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 CN and Kansas City Southern ("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.

2021 Key Assumptions
CN has made a number of economic and market assumptions in preparing its 2021 outlook. The Company assumes that North American industrial production for the year will increase in the high single-digit range and assumes U.S. housing starts of approximately 1.45 million units and U.S. motor vehicle sales of approximately 16 million units. For the 2020/2021 crop year, the grain crop in Canada was above its three-year average and the U.S. grain crop was in line with its three-year average. The Company assumes that the 2021/2022 grain crops in both Canada and the U.S. will be in line with their respective three-year averages. CN assumes total RTMs in 2021 will increase in the high single-digit range versus 2020. CN assumes continued pricing above rail inflation. CN assumes that in 2021, the value of the Canadian dollar in U.S. currency will be approximately $0.80, and that in 2021 the average price of crude oil (West Texas Intermediate) will be approximately US$60 per barrel. In 2021, CN plans to invest approximately C$3.0 billion in its capital program, of which C$1.6 billion is targeted to track and railway infrastructure maintenance.

Forward-looking statements are not guarantees of future performance, risks, uncertainties and other factors that may cause actual results, performance or achievements of CN, or the combined company, to be materially different from the outlook or any future results, performance or achievements 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 in this presentation include, but are not limited to: the outcome of the proposed transaction between CN and KCS; the parties' ability to consummate the proposed transaction; the conditions to the completion of the proposed transaction; that the regulatory approvals required for the proposed transaction may not be obtained on the terms expected or on the anticipated schedule or at all; CN's indebtedness, including the substantial indebtedness CN expects to incur and assume in connection with the proposed transaction and the need to generate sufficient cash flows to service and repay such debt; CN's ability to meet expectations regarding the timing, completion and accounting and tax treatments of the proposed transaction; the possibility that CN may be unable to achieve expected synergies and operating efficiencies within the expected time-frames or at all and to successfully integrate KCS' operations with those of CN; that such integration may be more difficult, time-consuming or costly than expected; that operating costs, customer loss and business disruption (including, without limitation, difficulties in maintaining relationships with employees, customers or suppliers) may be greater than expected following the proposed transaction or the public announcement of the proposed transaction; the retention of certain key employees of KCS may be difficult; 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; the adverse impact of any termination or revocation by the Mexican government of KCS de México, S.A. de C.V.'s Concession; 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 lead to natural events such as severe weather, droughts, fires, floods and earthquakes; climate change, labor relations and disputes; 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 also 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 and available on CN's website, for a description of major risk factors relating to CN.

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, Return on Invested Capital (ROIC) and Adjusted ROIC, Adjusted operating ratio, 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, Financial Results at www.cn.ca/financial-results.

This presentation also includes certain forward looking non-GAAP measures (Adjusted Diluted EPS, Adjusted EBITDA). It is not practicable to reconcile, without unreasonable efforts, these forward-looking measures to the most comparable GAAP measures (diluted EPS and Net income), 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 Canadian dollars, unless otherwise noted.
Additional information

No Offer or Solicitation
This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Additional Information and Where to Find It
Portions of this presentation related to the proposed transaction between CN and KCS. In connection with the proposed transaction, CN has filed with the U.S. Securities and Exchange Commission ("SEC") a registration statement on Form F-4 to register the shares to be issued in connection with the proposed transaction, and the registration statement has been declared effective. CN has filed with the SEC its prospectus and KCS has filed with the SEC its definitive proxy statement in connection with the proposed transaction, and the KCS proxy statement is being sent to the stockholders of KCS seeking their approval of the merger-related proposals. This presentation is not a substitute for the registration statement, the prospectus, the proxy statement or other documents CN and/or KCS may file with the SEC or applicable securities regulators in Canada in connection with the proposed transaction.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE REGISTRATION STATEMENT, THE PROSPECTUS, THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC OR APPLICABLE SECURITIES REGULATORS IN CANADA CAREFULLY IN THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) BECAUSE THEY CONTAIN AND WILL CONTAIN IMPORTANT INFORMATION ABOUT CN, KCS AND THE PROPOSED TRANSACTION. Investors and security holders may obtain copies of these documents (if and when available) and other documents filed with the SEC and applicable securities regulators in Canada by CN free of charge through at www.sec.gov and www.sedar.com. Copies of the documents filed by CN (if and when available) will also be made available free of charge by accessing CN’s website at www.CN.ca. Copies of the documents filed by KCS (if and when available) will also be made available free of charge at www.investors.kcsouthern.com, upon written request delivered to KCS at 427 West 12th Street, Kansas City, Missouri 64105, Attention: Corporate Secretary, or by calling KCS’ Corporate Secretary’s Office by telephone at 1-888-800-3690 or by email at corpsec@kcsouthern.com.

Participants
This presentation is neither a solicitation of a proxy nor a substitute for the registration statement, the prospectus, the proxy statement or other filings that may be made with the SEC and applicable securities regulators in Canada. Nonetheless, CN and certain of their 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 transaction. 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/ and at www.sec.gov and www.sedar.com. Additional information regarding the interests of such potential participants is or may be included in the registration statement, the prospectus, the proxy statement 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 and from www.sedar.com, as applicable.
North American rail industry landscape

Seven Class 1 railways in North America

• 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$24.4 trillion

• Current trends favoring rails
  • Trucking regulations and driver shortage
  • Growing environmental pressures
  • 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 (200 km on one liter) of fuel (1)

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

• CN is a world-class transportation leader and trade-enabler. Essential to the economy, to the customers, and to the communities it serves, CN safely transports more than 300 million tons of natural resources, manufactured products and finished goods throughout North America every year.

• CN is the only railroad connecting Canada’s Eastern and Western coasts with the U.S. South through a 19,500-mile rail network.

• 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.

• About 80% of CN employees participate in the Company’s Employee Share Investment Plan and collectively own over $700 million worth of shares.

2020 HIGHLIGHTS (1)

| 24,000+ employees | $96B market capitalization (2) |
| 19,500 route miles | 5.6M carloads |
| $13.8B total revenues | $44.8B total assets |
| $2.9B capital investments | $3.2B free cash flow (3) |

(1) Data is as at or for the year ending December 31, 2020, unless otherwise indicated.
(2) As at July 30, 2021.
(3) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.
CN’s foundation of excellence and core strengths

✓ Unique franchise with 3 coast-access; network fluidity advantage around Chicago
✓ Pioneer of Precision Scheduled Railroading; first to champion and integrate PSR across our full network
✓ High-quality, experienced management team; proven track record of being best-in-class supply chain enabler
✓ ESG leadership; industry leader in fuel and carbon efficiency; the only Class I in the Dow Jones Sustainability World Index
✓ Culture of safety, efficiency, integrity, and diversity; combined with leadership in advanced technology
✓ Strong balance sheet; and disciplined capital allocation
✓ Long-standing acquisition track record; strategic, accretive, and successful integrations
Our strategic game plan
Aiming to deliver long-term sustainable 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
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 Precision Scheduled Railroading with unique network

Pages
51-58
43-50
24-42
19-23
8-18
Our foundation
Building blocks of our success

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

• Pioneered Precision Scheduled Railroading (PSR) over 15 years ago
  • Optimizing network to move customer goods quicker – balancing operational and service excellence
  • Track record of profitable growth

• Delivering Responsibly with a strong focus on ESG
  • Culture of safety, efficiency, integrity and diversity; part of the climate solution
  • Strong track record of fuel and carbon efficiency
Unparalleled North American rail network built through acquisitions

2021
CREATING THE PREMIER RAILWAY FOR THE 21ST CENTURY (1)
Kansas City Southern Railway (pending regulatory review)

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

(1) Refer to pages 60-63 for more information on the proposed merger with Kansas City Southern Railway.
Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Unique three-coast network
Unparalleled reach coupled with profound geographic and product diversity

Well-diversified portfolio

- Metals and Minerals: 10%
- Forest Products: 12%
- Automotive: 4%
- Coal: 4%
- Petroleum and Chemicals: 19%
- Other: 4%
- Domestic Intermodal: 19%
- International Intermodal: 19%

TRAFFIC DENSITY LEGEND (1)
GTMs per route mile
- Over 100 million
- 50-100 million
- 30-50 million
- 10-30 million
- Up to 10 million

For more information on CN’s network, please visit www.cn.ca/en/our-services/maps-and-network.

Over 85% of traffic originates on CN’s network and over 65% originates and terminates on CN’s network.

Based on H1 2021 revenues

(1) The map refers to traffic density based on 2020 gross ton mile (GTM) production (million GTMs per route mile).
Precision Scheduled Railroading as our foundation

- CN pioneered PSR 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

- Capacity infrastructure investments and fleet additions supporting long-term growth
Q2 key operating metrics - fluid network to meet the demand of the North American economy

Fuel Efficiency
US gallons of locomotive fuel per 1,000 GTMs

- Q2-20: 0.88
- Q2-21: 0.86
- ▼ 2% vs Q2-20

Train Length
In feet

- Q2-20: 8,886
- Q2-21: 8,749
- ▼ 2% vs Q2-20

Through Dwell
Entire railroad, hours

- Q2-20: 8.4
- Q2-21: 7.7
- ▼ 8% vs Q2-20

Car Velocity
Car miles per day

- Q2-20: 197
- Q2-21: 205
- ▲ 4% vs Q2-20

Labor Productivity
MGTMs per employee

- Q2-20: 4.56
- Q2-21: 4.78
- ▲ 5% vs Q2-20

Through Network Train Speed
miles per hour

- Q2-20: 19.9
- Q2-21: 19.5
- ▼ 2% vs Q2-20
CN has led the sector in growth over the past two decades while continuing to improve OR

Share Price Performance Since 2000

<table>
<thead>
<tr>
<th>Performance metric</th>
<th>2001-2010</th>
<th>2010-2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intermodal CAGR</td>
<td>+6%</td>
<td>+10%</td>
</tr>
<tr>
<td>Intermodal % of total revenue</td>
<td>+185bps</td>
<td>+639bps</td>
</tr>
<tr>
<td>Adjusted OR improvement (1)</td>
<td>+310bps</td>
<td>+370bps</td>
</tr>
<tr>
<td>Revenue CAGR</td>
<td>+4%</td>
<td>+7%</td>
</tr>
<tr>
<td>Adjusted Diluted EPS (2) CAGR</td>
<td>+11%</td>
<td>+12%</td>
</tr>
</tbody>
</table>

(1) 2010 adjusted OR reflects adjustment for pension accounting reclassification.
(2) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.

Note: OR refers to Operating Ratio (defined as operating expenses as a percentage of revenues)

First railway to implement PSR successfully
Optimizing network efficiency and advancing safety and fuel efficiency
Partnerships with ports on the Pacific, Atlantic and Gulf coasts to capitalize on shifting global trade patterns
Investments in automation such as autonomous track inspection and automated train inspection to drive next leg of operational efficiency and EPS growth in the next decade

+2,337% from 2000 - Today
Delivering Responsibly: CN’s approach to a more sustainable future

*Delivering Responsibly* is an integral part of our business strategy, touching all aspects of our operations. CN supports the [United Nations Sustainable Development Goals (SDGs)](https://www.un.org/sustainabledevelopment/), 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.

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

### 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.

### 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.

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

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

**Key SDGs:**
- **13 Climate Action:** Take urgent action to combat climate change and its impacts
- **9 Industry, Innovation and Infrastructure:** Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- **8 Decent Work and Economic Growth:** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **11 Sustainable Cities and Communities:** Make cities and human settlements inclusive, safe, resilient and sustainable
- **5 Gender Equality:** Achieve gender equality and empower all women
Leading the industry in ESG

Delivering Responsibly is at the heart of how CN is building for a sustainable future. It means moving our customer’s goods safely and efficiently, in an environmentally responsible manner, attracting, developing and retaining diverse talent, and helping to build safer, stronger communities, while adhering to the highest ethical standards.

### Environmental protection
- CN leads the North American rail industry, consuming ~15% less locomotive fuel per gross ton mile
- CN achieved 43% locomotive emission intensity improvement since 1993
- Diverting ~90% of our waste from landfill

### Social responsibility
- Leveraging recent advances in technology to drive improved safety
- In 2019 adopted *Life Critical Rules* as a means to strengthen our safety culture
- Signatory to Catalyst Accord 2022; committed to extend gender diversity beyond the board to executive management with target of 30% by 2022

### Strong governance
- Continuously improving our culture of integrity and ethical business conduct
- Executive compensation aligned with ESG objectives, including safety and fuel efficiency
- 5 out of 10 of CN’s non-management directors are women

---

43%

Science-based target of 43% carbon emission intensity reduction by 2030 based on 2019 levels

Zero

Goal to reduce serious injuries and fatalities to zero at CN

50%

Target of at least 50% of non-management directors coming from diverse groups, including gender parity, by end of 2022

---

(1) In 2017, CN was amongst the first 150 companies globally to set an approved science-based carbon emission intensity reduction target, committing to reduce Green House Gas (GHG) emission intensity (tCO2e/million tonne kilometers) by 29% by 2030, based on 2015 levels, in support of keeping global temperature increase to below 2 degrees Celsius. To ensure consistency with the most recent climate science that applies to a well below 2-degree scenario, CN revised its target and received approval from the Science Based Target Initiative (SBTi) in April 2021. CN’s new science-based target is to reduce Scope 1 and 2 GHG emissions per million GTMs by 2030 vs 2019.
## Commitment to advancing ESG initiatives
Longer-term goal is to continue to lead industry best practices in ESG

### 2021 major ESG initiatives undertaken

- On February 11, 2021, CN announced an **annual advisory vote** on the Company’s **climate action plan**. The first non-binding vote took place at the AGM in April 2021
- Creation of the **CN Indigenous Advisory Council**
- **Board diversity target**: at least 50% of the independent directors coming from diverse groups, including gender parity, by the end of 2022
- **Executive management gender diversity target**: at least 30% women, by the end of 2022
- **Reset of governance policies**: reducing the age limit and tenure of directors, setting a lower maximum of public boards on which directors can serve, and reducing the size of the Board
- Linked **employee engagement, customer centricity and fuel efficiency** to annual bonus plan for executives and senior management, and **extended the safety component** to all management employees
- **First Class 1 railroad** in North America to secure financing terms linked to key sustainability targets with the adoption of a **Sustainability linked loan**

### Commitment to climate action and transparency

- For over a decade, through our CDP reporting, we have described how we have addressed climate-related risks and opportunities, our business strategy and targets and performance
- We recognize the importance of mitigating and adapting our business to changing climate conditions and our Climate Action Plan supports the Paris Agreement
- CN was the first Class 1 railroad and among the first 150 companies globally to set an approved science-based carbon emission intensity reduction target in 2017
- In April 2021, the **Science Based Targets Initiative (SBTi)** approved CN’s new emission reduction target in line with the latest climate science that applies to a well below 2°C scenario, and to account for its recent TransX acquisition
- **CN is one of only 3 Canadian companies** listed on CDP’s prestigious **Climate A List** in 2020
- In 2020, CN issued its first Task Force on Climate-related Financial Disclosures (TCFD) report, a first in the North American rail sector
Strong track record of fuel and carbon efficiency

With approximately 85% of CN’s direct GHG emissions generated from rail operations, our focus is to continuously improve our locomotive fuel efficiency and reduce our carbon emissions. Capitalizing on the company’s DNA of efficiency, we are working collaboratively to further reduce rail emissions and extend the mindset of rail operational efficiencies to our non-rail operations, enabling further carbon reductions in our ground and vessel fleets, buildings and yards.

- We are committed to reduce our carbon intensity consistent with stabilizing global temperatures
- Since 1993, CN has reduced its locomotive emission intensity by 43%, avoiding over 46 million tons of carbon, through fuel efficiency gains
- **Industry leader in fuel efficiency:** CN consumes approximately **15% less locomotive fuel** per gross ton mile than the average of the Class 1 peers

Locomotive Fuel Efficiency

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

Rail Locomotive Carbon Emissions Intensity vs GTMs

Other Class 1 data obtained from publicly available financial reports.
Awards and recognition

CN has been recognized for our sustainability performance and ESG disclosure. We strive to be a leader and among the world’s best in sustainability.

CN’s sustainability disclosures are aligned with GRI Sustainability Standards, SASB Standards, the International Integrated Reporting Council, the Greenhouse Gas Protocol, the TCFD, the Science Based Targets Initiative, and the CDP.
Right talent to win
Action-oriented, deep bench with strong track record

• Seasoned leadership team with an average of 20+ years
• Leveraging existing employee base with talent to value methodology
• Onboarding experienced, external talent to drive next wave of innovation
• Committed to developing the best railroaders and to creating a diverse and inclusive work environment
CN leadership
Backed by a dedicated team of over 24,000 railroaders

Jean-Jacques Ruest  
President & Chief Executive Officer

Rob Reilly  
Executive Vice-President & Chief Operating Officer

Keith Reardon  
Senior Vice-President, Consumer Product Supply Chain

Ghislain Houle  
Executive Vice-President & Chief Financial Officer

James Cairns  
Senior Vice-President, Rail Centric Supply Chain

Sean Finn  
Executive Vice-President, Corporate Services & CLO

Dorothea Klein  
Senior Vice-President & Chief Human Resources Officer

Helen Quirke  
Senior Vice-President & Chief Strategy Officer

Dominique Malenfant  
Executive Vice-President & Chief Information & Technology Officer
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
Ensuring continuous learning for our employees is critical to having a skilled, safe and engaged labor force.

Continuous learning and development

555,000 Hours in 2020, 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>3,289</td>
<td>July 23, 2022</td>
</tr>
<tr>
<td>Track forces</td>
<td>2,561</td>
<td>December 31, 2023</td>
</tr>
<tr>
<td>Shopcraft</td>
<td>1,878</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Locomotive engineers</td>
<td>2,000</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Clerical and Intermodal</td>
<td>1,579</td>
<td>December 31, 2022</td>
</tr>
<tr>
<td>Signals and communications</td>
<td>751</td>
<td>December 31, 2021</td>
</tr>
</tbody>
</table>

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, 2020. Excludes rail traffic controllers, special agents and other.
Creating an inclusive and diverse work environment

**Strengthening our diversity commitment**
- Focused on diversity, including gender, Indigenous peoples, members of visible minorities and persons with disabilities
- 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% by 2022

**Supporting diversity, equity and inclusion through various initiatives**
- Continued to partner with PGNAETA (1) to train future Indigenous railroaders
- Developing inclusive leaders through targeted training and education, including unconscious bias training
- Sponsoring and participating in key events to promote opportunities for women in non-traditional roles
- Continuing to support the Employee Resource Groups (ERGs) that have been initiated and are backed by executive sponsors
- Continued focus on equal remuneration

(1) Prince George Nechako Aboriginal Employment Training Association (PGNAETA)
Targeting long-term profitable growth

• Strategic pipeline of growth opportunities
  • Growing with our customers and partners across the network

• Focused on consumer product and rail centric supply chain organic opportunities

• Aiming to deliver compounded pricing above rail inflation
Strategic pipeline of long-term growth opportunities
Growing with our customers and partners across the network

- Prince Rupert container terminal expansion
- Propane export terminals (AltaGas, Pembina)
- Vancouver grain expansion - G3 Vancouver and Fraser Grain Terminal
- Planned CanaPuxTM (solid bitumen) export
- Vancouver waterfront container terminal expansions
- New wood pellet exports
- Coalspur exports
- New petrochemical production
- Prince Rupert container terminal expansion
- Emerging biofuel opportunities
- New country grain elevators
- Coalspur exports
- Minneapolis automotive and intermodal terminal
- CargoCool / Temperature-controlled intermodal
- Full-member of Equipment Management Program (EMP)
- Mobile logistics park
- Milton logistics hub
- Port container interline partnership into central Canada
- Teck strategic contract
- PSA Halifax container terminal expansion

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
2021 market outlook – more balanced growth as North American economy rebounds

Rail Centric Supply Chain

**Merchandise**
- Strong renovation sector and housing market promoting continued strong lumber and panels traffic
- Continued ramp-up of second propane export terminal in Prince Rupert
- New iron ore pellet export program via U.S. Gulf Coast
- Improving expectations for refined petroleum products as travel patterns resume
- Clean energy segments, including wood pellets and ethanol, growing faster than broader CN volumes

**Bulk**
- Strong Canadian coal shipments with new Teck business, as well as U.S. exports via the Gulf
- U.S. grain shipments facing tougher comps in H2
- Strong global and domestic demand driving record H1 potash shipments

Consumer Product Supply Chain

**International intermodal**
- U.S. West Coast congestion driving incremental volumes through Canadian gateways
- Continue to see strong volumes at the Port of Halifax
- Converting on new products, new relationships and new gateways to enable global trade

**Domestic intermodal**
- Strong momentum from consumer demand and e-commerce spending as economy broadly rebounds

**Automotive**
- Global chip shortage continues to weigh on auto production, amid strong consumer demand
Canadian West Coast port strategy

Vancouver – Investing to accommodate future growth

Rail investments (over $350M jointly funded by CN, Port of Vancouver and Canadian Federal Government)

- Improving rail access to North Shore
  - 5.8 km staging track, and tunnel ventilation improvements (2021)
  - Grade separation (2024)

- 5.6 km double track (2021)

Customer investments – Over $2B in private sector investments

1. Centerm – Planned increase in capacity from 900k to 1.5M TEU (early 2022)
2. Vanterm – Planned increase in capacity from 850k to 1.065M TEU (Q3 2021)

- Neptune – Coal capacity from 12.2MT to over 18.5MT (2021) and potash capacity from 6MT to 11.5MT (completed)
- Fibreco (Grain / wood pellets) – added grain
- Cargill (Grain) – Added third dumper
- Richardson International Ltd (Grain) – Increased storage and throughput with over 6MMT capacity
- G3 (Grain) – New grain terminal with 8MMT+ capacity (Q2 2020)

- Fraser Surrey Docks – DPW acquisition of terminal Q1 2020; Fraser Grain Terminal adds 3.5MMT grain export capacity

- Deltaport – Increased capacity from 1.2M to 2.4M TEU (completed) with additional proposed capacity at Roberts Bank (T2)
  - Berth 4 project to add additional 2M TEU capacity (2028-2029)

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

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

1. Fairview Terminal (DPW) – Planned increase in capacity from 1.35M to 1.6M TEU (2022) and 1.6M to 1.8M TEU (2023)

2. Vopak Pacific Canada – Planned bulk liquids terminal scaling to 12MMT by 2026 (Phase 1: 4 MMT by 2023)

3. Export Logistics (PRPA) – Planned permanent dry bulk, agriculture, plastic pellets, forest products and intermodal transloading (2022)

4. Import Logistics (Metlakatla First Nation) – Announced import value-added logistics support services (non-rail)

5. Pembina – Liquefied Petroleum Gas (LPG) export terminal with capacity of 25,000 barrels per day (2021) and planned expansion of 18,000 barrels per day (2023)

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 (completed in 2020)

B. Zanardi Bridge, Rail and Causeway Expansion (2024-25)
   - 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

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
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 marketing partnership with PSA; second berth construction completed September 2020

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

- **New automotive storefronts**
  - Strengthening and growing our relationships with our Vancouver auto compound (operational 2019)
  - Extending our reach into new markets; Minneapolis auto compound (operational March 2021)

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 capacity expansion

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

• Planned investments for Prince Rupert, jointly funded by CN, Prince Rupert Port Authority (PRPA) and the Canadian Federal government
  • Additional 250,000 TEU capacity in 2022 bringing total capacity to 1.6M TEU
  • Additional 200,000 TEU capacity in 2023 bringing total capacity to 1.8M TEU
  • 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 Canadian Federal Government, aligned to ensure gateway fluidity

**Deltaport**
- 600K TEU capacity expansion completed in 2018
  - CN well-positioned to drive growth
  - Additional proposed capacity at Roberts Bank (T2)
  - Berth 4 project to add 2M TEU of capacity by 2028-2029

**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 by Q3 2021
  - 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
Halifax
Feeding the eastern network

• PSA International, a leading global port terminal operator, acquired the container terminal at the port of Halifax in 2019, and is positioning the port for continued growth by expanding the berth and investing in new equipment including:

• 2019 - 2020 investments
  • Super Post-Panamax ship-to-shore crane, largest in Eastern Canada; became operational in August 2020
  • Berth extension enabling the terminal to handle two Ultra Class vessels concurrently, completed and operational since September 2020

• $250M of investments in prior 10 years:
  • Longer and deeper piers
  • Upgraded gates and marshalling areas
## Domestic Intermodal
Well-positioned to capitalize on the future of e-commerce

<table>
<thead>
<tr>
<th><strong>TransX and H&amp;R acquisitions</strong></th>
<th><strong>Member of EMP</strong></th>
<th><strong>Interline partnership</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Service-sensitive refrigerated segment</td>
<td>• Providing nationwide supply chain flexibility</td>
<td>• Extending reach and developing new markets</td>
</tr>
<tr>
<td>• Among the leaders in operating ratio within intermodal companies</td>
<td>• Reducing empty container movements and extending reach</td>
<td>• Truck-to-rail conversion</td>
</tr>
</tbody>
</table>

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

### Wholesale partnerships
- Offering numerous channels for retailers, e-commerce, industrials, commodities,…

### Domestic Repositioning Program
- Providing capacity to domestic shippers and reducing inland cost for ocean carriers

**TransX and H&R acquisitions**
- GHG Reduction Moving Freight by Rail Instead of Truck: 75%
- Railroads are Approximately Four to Five Times More Fuel Efficient Than Trucks: 4-5x
- One Train Can Move an Average a Tonne of Freight more than 220 km on a single litre of fuel: 220 km
- A Single Freight Train Can Replace Over 300 Big Trucks: 300+ Trucks

**Interline partnership**
- CN to Acquire 50 Zero-Emission Trucks from Lion Electric Co.: 50 Trucks

---

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

EMP – Equipment management program.
Forest products

Strong demand from housing starts and increased repair and renovation

**Lumber and Panels**
- Strong pent-up pre-pandemic new housing demand and reallocation of spending priorities supporting repair and renovation
- Prices pushed to historic highs over the past year

**Wood pulp**
- Strong demand for tissue, packaging and hygiene products

**Wrapping/Container and Box Board**
- Packaging demand backed by growing internet sales & general deliveries

**Wood Pellets**
- Continued expansion of the Canadian wood pellet franchise for overseas industrial power generation

**Print Paper**
- CN serves many of the low-cost print paper mills
- Growing demand of wrap and packaging supports paper line conversions

Growing fleet of over 10,000 centerbeams and 10,000 box cars

---

(1) Source: Federal Reserve of Economic Data.
Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Metals and minerals
Recovering North American economy driving solid demand

**Aluminum and Steel**
- Sustainably sourced aluminum supporting shift towards lighter weight electric vehicles
- Manufacturing remains strong with a focus on domestic steel production to support solid demand

**Minerals**
- Longer term opportunity on sourcing critical minerals such as lithium, copper, nickel and cobalt for growing domestic markets

**Aggregates**
- Anticipated increase in infrastructure projects will increase demand for aggregates, cement and other construction-related materials in 2022 and beyond

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) exceeding target of 50,000 barrels per day
  - Second facility (Pembina) opened in Q1 2021 with capacity of 25,000 barrels per day

- CN direct access to NGL fractionation capacity in Edmonton, AB, Sarnia, ON, East Morris, IL and Geismar, LA
  - 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.
Leveraging our unique franchise to move heavy crude

- Over 50% of CN’s crude oil traffic consists of undiluted heavy crude, which is less sensitive to pipeline capacity and differentials
- Working with customers to create longer-term crude-by-rail demand by promoting diluent recovery units (DRUs)

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.
Coal and petroleum coke
Export supply chains solely served by CN

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

- Coalspur (Vista) coal mine (started in May 2019) run rate of 6M tonnes annualized; potential to increase to 12M tonne range

- New Teck business started April 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

- Low natural gas prices, renewable energy alternatives, and retirement of coal-fired power plants, continue to challenge the U.S. domestic coal market

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Refined petroleum products and sulfur

Uniquely serving an ever-growing supply

- Refined petroleum products – well positioned to capture growth in Greater Toronto Area (GTA) with terminal assets located on CN’s network
  - 5 active terminals on CN’s network in the GTA
- Strong origination franchise in Alberta, Ohio, Ontario and Quebec
  - Multi-commodity opportunity (gasoline, diesel, jet fuel, lubricants, BTX and biofuels)
- Sulfur – Unparalleled access to sulfur production in Alberta’s refining and upgrading regions, with the newest prillers in North America

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

<table>
<thead>
<tr>
<th>CN grain revenues originating from Canada (1)</th>
<th>70%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2,500 new CN high-capacity grain hopper cars in service in early 2021</strong></td>
<td></td>
</tr>
<tr>
<td>Increased customer participation in CN’s Western Canada fleet integration program</td>
<td></td>
</tr>
</tbody>
</table>

### 27 new grain elevators built on CN lines since 2015:

<table>
<thead>
<tr>
<th>Type</th>
<th>In operation</th>
<th>Announced</th>
<th>Shared</th>
<th>Other railroad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20</td>
<td>7</td>
<td>1</td>
<td>12</td>
</tr>
</tbody>
</table>

**27 CN exclusive**

(1) Based on H1 2021 revenues.

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

New storefronts and capacity expansions

• Auto compound in Vancouver providing ability to drive growth in the area (operational 2019)

• New auto compound in New Richmond, WI, (operational March 2021) to access Minnesota market with direct, single-line CN service

• 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

• Global chip shortage affecting current production levels; once resolved will fuel future production to support pent up demand and replenish depleted dealer inventory
Implementing advanced technologies
Our next strategic driver of value

- Improving safety, creating capacity, reducing costs and driving service reliability
- Increasing development and deployment speed
- Focused on key projects – from pilot to implementation
  - Autonomous track inspection program
  - Automated inspection portals
  - Handheld technology
  - Process automation
  - Smart Network (Digital Twin)
  - Building the Intermodal of the future with the Smart Terminal
  - Enabling the future of positive train control
Autonomous Track Inspection Program
Industry leading - improving network capacity and safety

**Largest ATIP fleet in North America**

10 fully automated rail cars using the latest sensor and AI technology, inspecting track in regular train service, in real-time, without interrupting railroad operations

Benefits realized (1):

- Improved safety – 96% reduction in latent track conditions
- Improved operations – 62% reduction in Engineering caused slow orders
- Improved cost – significant network savings in emergency repairs
- Improved coverage – nearly 95% of GTM’s protected across the network

**Regulatory approvals**

FRA Test Program (1):

- Currently, up to 50% reduction in weekly visual track inspections across 1,200 miles of track
- Maintaining significant improvement in safety performance
- Phase 3 approval submitted: up to 75% reduction in weekly visual track inspection requirements

**Advanced technology**

CN’s Generation-2, 3D Laser Technology:

- Introduced North America’s first autonomous 3D laser assessment system of track and hardware (ties, joints, etc) in revenue service

---

(1) Federal Railroad Administration Test Program.
Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Automated inspection portals

Leading-edge high-resolution imaging hardware coupled with powerful continuous machine learning software is changing how we inspect our car fleet

- Immediate benefits include improved safety with continuous surveillance (24/7/365) 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 and missed 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 2020
- 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
- Early engagement with both FRA and TC regulatory bodies

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

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Handheld technology
Digitization of manual processes driving standardization, improved productivity, reduced costs and better revenue capture

Mobile Device for Train Crews (10,000+ 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

Mobile Device for Car & Locomotive Mechanics (1,100+ devices deployed)
• Improved shop experience for car & locomotive employees – user friendly hardware
• Increase data accuracy and scope of work billed on foreign and private equipment
• Real-time productivity management – understanding work progress in real-time

Functionality on Mobile Devices
• Improve safety and productivity with easier navigation and access to operating rules, customization of content and more robust update process
• Ability for train crews to notify customers in advance of arrival
• Eliminating ~30 million printed pages of paper annually

2019
• Full deployment of Electronic Operating Manual and the first phase of Mobile Reporting Services
• Full deployment of Car Repair Billing application

2020
• Deployment of digital reporting/documentation for crews and customers
• Rollout of mechanical work digitization

2021
• Digitization of train reporting
• Further digitization customer-facing services

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Process automation
Using technology to automate and eliminate labor-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
- Frees 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
17 processes automated

2020
Over 100 automated processes

2021
Healthy pipeline of further opportunity ~100 processes

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

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

- CN has embarked on a journey to build our capacity and further improve customer service through the launch of the Smart Terminal Project
- Brampton and Malport Intermodal Terminals (in Toronto) nearing completion

New 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 the number of lifts per container

Operating system
Enhanced terminal decision making, capacity, productivity, and service levels

- Increase terminal capacity and fluidity
- Lower operating costs
- Enhance customer and partner experience

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Enabling the future of positive train control

The combination of train protection and a modernized infrastructure enables powerful new automated train operations in the future

### Leading-edge technologies

- **Creation of reusable technology frameworks** including:
  - New locomotive on-board systems (GPS, Event Recorder, multi-application COTS platform)
  - Leading edge Geo Spatial Information systems using LIDAR technology to map track attributes
  - New Rail Traffic Control system for dispatching trains
  - Automated asset (locomotive and waysides) monitoring and software deployment
  - Big Data analytics to optimize network performance
  - Machine learning to reduce time to field remediation

### Benefits

#### Safety Benefits

- Stops classes of critical accidents from occurring such as:
  - Head-on train-to-train collision by enforcing movement authorities
  - Over speed derailments
  - Train movement beyond authorized limits into work zones without permission
  - Movement onto the wrong track via an improperly lined switch

#### Operational Benefits

- Modernization of the U.S. infrastructure led to:
  - Reduced delays and improved capacity through signals & communication
  - Improved the precision and speed of train dispatching
  - Powerful locomotive fleet with smart technology
  - Robust communications capable of high bandwidth and Quality of Service

---

On December 31, 2020, PTC became fully operational on CN’s US network, as mandated by the FRA

- **~1,300** PTC operable locomotives
- **~4,700** Miles protected in the U.S.
- **145** Radio wayside database stations
- **~1,600** Wayside control points
Driving Shareholder value creation

• CN creates value for its shareholders by striving for sustainable financial performance through profitable top-line growth, strong free cash flow and adequate return on invested capital
  • Strong balance sheet and disciplined approach to capital allocation
  • Ability to adjust resources through economic cycles
  • Capital investments support the safety of our network, improve efficiency and resilience, and enable growth
• CN is also focused on returning value to shareholders through dividend payments and share repurchases
  • Share repurchases currently suspended due to pending acquisition of KCS and deleveraging plans
Financial performance

Total Revenues

<table>
<thead>
<tr>
<th>Year</th>
<th>SM</th>
<th>H1-20</th>
<th>H1-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>12,037</td>
<td>6,754</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>13,041</td>
<td>7,133</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>14,321</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>14,917</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>13,819</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- CAGR 4%

- ▲ 6% vs H1-20

Diluted EPS

<table>
<thead>
<tr>
<th>Year</th>
<th>$ per share</th>
<th>H1-20</th>
<th>H1-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.67</td>
<td>7.24</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>5.87</td>
<td>5.00</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>5.83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>2.18</td>
<td>2.82</td>
<td></td>
</tr>
</tbody>
</table>

- ▲ 29% vs H1-20

Net Income

<table>
<thead>
<tr>
<th>Year</th>
<th>SM</th>
<th>H1-20</th>
<th>H1-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,640</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>5,484</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>4,328</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>4,216</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>3,562</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- ▲ 29% vs H1-20

Volumes (1)

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions</th>
<th>H1-20</th>
<th>H1-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>214.3</td>
<td>110.9</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>237.1</td>
<td>120.7</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>248.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>242.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>230.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- ▲ 9% vs H1-20

Adjusted Diluted EPS (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>$ per share</th>
<th>H1-20</th>
<th>H1-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>4.59</td>
<td>4.99</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>4.99</td>
<td>5.50</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>5.50</td>
<td>5.80</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>5.80</td>
<td>5.31</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>2.49</td>
<td>2.71</td>
<td></td>
</tr>
</tbody>
</table>

- ▲ 9% vs H1-20

Free Cash Flow (2)

<table>
<thead>
<tr>
<th>Year</th>
<th>SM</th>
<th>H1-20</th>
<th>H1-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>2,520</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2,778</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2,514</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1,992</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>3,227</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- ▼ 19% vs H1-20

(1) In terms of Revenue ton miles.
(2) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of this non-GAAP measure.

For more financial information, please visit www.cn.ca/en/investors.
Maintaining a strong balance sheet
Prudent financial management

Adjusted debt-to-adjusted EBITDA multiple (1)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></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>1.98</td>
<td>2.15</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2.07</td>
</tr>
<tr>
<td></td>
<td>Jun 20</td>
<td>Jun 21</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investment Grade Credit Ratings

<table>
<thead>
<tr>
<th>Rating agency</th>
<th>Credit rating</th>
<th>Rating action (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DBRS Morningstar</td>
<td>A</td>
<td>Under Review with Negative Implications</td>
</tr>
<tr>
<td>Moody’s</td>
<td>A2</td>
<td>On review for downgrade</td>
</tr>
<tr>
<td>S&amp;P Global Ratings</td>
<td>A</td>
<td>CreditWatch Negative</td>
</tr>
</tbody>
</table>

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

(2) Subsequent to the Company’s announcement regarding the proposal to combine with KCS on April 20, 2021, DBRS Morningstar placed CN’s ratings Under Review with Negative Implications. Moody’s Investor Service (“Moody’s”) placed CN’s ratings under review for downgrade. S&P Global Ratings placed CN’s ratings on CreditWatch Negative. These actions reflected expectations of increases in CN’s debt to support the pending acquisition of KCS. The Company does not expect the actions by the ratings agencies to have a significant impact on its liquidity.
Disciplined approach to capital investments
Investing to support our business and committed to investing for the long-term

- Annually, CN invests ~20% of revenues (1) in capital investments to support the safety of our network, improve efficiency and resilience, and enable growth
- Investments in initiatives to increase capacity and enable long-term growth and improve network resiliency, including line capacity upgrades and information technology, with a focus on automation and innovation to enable Digital Scheduled Railroading (DSR)
- Investments in equipment, including new, more fuel-efficient locomotives and higher-capacity grain hopper cars
- Consistent investment of ~$1.6B annually in maintenance capital to ensure the safety and integrity of the network, particularly track infrastructure, including replacement of rail ties, rail, plus bridge work and other general track maintenance

(1) Capital investments as a percentage of revenues were higher in 2018 and 2019 to meet growing freight demand.
(2) Please see the Appendix for an explanation of this non-GAAP measure.
(3) Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Capacity infrastructure investments and fleet additions supporting long-term growth

- Five siding projects in 2021 enhancing Prince Rupert corridor capacity
- Multi-year capacity enhancements in Vancouver and Prince Rupert
- Continuously adapting fleet needs to accommodate expected demand
  - Added 2,500 new high-capacity hopper cars in last two years to meet growing grain demand, and Board approved up to 3,500 more between 2022 and 2025 – including order of 1,000 in May 2021
  - 260 locomotives purchased since 2018, with a further 75 to be put into service in 2021/2022 to increase capacity and upgrade the fleet

Driving sustainable, profitable growth
Massive investments in Canadian grain supply chain

- Attracted major grain customer expansion investment in Vancouver and ~70% of new efficient high-throughput grain elevators, providing CN with exclusive access to 27 new facilities

<table>
<thead>
<tr>
<th>Positive trends for Canadian grain production</th>
<th>Achieving synergies across the entire supply chain</th>
</tr>
</thead>
<tbody>
<tr>
<td>![Western Canada Grain Production (1)](Million Metric Tonnes)</td>
<td>• Customer investments in CN-served high-throughput unit train grain elevators</td>
</tr>
<tr>
<td>![Western Canada Grain Production (1)](Million Metric Tonnes)</td>
<td>• Customer investments in grain unloading capacity in Vancouver – 50% increase all exclusively-served by CN</td>
</tr>
<tr>
<td>![Western Canada Grain Production (1)](Million Metric Tonnes)</td>
<td>• CN investments in sidings, double track, and tunnel ventilation to increase capacity and resiliency in the Vancouver corridor</td>
</tr>
<tr>
<td>![Western Canada Grain Production (1)](Million Metric Tonnes)</td>
<td>• 4,200 new high-capacity grain hopper cars now cycling on our network, including CN and customer investments</td>
</tr>
<tr>
<td>![Western Canada Grain Production (1)](Million Metric Tonnes)</td>
<td>• 2,500 CN cars and new order for 1,000 more placed in May 2021, with approval to acquire up to 2,500 more over next three years</td>
</tr>
<tr>
<td>![Western Canada Grain Production (1)](Million Metric Tonnes)</td>
<td>• New hopper cars – shorter and lighter – can handle up to 30% more grain per train</td>
</tr>
<tr>
<td>![Western Canada Grain Production (1)](Million Metric Tonnes)</td>
<td>• CN’s unique power-on dedicated set grain handling model takes full advantage of increased capacity of new cars</td>
</tr>
</tbody>
</table>

(1) Source: Statistics Canada.

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Rewarding shareholders
Consistent dividend growth and opportunistic approach to share repurchases

25 consecutive years of dividend growth

- Dividend has increased every year since 1995 IPO
- 16% annual growth rate in dividend per share since first dividend paid in 1996
- 7% increase in dividend for 2021 announced in January
- 43% adjusted dividend payout ratio in 2020 (2)

Opportunistic share repurchases

- Over $23B of share repurchases since 2000
- Share repurchases paused in 2020 due to pandemic
- Normal Course Issuer Bid (NCIB) of up to 14 million common shares from February 1, 2021 to January 31, 2022 (3)
- Share repurchases suspended due to pending acquisition of KCS and deleveraging plans

Annual dividend payout ($ per share) (adjusted for stock splits)

Amount spent on share repurchases (in $M)

(1) Please see the Appendix for an explanation of this measure.
(2) Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
Reaffirming 2021 financial outlook

• Targeting double-digit adjusted diluted EPS growth versus 2020 adjusted diluted EPS of $5.31 based on:
  • High single-digit volume growth in terms of RTMs
  • Overall pricing above rail inflation at a minimum
  • Canadian to U.S. dollar exchange rate of approximately 80 cents vs 75 cents in 2020 (negatively impacting EPS in the range of 20-25 cents)
  • Capital envelope in 2021 of approximately $3.0B
  • Targeting Free Cash Flow in the range of $3.0 - $3.3B

(1) Please see Forward-Looking Statements at the beginning of the presentation for a summary of key assumptions and important risk factors underlying CN’s 2021 financial outlook.

(2) Please see website, Financial Results, www.cn.ca/financial-results, for an explanation of these non-GAAP measures.
Appendix
CN-KCS

Agreed-to combination with Kansas City Southern Railway creates the Premier Railway for the 21st Century
✓ Preserve all existing gateways & create new single-line routes

✓ Specific supply chain benefits

✓ Significant environmental benefits

✓ Support across broad stakeholder network

✓ We are committed to work with the STB to address any demonstrated concerns

For additional information on the transaction and the benefits it is expected to bring to the full range of stakeholders, visit ConnectedContinent.com. Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
With 1,750+ statements of support received, customers across all industries will benefit from the end-to-end CN-KCS combination that will expand North American trade and power economic prosperity. Unprecedented pro-competitive commitments will enhance route choice and provide all market participants, railroads and shippers a fair chance to compete. For more information on the transaction and the benefits it is expected to bring to the full range of stakeholders, visit ConnectedContinent.com

Please see Forward-Looking Statements at the beginning of the presentation for a summary of important risk factors.
CN-KCS clearly and significantly enhances competition

✓ The CN-KCS combination is pro-competitive and will yield significant public benefits
  - We will increase customer options and keep all existing major gateways (existing options) available
  - We will enhance rail-to-rail competition with larger Class I’s
  - We are a true “end-to-end” merger with our commitment to divest the sole overlapping line resulting in zero overlap
  - We benefit both the global environment and local communities by converting truck traffic to rail

✓ The joint CN-KCS filing to the STB on July 6 demonstrates that our proposed voting trust satisfies the STB’s test
  1. It precludes premature control of KCS during the trust period; and
  2. Approval of the proposed voting trust is in the public interest and causes no harms

✓ CN and KCS respectfully look forward to a positive response from the STB on our voting trust and are fully committed to working towards a successful closing of our transaction
  - Highly strategic combination that will create value for both CN and KCS shareholders

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues (SM)</td>
<td>12,134</td>
<td>12,611</td>
<td>12,037</td>
<td>13,041</td>
<td>14,321</td>
<td>14,917</td>
<td>13,819</td>
<td>2%</td>
<td>7,133</td>
<td>6%</td>
</tr>
<tr>
<td>Total revenue ton miles (RTMs) (B)</td>
<td>232.1</td>
<td>224.7</td>
<td>214.3</td>
<td>237.1</td>
<td>248.4</td>
<td>242.0</td>
<td>230.4</td>
<td>Flat</td>
<td>120.7</td>
<td>9%</td>
</tr>
<tr>
<td>Operating income (SM)</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>4,777</td>
<td>1%</td>
<td>2,709</td>
<td>35%</td>
</tr>
<tr>
<td>Net income (SM)</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>
<td>3,562</td>
<td>2%</td>
<td>2,008</td>
<td>29%</td>
</tr>
<tr>
<td>Adjusted net income (SM) (2)</td>
<td>3,095</td>
<td>3,580</td>
<td>3,581</td>
<td>4,056</td>
<td>4,189</td>
<td>3,784</td>
<td>3%</td>
<td>1,930</td>
<td>9%</td>
<td></td>
</tr>
<tr>
<td>Diluted earnings per share ($)</td>
<td>3.85</td>
<td>4.39</td>
<td>4.67</td>
<td>7.24</td>
<td>5.87</td>
<td>5.83</td>
<td>5.00</td>
<td>4%</td>
<td>2.82</td>
<td>29%</td>
</tr>
<tr>
<td>Adjusted diluted earnings per share ($) (2)</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>5.31</td>
<td>6%</td>
<td>2.71</td>
<td>29%</td>
</tr>
<tr>
<td>Free cash flow (SM) (2)</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>3,227</td>
<td>6%</td>
<td>1,280</td>
<td>(19%)</td>
</tr>
<tr>
<td>Operating ratio (%)</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>65.4</td>
<td>62.0</td>
<td>840 bps</td>
<td>(70 bps)</td>
</tr>
<tr>
<td>Adjusted operating ratio (%) (2)</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>61.9</td>
<td>63.9</td>
<td>840 bps</td>
<td>(70 bps)</td>
</tr>
<tr>
<td>Share repurchases (SM)</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>379</td>
<td>414</td>
<td>1,230</td>
<td>7%</td>
</tr>
<tr>
<td>Dividends per share ($)</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>2.30</td>
<td>15%</td>
<td>1.230</td>
<td>7%</td>
</tr>
<tr>
<td>Adjusted debt-to-adjusted EBITDA multiple (times) (2)</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>1.98</td>
<td>2.07</td>
<td>2.07</td>
<td>2.07</td>
</tr>
<tr>
<td>Return on Invested Capital (ROIC) (%) (3)</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>12.7</td>
<td>13.4</td>
<td>13.4</td>
<td>13.4</td>
</tr>
<tr>
<td>Adjusted ROIC (%) (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>13.4</td>
<td>15.2</td>
<td>13.4</td>
<td>13.4</td>
</tr>
</tbody>
</table>

(1) H1 2021 vs H1 2020.
(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.
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>818</td>
<td>996</td>
<td>1,159</td>
<td>1,239</td>
<td>1,333</td>
<td>1,544</td>
<td>1,634</td>
</tr>
<tr>
<td>Net income</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>
<td>3,562</td>
</tr>
<tr>
<td>Dividend payout ratio (%)</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>
<td>45.9</td>
</tr>
<tr>
<td>Adjusted net income (1)</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>3,784</td>
</tr>
<tr>
<td>Adjusted dividend payout ratio (%)</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>
<td>43.2</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.
## Non-GAAP Measures

### 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></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</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>
<td>3,562</td>
</tr>
<tr>
<td>Interest expense</td>
<td>371</td>
<td>439</td>
<td>480</td>
<td>481</td>
<td>489</td>
<td>538</td>
<td>554</td>
</tr>
<tr>
<td>Tax on interest expense (1)</td>
<td>(102)</td>
<td>(120)</td>
<td>(125)</td>
<td>(124)</td>
<td>(116)</td>
<td>(120)</td>
<td>(120)</td>
</tr>
<tr>
<td>Return</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>
<td>3,996</td>
</tr>
<tr>
<td>Average invested capital</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>
<td>31,353</td>
</tr>
<tr>
<td>ROIC (%)</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>12.7</td>
</tr>
<tr>
<td>Adjusted net income (2)</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>3,784</td>
</tr>
<tr>
<td>Interest expense</td>
<td>371</td>
<td>439</td>
<td>480</td>
<td>481</td>
<td>489</td>
<td>538</td>
<td>554</td>
</tr>
<tr>
<td>Adjusted tax on interest expense (3)</td>
<td>(103)</td>
<td>(116)</td>
<td>(126)</td>
<td>(124)</td>
<td>(120)</td>
<td>(131)</td>
<td>(137)</td>
</tr>
<tr>
<td>Adjusted return</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>
<td>4,201</td>
</tr>
<tr>
<td>Average invested capital</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>
<td>31,353</td>
</tr>
<tr>
<td>Adjusted ROIC (%)</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>13.4</td>
</tr>
</tbody>
</table>

(1) The effective tax rates from 2013 to 2020 used to calculate the tax on interest expense are 27.2%, 27.4%, 27.4%, 26.1%, 25.8%, 23.8%, 22.3% and 21.6%, 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, for an explanation of this non-GAAP measure.

(3) The adjusted effective tax rates from 2013 to 2020 used to calculate the adjusted tax on interest expense are 26.6%, 27.7%, 26.5%, 26.2%, 25.8%, 24.5%, 24.4%, and 24.8% respectively.
Investor relations contacts

► Paul Butcher  
Vice President, Investor Relations  
Paul.Butcher@cn.ca  
514-399-0052

► Greg Hamilton  
Senior Manager, Investor Relations  
Greg.Hamilton@cn.ca  
514-399-4654

Follow us

For more information, please visit www.cn.ca/en/investors/investor-contacts.