$4.67</td>
<td>$7.24</td>
</tr>
<tr>
<td>2017</td>
<td>$5.87</td>
<td>$5.83</td>
</tr>
<tr>
<td>2018</td>
<td>$5.83</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>$2.96</td>
<td>$2.18</td>
</tr>
</tbody>
</table>

CAGR 8%

**Adj. Diluted EPS**

<table>
<thead>
<tr>
<th>Year</th>
<th>H1 19</th>
<th>H1 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$4.59</td>
<td>$4.99</td>
</tr>
<tr>
<td>2017</td>
<td>$4.99</td>
<td>$5.50</td>
</tr>
<tr>
<td>2018</td>
<td>$5.50</td>
<td>$5.80</td>
</tr>
<tr>
<td>2019</td>
<td>$2.90</td>
<td>$2.49</td>
</tr>
</tbody>
</table>

CAGR 8%

**Adjusted ROIC**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 19</td>
<td>15.8</td>
<td>15.9</td>
<td>15.7</td>
<td>15.1</td>
</tr>
</tbody>
</table>

(1) Please see website, Financial Results, [www.cn.ca/financial-results](http://www.cn.ca/financial-results), for an explanation of this non-GAAP measure.

(2) Please see the Appendix for an explanation of this non-GAAP measure.

For more financial information, please visit [www.cn.ca/en/investors](http://www.cn.ca/en/investors).
Disciplined Approach to Capital Investments
Investing to support our business and committed to investing for the long-term

Capital Investments and Adjusted ROIC (1)
in $M & % respectively

![Bar chart showing capital investments from 2013 to 2019 with a trend line.](chart)

- **Capital investments as a percentage of revenues**
  - 2013: 19%
  - 2014: 19%
  - 2015: 21%
  - 2016: 23%
  - 2017: 21%
  - 2018: 25%
  - 2019: 26%
  - 2020F (3)

Adjusted ROIC (1) used to measure efficiency of CN’s long-term capital investment

(1) Please see the Appendix for an explanation of this non-GAAP measure.
(2) Positive Train Control.
(3) Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Investing for the Future of Grain

- Acquiring 1,500 new high-capacity grain hopper cars for delivery starting in early 2021
- Upgraded railcar fleet can move more grain

Positive trends for Canadian grain production

**Western Canadian Grain Production**
(Million Metric Tonnes)

Expanded grain handling capacity on CN network

- CN serving the majority of new grain elevators built in Canada since 2015
  - Of the 34 new efficient high throughput elevators, 23 are exclusive to CN, with 18 operational
- West Coast grain capacity facilitated by significant terminal infrastructure investments by our customers and investment in rail infrastructure in the Vancouver area
  - G3’s new terminal is the first loop track destination facility in Vancouver; commercially operating since Q2; adding 8MMT of annual capacity
  - Fraser Grain Terminal expected to be in service by Q4 2020, adding 3.5MMT of annual capacity

(1) Source of grain crop data for the crop years indicated: Statistics Canada.
Rewarding Shareholders
Over $3.2B or ~77% of adjusted net income \(^{(1)}\) returned to shareholders in 2019

Consistently increasing dividends

• Dividend increased every year since 1995 IPO
• 37% adjusted dividend payout ratio in 2019 \(^{(2)}\)

Opportunistic share repurchases

• Over $23B of share repurchases since 2000
• Normal Course Issuer Bid (NCIB) of up to 16 million common shares from February 1, 2020 to January 31, 2021 \(^{(3)}\)
• As of March 31, 2020, in light of the uncertain and unprecedented environment, the Company has paused share repurchases.

Amount spent on share repurchases (in $M)

(1) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.
(2) Please see the Appendix for an explanation of this measure.
(3) Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Maintaining a Strong Balance Sheet
Prudent financial management

**Adjusted debt-to-adjusted EBITDA multiple (1)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Multiple</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>1.74</td>
</tr>
<tr>
<td>2014</td>
<td>1.63</td>
</tr>
<tr>
<td>2015</td>
<td>1.77</td>
</tr>
<tr>
<td>2016</td>
<td>1.85</td>
</tr>
<tr>
<td>2017</td>
<td>1.75</td>
</tr>
<tr>
<td>2018</td>
<td>1.94</td>
</tr>
<tr>
<td>2019</td>
<td>2.02</td>
</tr>
<tr>
<td>LTM (2) ended Jun 19</td>
<td>1.95</td>
</tr>
<tr>
<td>LTM (2) ended Jun 20</td>
<td>2.15</td>
</tr>
</tbody>
</table>

**Investment Grade Credit Ratings**
Ratings all reconfirmed in 2020

<table>
<thead>
<tr>
<th>Rating Service</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody’s</td>
<td>A2</td>
</tr>
<tr>
<td>Dominion Bond Rating Service</td>
<td>A</td>
</tr>
<tr>
<td>Standard &amp; Poor’s</td>
<td>A</td>
</tr>
</tbody>
</table>

(1) Please see website, Financial Results, [www.cn.ca/financial-results](http://www.cn.ca/financial-results), for an explanation of this non-GAAP measure.

(2) LTM – Last 12 months

Shareholder Value

$
Prudent Financial Management in Unprecedented Economic Uncertainty

• Withdrew 2020 financial guidance and 3-year targets provided at the 2019 Investor Day due to uncertainty caused by COVID-19 pandemic

• Strong balance sheet to weather the storm
  • Best investment grade credit rating in the industry, with ability to continue to access commercial paper market

• Reduced capital envelope in 2020 to approximately $2.9B

• Continuing to pause share repurchases and will reassess on an ongoing basis

• Committed to maintaining previously announced 2020 dividend increase of 7%

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Our Strategic Game Plan

Aiming to deliver long-term profitable growth and create shareholder value

Driving shareholder value creation
Consistent capital allocation strategy with financial discipline and flexibility to drive strong and sustainable ROIC

Implementing advanced technologies to modernize Scheduled Railroading
At forefront of industry further enhancing safety, reliability and efficiency

Targeting long-term profitable growth
Multiple levers with solid pipeline to continue growing faster than the economy at low incremental cost

Right talent to win
Action-oriented, deep bench with strong track record and focus on continuous improvement

Our foundation
Service and operational excellence driven by culture of continuous improvement and social responsibility; pioneers of Scheduled Railroading with unique network
Appendix
## Appendix: Financial Highlights

Consistently delivered **15%+ ROIC** since 2013

<table>
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<tr>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total revenues ($M)</strong></td>
<td>10,575</td>
<td>12,134</td>
<td>12,611</td>
<td>12,037</td>
<td>14,321</td>
<td>14,917</td>
<td></td>
<td>6%</td>
<td>6,754</td>
<td>(10%)</td>
</tr>
<tr>
<td><strong>Total revenue ton miles (RTMs) (B)</strong></td>
<td>210.1</td>
<td>232.1</td>
<td>224.7</td>
<td>214.3</td>
<td>237.1</td>
<td>248.4</td>
<td>241.9</td>
<td>2%</td>
<td>110.9</td>
<td>(10%)</td>
</tr>
<tr>
<td><strong>Operating income ($M)</strong></td>
<td>3,819</td>
<td>4,498</td>
<td>5,155</td>
<td>5,032</td>
<td>5,243</td>
<td>5,493</td>
<td>5,593</td>
<td>7%</td>
<td>2,000</td>
<td>(28%)</td>
</tr>
<tr>
<td><strong>Net income ($M)</strong></td>
<td>2,612</td>
<td>3,167</td>
<td>3,538</td>
<td>3,640</td>
<td>4,328</td>
<td>4,216</td>
<td></td>
<td>8%</td>
<td>1,556</td>
<td>(28%)</td>
</tr>
<tr>
<td><strong>Adjusted net income ($M)</strong></td>
<td>2,582</td>
<td>3,095</td>
<td>3,580</td>
<td>3,581</td>
<td>3,778</td>
<td>4,056</td>
<td>4,189</td>
<td>8%</td>
<td>1,778</td>
<td>(15%)</td>
</tr>
<tr>
<td><strong>Diluted earnings per share ($)</strong></td>
<td>3.09</td>
<td>3.85</td>
<td>4.39</td>
<td>4.67</td>
<td>7.24</td>
<td>5.87</td>
<td>5.83</td>
<td>11%</td>
<td>2.18</td>
<td>(26%)</td>
</tr>
<tr>
<td><strong>Adjusted diluted earnings per share ($)</strong></td>
<td>3.06</td>
<td>3.76</td>
<td>4.44</td>
<td>4.59</td>
<td>4.99</td>
<td>5.50</td>
<td>5.80</td>
<td>11%</td>
<td>2.49</td>
<td>(14%)</td>
</tr>
<tr>
<td><strong>Free cash flow ($M)</strong></td>
<td>1,623</td>
<td>2,220</td>
<td>2,373</td>
<td>2,520</td>
<td>2,778</td>
<td>2,514</td>
<td>1,992</td>
<td>3%</td>
<td>1,581</td>
<td>98%</td>
</tr>
<tr>
<td><strong>Operating ratio (%)</strong></td>
<td>63.9</td>
<td>62.9</td>
<td>59.1</td>
<td>58.2</td>
<td>59.8</td>
<td>61.6</td>
<td>62.5</td>
<td></td>
<td>70.4</td>
<td>(720 bps)</td>
</tr>
<tr>
<td><strong>Adjusted operating ratio (%)</strong></td>
<td>63.9</td>
<td>62.9</td>
<td>59.1</td>
<td>58.2</td>
<td>59.8</td>
<td>61.5</td>
<td>61.7</td>
<td></td>
<td>63.2</td>
<td>(110 bps)</td>
</tr>
<tr>
<td><strong>Share repurchases ($M)</strong></td>
<td>1,400</td>
<td>1,505</td>
<td>1,750</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>1,700</td>
<td></td>
<td>379</td>
<td></td>
</tr>
<tr>
<td><strong>Dividends per share ($)</strong></td>
<td>0.86</td>
<td>1.00</td>
<td>1.25</td>
<td>1.50</td>
<td>1.65</td>
<td>1.82</td>
<td>2.15</td>
<td></td>
<td>1.1500</td>
<td>7%</td>
</tr>
<tr>
<td><strong>Adjusted debt-to-adjusted EBITDA multiple (times)</strong></td>
<td>1.74</td>
<td>1.63</td>
<td>1.77</td>
<td>1.85</td>
<td>1.75</td>
<td>1.94</td>
<td>2.02</td>
<td></td>
<td>2.15</td>
<td></td>
</tr>
<tr>
<td><strong>Return on Invested Capital (ROIC) (%)</strong></td>
<td>15.4</td>
<td>16.6</td>
<td>16.8</td>
<td>16.0</td>
<td>22.4</td>
<td>16.7</td>
<td>15.3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted ROIC (%)</strong></td>
<td>15.2</td>
<td>16.2</td>
<td>17.0</td>
<td>15.8</td>
<td>15.9</td>
<td>15.7</td>
<td>15.1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1)  H1 2020 vs H1 2019.
(2)  Please see website, Financial Results, [www.cn.ca/financial-results](http://www.cn.ca/financial-results), for an explanation of these non-GAAP measures.
(3)  Please see the Appendix – Non-GAAP measures for an explanation of these non-GAAP measures.
Appendix: Non-GAAP Measures

This presentation makes reference to non-GAAP measures that do not have any standardized meaning prescribed by GAAP, including adjusted dividend payout ratio, ROIC and adjusted ROIC. These non-GAAP measures may not be comparable to similar measures presented by other companies. These non-GAAP measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP.

Adjusted Dividend Payout Ratio

Management believes that the adjusted dividend payout ratio is a useful measure of the Company’s financial strength as it demonstrates the sustainability of the Company’s dividend payments. The Company calculates the dividend payout ratio as dividends divided by net income. The Company calculates the adjusted dividend payout ratio as dividends divided by adjusted net income.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends</td>
<td>724</td>
<td>818</td>
<td>996</td>
<td>1,159</td>
<td>1,239</td>
<td>1,333</td>
<td>1,544</td>
</tr>
<tr>
<td>Net income</td>
<td>2,612</td>
<td>3,167</td>
<td>3,538</td>
<td>3,640</td>
<td>5,484</td>
<td>4,328</td>
<td>4,216</td>
</tr>
<tr>
<td>Dividend payout ratio (%)</td>
<td>27.7</td>
<td>25.8</td>
<td>28.2</td>
<td>31.8</td>
<td>22.6</td>
<td>30.8</td>
<td>36.6</td>
</tr>
<tr>
<td>Dividends</td>
<td>724</td>
<td>818</td>
<td>996</td>
<td>1,159</td>
<td>1,239</td>
<td>1,333</td>
<td>1,544</td>
</tr>
<tr>
<td>Adjusted net income (1)</td>
<td>2,582</td>
<td>3,095</td>
<td>3,580</td>
<td>3,581</td>
<td>3,778</td>
<td>4,056</td>
<td>4,189</td>
</tr>
<tr>
<td>Adjusted dividend payout ratio (%)</td>
<td>28.0</td>
<td>26.4</td>
<td>27.8</td>
<td>32.4</td>
<td>32.8</td>
<td>32.9</td>
<td>36.9</td>
</tr>
</tbody>
</table>

(1) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.
Appendix: Non-GAAP Measures (Continued)

**ROIC and Adjusted ROIC**

Management believes that ROIC and adjusted ROIC are useful measures of the efficiency in the use of capital funds. The Company calculates ROIC as return divided by average invested capital. Return is defined as net income plus interest expense after-tax, calculated using the Company’s effective tax rate. Average invested capital is defined as the sum of total shareholders’ equity, long-term debt and current portion of long-term debt less cash and cash equivalents, and restricted cash and cash equivalents, averaged between the beginning and ending balance over a twelve-month period. The Company calculates adjusted ROIC as adjusted return divided by average invested capital. Adjusted return is defined as adjusted net income plus interest expense after-tax, calculated using the Company’s effective tax rate, excluding the tax effect of adjustments used to determine adjusted net income.

<table>
<thead>
<tr>
<th>In $M, unless otherwise indicated</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>2,612</td>
<td>3,167</td>
<td>3,538</td>
<td>3,640</td>
<td>5,484</td>
<td>4,328</td>
<td>4,216</td>
</tr>
<tr>
<td>Interest expense</td>
<td>357</td>
<td>371</td>
<td>439</td>
<td>480</td>
<td>481</td>
<td>489</td>
<td>538</td>
</tr>
<tr>
<td>Tax on interest expense (1)</td>
<td>(97)</td>
<td>(102)</td>
<td>(120)</td>
<td>(125)</td>
<td>(124)</td>
<td>(116)</td>
<td>(120)</td>
</tr>
<tr>
<td>Return</td>
<td>2,872</td>
<td>3,436</td>
<td>3,857</td>
<td>3,995</td>
<td>5,841</td>
<td>4,701</td>
<td>4,634</td>
</tr>
<tr>
<td>Average invested capital</td>
<td>18,650</td>
<td>20,711</td>
<td>23,014</td>
<td>24,905</td>
<td>26,019</td>
<td>28,192</td>
<td>30,350</td>
</tr>
<tr>
<td>ROIC (%)</td>
<td>15.4</td>
<td>16.6</td>
<td>16.8</td>
<td>16.0</td>
<td>22.4</td>
<td>16.7</td>
<td>15.3</td>
</tr>
<tr>
<td>Adjusted net income (2)</td>
<td>2,582</td>
<td>3,095</td>
<td>3,580</td>
<td>3,581</td>
<td>3,778</td>
<td>4,056</td>
<td>4,189</td>
</tr>
<tr>
<td>Interest expense</td>
<td>357</td>
<td>371</td>
<td>439</td>
<td>480</td>
<td>481</td>
<td>489</td>
<td>538</td>
</tr>
<tr>
<td>Adjusted tax on interest expense (3)</td>
<td>(95)</td>
<td>(103)</td>
<td>(116)</td>
<td>(126)</td>
<td>(124)</td>
<td>(120)</td>
<td>(131)</td>
</tr>
<tr>
<td>Adjusted return</td>
<td>2,844</td>
<td>3,363</td>
<td>3,903</td>
<td>3,935</td>
<td>4,135</td>
<td>4,425</td>
<td>4,596</td>
</tr>
<tr>
<td>Average invested capital</td>
<td>18,650</td>
<td>20,711</td>
<td>23,014</td>
<td>24,905</td>
<td>26,019</td>
<td>28,192</td>
<td>30,350</td>
</tr>
<tr>
<td>Adjusted ROIC (%)</td>
<td>15.2</td>
<td>16.2</td>
<td>17.0</td>
<td>15.8</td>
<td>15.9</td>
<td>15.7</td>
<td>15.1</td>
</tr>
</tbody>
</table>

(1) The effective tax rates from 2013 to 2019 used to calculate the tax on interest expense are 27.2%, 27.4%, 27.4%, 26.1%, 25.8%, 23.8% and 22.3%, respectively. Due to the negative effective tax rate reported by the Company in 2017, tax on interest expense for 2017 periods was calculated using an adjusted effective tax rate.

(2) Please see website, Financial Results, [www.cn.ca/financial-results](http://www.cn.ca/financial-results), for an explanation of this non-GAAP measure.

(3) The adjusted effective tax rates from 2013 to 2019 used to calculate the adjusted tax on interest expense are 26.6%, 27.7%, 26.5%, 26.2%, 25.8%, 24.5% and 24.4%, respectively.
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