CN

Fourth Quarter and Full Year 2025 Financial and Operating Results

January 30th, 2026

CNR LISTED TSX
30 YEARS
CNI LISTED NYSE

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. By their nature, forward-looking statements involve risks, uncertainties and assumptions. CN 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," "goals," or other similar words.

2026 Key Assumptions

CN has made a number of economic and market assumptions in preparing its 2026 outlook. The 2025/2026 grain crops in Canada and the U.S. were above their respective five-year averages. The Company assumes that the 2026/2027 grain crops in Canada and the U.S. will be in line with their respective five-year averages. CN assumes RTM growth will be flattish. CN also assumes that in 2026, the value of the Canadian dollar in U.S. currency will be $0.715, and assumes that in 2026 the average price of crude oil (West Texas Intermediate) will be in the range of US$60 - US$70 per barrel. The Company notes there is a heightened demand risk as a result of the volatile macroeconomic conditions and global trade tensions.

Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and other factors which may cause actual results, performance or achievements of CN 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, general economic and business conditions, including factors impacting global supply chains such as pandemics and geopolitical conflicts or tensions; trade restrictions, trade barriers, or the imposition of tariffs or other changes to international trade arrangements; 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 and other regulatory claims or proceedings; increases in maintenance and operating costs; security threats; reliance on technology and related cybersecurity risk; 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 and other types of claims and litigation; risks and liabilities arising from derailments; timing and completion of capital programs; the availability of and cost competitiveness of renewable fuels and the development of new locomotive propulsion technology; reputational risks; supplier concentration; pension funding requirements and volatility; 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 (MD&A) 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.

The achievement of CN's climate goals is subject to several risks and uncertainties, including those disclosed in the MD&A in CN's annual and interim reports. There can be no certainty that the Company will achieve any or all of these goals within the stated timeframe, or that achieving any of these goals will meet all of the expectations of its stakeholders or applicable legal requirements.

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. Information contained on, or accessible through, our website is not incorporated by reference into this presentation.

Non-GAAP Measures

CN reports its financial results in accordance with United States generally accepted accounting principles (GAAP). CN may also use non-GAAP measures in this presentation that do not have any standardized meaning prescribed by GAAP. These non-GAAP measures may not be comparable to similar measures presented by other companies.

CN's outlook, guidance or targets exclude certain adjustments, which are expected to be comparable to adjustments made in prior years. However, management cannot individually quantify on a forward-looking basis the impact of these adjustments, which could be significant, are difficult to predict and may be highly variable. As a result, CN does not provide a corresponding GAAP measure for, or reconciliation to, its outlook, guidance or targets.

All amounts in this presentation are expressed in Canadian dollars, unless otherwise noted.

Tracy Robinson

President and Chief Executive Officer

Good momentum to finish the year

Performance highlights

- Strong earnings growth and margin improvement in the quarter
- 2% revenue growth in Q4 on industry-leading volume growth
- Fluid and efficient operations even with early onset of winter
- Ongoing focus on disciplined execution, tighter cost control and better asset utilization

Q4 Operating Ratio

Reported	Adjusted (1)
61.2%	60.1%
▼ 140 bps	▼ 250 bps

Q4 Diluted EPS

Reported	Adjusted (1)
$2.03	$2.08
▲ 12%	▲ 14%

2025 Operating Ratio

Reported	Adjusted (1)
61.9%	61.7%
▼ 150 bps	▼ 120 bps

2025 Diluted EPS

Reported	Adjusted (1)
$7.57	$7.63
▲ 8%	▲ 7%

(1) These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

Delivered strong incremental margins on cost management initiatives

Pat Whitehead

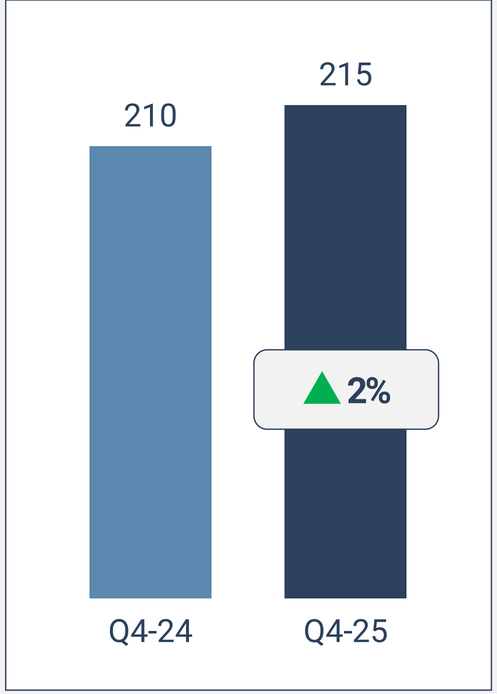
Chief Operating Officer

Disciplined scheduled railroading in action

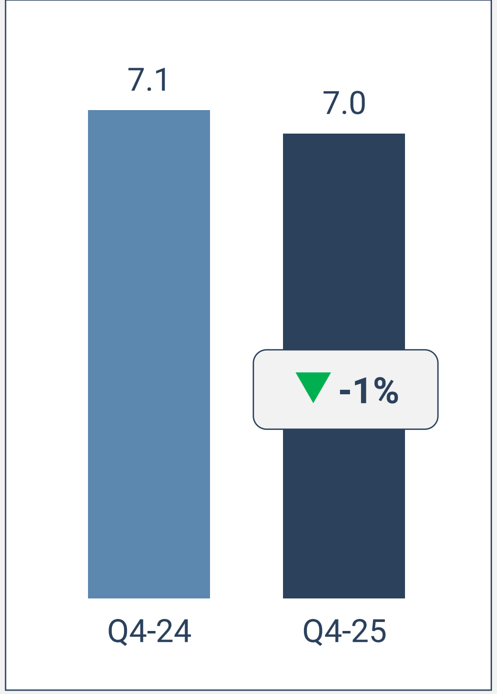
Key operating measures

- Continued to run lean and drove incremental productivity gains
- Delivered four consecutive months of record grain movement
- Maintained strong service across customer base
- Transitioned to winter operating model – network remained fluid

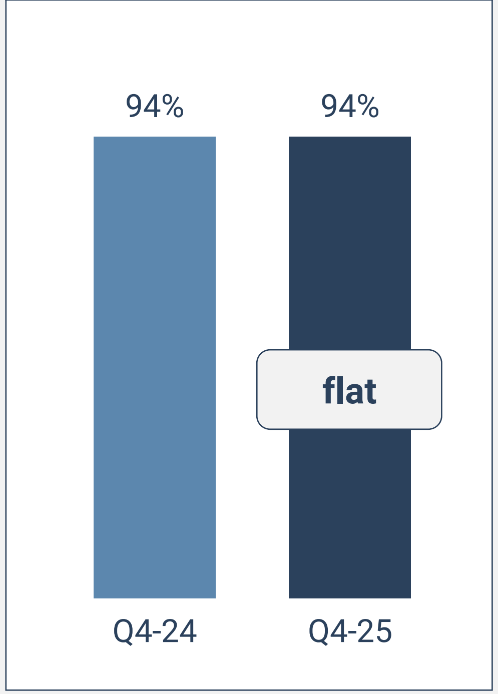
Car Velocity (1)
(car miles per day)



Through Dwell (1)
(entire railroad, hours)



Local Service Commitment (1) (2)



(1) Operating measures are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available.
(2) Local Service Commitment is defined as the percentage of cars that successfully completed their Daily Operating Plan.

High-level performance across key operating metrics

Update on key efficiency initiatives

Network operations

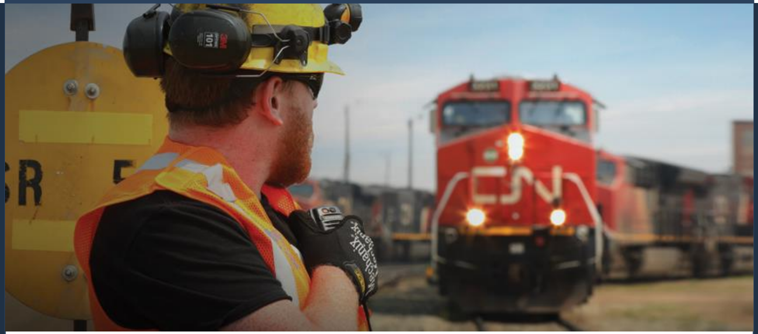
Plan Discipline

Adherence to the Plan underpinning fluid movement of trains across the network

▼ 1%

FUEL EFFICIENCY
Q4 2025 vs. Q4 2024

Right-sized Resources

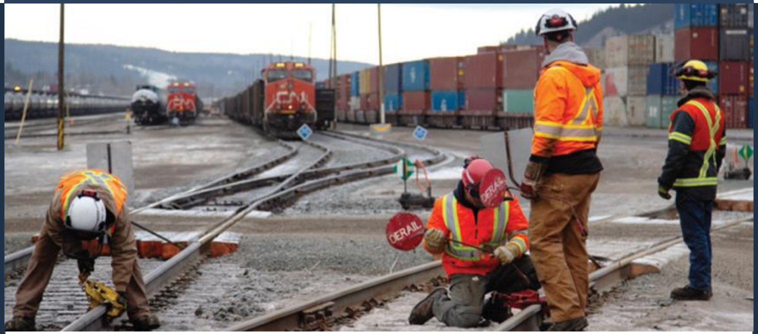


Resource alignment enabling the right tension between volumes and operating capacity

▲ 14%

GTMS/T&E (1) EMPLOYEE
Q4 2025 vs. Q4 2024

Driving Efficiencies



Improvement of **locomotive productivity**, increasing asset utilization

▲ 5%

TRAILING GTMs PER TOTAL HORSEPOWER
Q4 2025 vs. Q4 2024

(1) Train and engine employees (locomotive engineers and conductors).

Ongoing focus on productivity

Janet Drysdale

Chief Commercial Officer

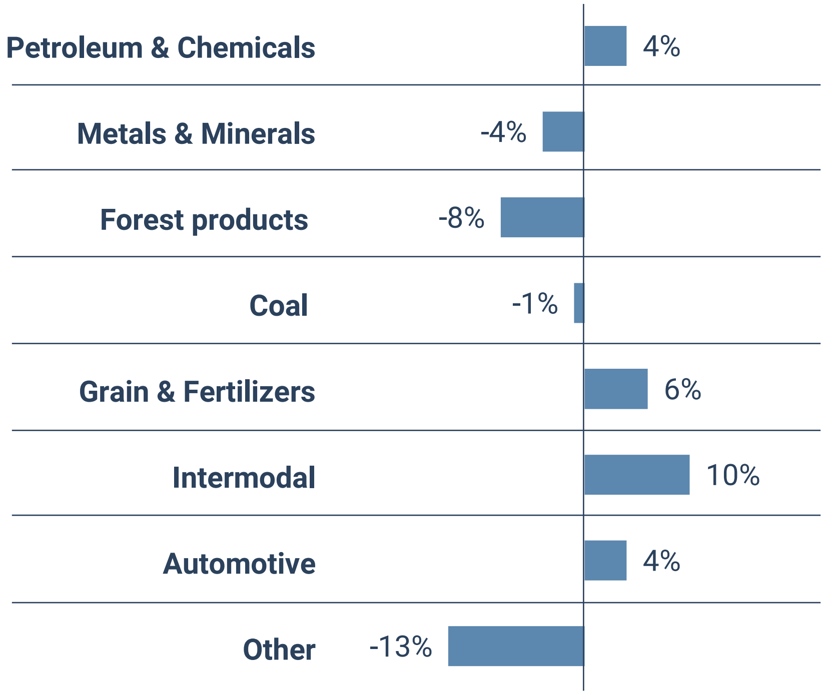
Relentless focus on helping our customers win

Revenue highlights

- Volume growth driven by strong grain demand and intermodal gains
- Growth across all petroleum & chemicals segments
- Cross-border forest products, steel, aluminum and automotive continue to be impacted by tariffs
- Softness in key markets mitigated by enabling alternative market access and actively driving new business through targeted boots-on-the-ground efforts

Q4 Revenues	**$4.5B** ▲ 2%
Q4 RTMs (2)	**61.7B** ▲ 4%
2025 Revenues	**$17.3B** ▲ 2%
2025 RTMs (2)	**238.2B** ▲ 1%

Q4 Revenue Variance on a Constant Currency Basis (1)
(Q4 2025 vs Q4 2024)



(1) This non-GAAP measure does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

(2) Operating measures are unaudited and based on estimated data available at such time and are subject to change as more complete information becomes available.

Service remains a key differentiator

Measured volume expectations for 2026

2026 outlook versus 2025

Merchandise

Petroleum & Chemicals
- NGL export growth through Rupert
- Refined growth from Phase 2 of the Greater Toronto Fuel Terminal, lapping extended outages in 2025
- New crude oil business

Metals and Minerals
- Expect frac sand growth to be back-ended
- Continued weak fundamental for iron ore
- Shifts in steel and aluminum flows

Forest Products
- Flat housing starts, compounded by US tariffs and duties

Bulk Products

Grain
- **CDN** – Record crop with upside mainly in Q3, dependent on export demand, supportive pricing and carryout stocks
- **US** –Chinese soybean demand in Q1 and robust corn exports in first half

Coal
- **CDN –** Incremental metallurgical coal
- **US –** Continued soft thermal coal export demand

Fertilizers
- Domestic demand softness and normalization of export demand following strong Q2/Q3 2025 spot moves

Consumer Products

International Intermodal
- Challenging near-term outlook for North American imports, offset by continued strong Gemini volumes through the Port of Prince Rupert

Domestic Intermodal
- Full-year effect of service-based wins last year

Automotive
- In line with production forecasts

Contour of volume growth back-end loaded

Ghislain Houle

Chief Financial Officer

Meaningful earnings growth

Fourth Quarter highlights

- Strong earnings driven by better-than-expected cost management, with volumes and revenues on plan
- Material improvement in operating ratio, partly helped by fuel, depreciation and ongoing labor productivity
- Actively repurchasing shares

Q4 Diluted EPS

	Reported	Adjusted (1)
	$2.03	$2.08
	▲ 12%	▲ 14%

Q4 Diluted Number of Shares

616M

▼ 2%

Q4 Operating Ratio

	Reported	Adjusted (1)
	61.2%	60.1%
	▼ 140 bps	▼ 250 bps

Q4 Operating Income

	Reported	Adjusted (1)
	$1.7B	$1.8B
	▲ 6%	▲ 9%

(1) These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

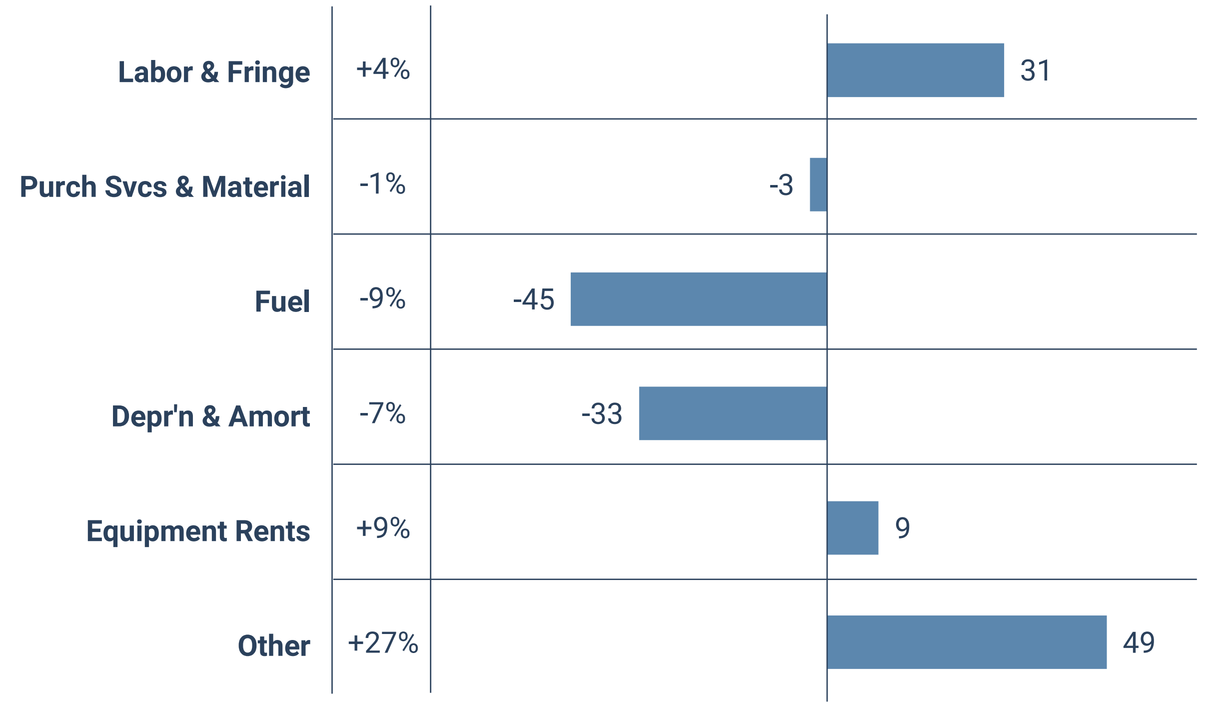
Sequential and year-over-year margin improvement

Operating expense review

Constant currency

- **Labor** up on workforce reduction charge, wage inflation and higher incentives, partly offset by 4% lower headcount
- **Fuel** down on the removal of Canadian federal carbon tax program and favorable fuel efficiency
- **Depreciation** down driven by favorable study and the impact from certain assets from past acquisitions being fully depreciated
- **Other** up due to higher legal provisions including non-recurring $34M for unfavorable court ruling

Q4 OPEX variance on a constant currency basis (1)
(Q4 2025 vs Q4 2024, in $M)



A positive percentage indicates an increase in year-over-year expense

(1) This non-GAAP measure does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

Cost structure well positioned for an eventual volume upcycle

Earnings growth solidly in line with guidance

Full Year highlights

2025 Diluted EPS

	Reported	Adjusted (1)
	$7.57	$7.63
	▲ 8%	▲ 7%

2025 Cash Flow

Free cash flow (1)	Net cash provided by operating activities	Net cash used in investing activities
$3.3B	$7.0B	($3.7B)
▲ $0.2B	▲ $0.3B	▲ $0.1B

2025 Operating Ratio

	Reported	Adjusted (1)
	61.9%	61.7%
	▼ 150 bps	▼ 120 bps

2025 Operating Income

	Reported	Adjusted (1)
	$6.6B	$6.6B
	▲ 5%	▲ 5%

(1) These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar measures presented by other companies. See Appendix "Non-GAAP measures" for an explanation of these non-GAAP measures.

Disciplined execution across the business, delivering solid earnings and cash flow

2026 financial outlook [1]

- Macro environment still uncertain; assuming flattish revenue ton miles for 2026 versus 2025
- Within a weaker macro backdrop, expecting adjusted diluted EPS [2] growth versus 2025 slightly exceeding volume growth
- $2.8B outlook for 2026 capital expenditures, down 15% versus 2025
- Assuming foreign exchange of $0.715 and WTI US$60 - US$70 per barrel
- Shareholder distribution: 3% increase in dividend and new share buyback program for up to 24 million shares

2026 Earnings Guidance

Assuming flattish year-over-year RTMs

Slightly higher than volume growth

ADJUSTED DILUTED EPS GROWTH [2]

2026 Capex Guidance

Disciplined investment

$2.8B

CAPITAL EXPENDITURES
Net of amounts reimbursed by customers

(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 financial outlook.

(2) CN's outlook, guidance, or targets exclude certain adjustments, which are expected to be comparable to adjustments made in prior years. However, management cannot individually quantify on a forward-looking basis the impact of these adjustments, which could be significant, are difficult to predict and may be highly variable. As a result, CN does not provide a corresponding GAAP measure for, or reconciliation to, its outlook, guidance or targets.

Directional guidance given limited visibility in the current environment

Tracy Robinson

President and Chief Executive Officer

A leaner, more resilient railroad

Closing remarks

- Delivering for our customers in a challenging environment
- Taking meaningful action to reshape our cost structure
- Driving strong free cash flow and disciplined shareholder returns

Built to lead and deliver long-term value

Appendix

Non-GAAP measures

This presentation makes reference to non-GAAP measures that do not have any standardized meaning prescribed by GAAP, including adjusted net income, adjusted earnings per share, adjusted operating income, adjusted operating expense, adjusted operation ratio, free cash flow, adjusted debt-to-adjusted EBITDA multiple, return on invested capital (ROIC) and adjusted ROIC. These non-GAAP measures may not be comparable to similar measures presented by other companies. From management's perspective, these non-GAAP measures are useful measures of performance and provide investors with supplementary information to assess the Company's results of operations and liquidity. These non-GAAP measures should not be considered in isolation or as a substitute for financial measures prepared in accordance with GAAP.

Adjusted Performance Measures

Adjusted net income, adjusted diluted earnings per share, adjusted operating income, adjusted operating expenses and adjusted operating ratio are non-GAAP measures that are used to set performance goals and to measure CN's performance and may include the following adjustments:

i. operating expense adjustments: workforce reduction program, advisory costs related to rail consolidation matters, depreciation expense on the deployment of a replacement system, advisory fees related to shareholder matters, losses and recoveries from assets held for sale, business acquisition-related costs;
ii. non-operating expense adjustments: business acquisition-related financing fees, merger termination income, gains and losses on disposal of property; and
iii. the effect of changes in tax laws including rate enactments and changes in tax positions affecting prior years.

These non-GAAP measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies.

For the three months and year ended December 31, 2025, the Company's adjusted net income was $1,284 million, or $2.08 per diluted share and $4,756 million, or $7.63 per diluted share, respectively, which excludes:

- employee termination benefits and severance costs related to a workforce reduction program of $34 million, or $25 million after-tax ($0.04 per diluted share) recorded in the fourth quarter in Labor and fringe benefits within the Consolidated Statement of Income; and
- advisory costs related to analysis and advocacy for the U.S. Surface Transportation Board (STB) enforcement of antitrust laws pertaining to the potential merger between Union Pacific and Norfolk Southern of $15 million, or $11 million after-tax ($0.01 and $0.02 per diluted share for the three months and year ended December 31, 2025, respectively) recorded in the fourth quarter in Purchased services and materials within the Consolidated Statements of Income.

For the three months and year ended December 31, 2024, the Company's adjusted net income was $1,146 million, or $1.82 per diluted share, and $4,506 million, or $7.10 per diluted share, respectively. The adjusted figure for the year ended December 31, 2024 excludes a loss on assets held for sale of $78 million, or $58 million after-tax ($0.09 per diluted share), recorded in the second quarter, resulting from an agreement to transfer the ownership and related risks and obligations of the Quebec Bridge located in Quebec, Canada, to the Government of Canada.

Non-GAAP measures

Adjusted Net Income and Earnings per Share

Adjusted net income is defined as Net income in accordance with GAAP adjusted for certain significant items. Management believes that adjusted net income provides additional insight to management and investors into the Company's operations and underlying business trends as well as facilitate period-to-period comparisons, as it excludes certain significant items that are not reflective of CN's underlying business operations and could distort the analysis of trends in business performance. Adjusted diluted earnings per share is defined as adjusted net income divided by the weighted-average diluted shares outstanding. This measure helps management and investors evaluate the Company's profitability on a per-share basis, facilitating the assessment of period-over-period performance by removing the impact of significant, non-recurring items. The following table provides a reconciliation of Net income and Earnings per share in accordance with GAAP, as reported for the three months and years ended December 31, 2025 and 2024, to the non-GAAP adjusted performance measures presented herein:

unaudited *In millions, except per share data*	Three months ended December 31		Year ended December 31	
	2025	2024	2025	2024
Net income	**$ 1,248**	$ 1,146	**$ 4,720**	$ 4,448
Adjustments:				
Operating expense adjustments:				
Workforce reduction program	**34**	—	**34**	—
Advisory costs related to rail consolidation matters	**15**	—	**15**	—
Loss on assets held for sale	**—**	—	**—**	78
Tax adjustments:				
Tax effect of adjustments [(1)]	**(13)**	—	**(13)**	(20)
Total adjustments	**$ 36**	$ —	**$ 36**	$ 58
Adjusted net income	**$ 1,284**	$ 1,146	**$ 4,756**	$ 4,506
Diluted earnings per share	**$ 2.03**	$ 1.82	**$ 7.57**	$ 7.01
Impact of adjustments, per share	**0.05**	—	**0.06**	0.09
Adjusted diluted earnings per share	**$ 2.08**	$ 1.82	**$ 7.63**	$ 7.10

1. The tax impact of adjustments is based on the nature of the item for tax purposes and related tax rates in the applicable jurisdiction.

Non-GAAP measures

Adjusted Operating Income, Operating Expenses and Operating Ratio

Adjusted operating income is defined as Operating income in accordance with GAAP adjusted for certain significant operating expense items that are not reflective of CN's underlying business operations. This measure helps management and investors assess the Company's core operating results by excluding items that may distort the analysis of ongoing business performance. Adjusted operating expenses is defined as Operating expenses in accordance with GAAP adjusted for certain significant operating expense items that are not reflective of CN's underlying business operations. This measure provides management and investors with a view of ongoing costs which exclude unusual or non-recurring items, enabling more accurate assessment of cost management and resource allocation across reporting periods. Adjusted operating ratio is defined as adjusted operating expenses as a percentage of revenues. For management and investors, the adjusted operating ratio serves as a key performance indicator of cost management and overall operational effectiveness, as it demonstrates how effectively management controls costs relative to total revenue by excluding unusual or non-recurring items. The following table provides a reconciliation of Operating income, Operating expenses and operating ratio, as reported for the three months and years ended December 31, 2025 and 2024, to the non-GAAP adjusted performance measures presented herein:

unaudited *In millions, except percentages*	Three months ended December 31		Year ended December 31	
	2025	**2024**	**2025**	**2024**
Operating income	**$ 1,733**	$ 1,628	**$ 6,587**	$ 6,247
Adjustments:				
Workforce reduction program	**34**	—	**34**	—
Advisory costs related to rail consolidation matters	**15**	—	**15**	—
Loss on assets held for sale	**—**	—	**—**	78
Total adjustments	**$ 49**	$ —	**$ 49**	$ 78
Adjusted operating income	**$ 1,782**	$ 1,628	**$ 6,636**	$ 6,325
Operating expenses	**$ 2,731**	$ 2,730	**$ 10,717**	$ 10,799
Total adjustments	**(49)**	—	**(49)**	(78)
Adjusted operating expenses	**$ 2,682**	$ 2,730	**$ 10,668**	$ 10,721
Operating ratio	**61.2 %**	62.6 %	**61.9 %**	63.4 %
Impact of adjustments	**(1.1)%**	— %	**(0.2)%**	(0.5)%
Adjusted operating ratio	**60.1 %**	62.6 %	**61.7 %**	62.9 %

Non-GAAP measures

Constant Currency

Financial results at constant currency allow results to be viewed without the impact of fluctuations in foreign currency exchange rates, thereby facilitating period-to-period comparisons in the analysis of trends in business performance. Measures at constant currency are considered non-GAAP measures and do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. Financial results at constant currency are obtained by translating the current period results denominated in US dollars at the weighted average foreign exchange rates used to translate transactions denominated in US dollars of the comparable period of the prior year. The average foreign exchange rates were $1.395 and $1.398 per US$1.00 for the three months and year ended December 31, 2025, respectively, and $1.399 and $1.370 per US$1.00 for the three months and year ended December 31, 2024, respectively. On a constant currency basis, the Company's Net income for the three months and year ended December 31, 2025 would have been lower by $4 million ($0.01 per diluted share) and lower by $49 million ($0.08 per diluted share), respectively. The following table provides a reconciliation of the impact of constant currency and related percentage change at constant currency on the financial results, as reported for the three months and year ended December 31, 2025:

unaudited *In millions, except per share data*	Three months ended December 31				Year ended December 31			
	2025	Constant currency impact	2024	% Change at constant currency Fav (Unfav)	2025	Constant currency impact	2024	% Change at constant currency Fav (Unfav)
Revenues								
Petroleum and chemicals	**$ 901**	$ —	$ 868	4 %	**$ 3,478**	$ (43)	$ 3,414	1 %
Metals and minerals	**466**	1	488	(4)%	**1,962**	(33)	2,048	(6)%
Forest products	**433**	—	469	(8)%	**1,839**	(31)	1,931	(6)%
Coal	**235**	—	238	(1)%	**960**	(7)	929	3 %
Grain and fertilizers	**1,098**	—	1,038	6 %	**3,658**	(36)	3,422	6 %
Intermodal	**964**	1	876	10 %	**3,892**	(18)	3,757	3 %
Automotive	**215**	(1)	206	4 %	**892**	(14)	894	(2)%
Total freight revenues	**4,312**	1	4,183	3 %	**16,681**	(182)	16,395	1 %
Other revenues	**152**	1	175	(13)%	**623**	(6)	651	(5)%
Total revenues	**4,464**	2	4,358	2 %	**17,304**	(188)	17,046	— %
Operating expenses								
Labor and fringe benefits	**913**	1	883	(4)%	**3,510**	(27)	3,422	(2)%
Purchased services and material	**591**	4	598	1 %	**2,306**	(10)	2,313	1 %
Fuel	**437**	(1)	481	9 %	**1,786**	(39)	2,060	15 %
Depreciation and amortization	**456**	—	489	7 %	**1,938**	(17)	1,892	(2)%
Equipment rents	**106**	1	98	(9)%	**432**	(7)	392	(8)%
Other	**228**	2	181	(27)%	**745**	(10)	642	(14)%
Loss on assets held for sale	**—**	—	—	— %	**—**	—	78	100 %
Total operating expenses	**2,731**	7	2,730	— %	**10,717**	(110)	10,799	2 %
Operating income	**1,733**	(5)	1,628	6 %	**6,587**	(78)	6,247	4 %
Interest expense	**(234)**	—	(231)	(1)%	**(913)**	14	(891)	(1)%
Other components of net periodic benefit income	**126**	—	113	12 %	**502**	—	454	11 %
Other income (loss)	**44**	—	(2)	2,300 %	**88**	(1)	42	107 %
Income before income taxes	**1,669**	(5)	1,508	10 %	**6,264**	(65)	5,852	6 %
Income tax recovery (expense)	**(421)**	1	(362)	(16)%	**(1,544)**	16	(1,404)	(9)%
Net income	**$ 1,248**	$ (4)	$ 1,146	9 %	**$ 4,720**	$ (49)	$ 4,448	5 %
Diluted earnings per share	**$ 2.03**	$ (0.01)	$ 1.82	11 %	**$ 7.57**	$ (0.08)	$ 7.01	7 %

Non-GAAP measures

Free Cash Flow

Free cash flow is a useful measure of liquidity as it demonstrates the Company's ability to generate cash for debt obligations and for discretionary uses such as payment of dividends, share repurchases and strategic opportunities. The Company defines its free cash flow measure as the difference between net cash provided by operating activities and net cash used in investing activities, adjusted for the impact of (i) business acquisitions and combinations and (ii) merger transaction-related payments, cash receipts and cash income taxes, which are items that are not indicative of operating trends. Free cash flow does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. The following table provides a reconciliation of Net cash provided by operating activities in accordance with GAAP, as reported for the three months and years ended December 31, 2025 and 2024, to the non-GAAP free cash flow presented herein:

unaudited *In millions*	Three months ended December 31		Year ended December 31	
	2025	**2024**	**2025**	**2024**
Net cash provided by operating activities	**$ 2,227**	$ 1,995	**$ 7,049**	$ 6,699
Net cash used in investing activities	**(1,232)**	(963)	**(3,713)**	(3,607)
Free cash flow	**$ 995**	$ 1,032	**$ 3,336**	$ 3,092

Non-GAAP measures

Adjusted Debt-to-Adjusted EBITDA Multiple

Management believes that the adjusted debt-to-adjusted EBITDA multiple is a useful credit measure because it reflects the Company's ability to service its debt and other long-term obligations. The Company calculates the adjusted debt-to-adjusted EBITDA multiple as adjusted debt divided by the last twelve months of adjusted EBITDA. Adjusted debt is defined as the sum of Long-term debt and Current portion of long-term debt as reported on the Company's Consolidated Balance Sheets as well as Operating lease liabilities, including current portion and pension plans in deficiency recognized on the Company's Consolidated Balance Sheets due to the debt-like nature of their contractual and financial obligations. Adjusted EBITDA is calculated as Net income excluding Interest expense, Income tax expense, Depreciation and amortization, operating lease cost, Other components of net periodic benefit income, Other income (loss), and other significant items that are not reflective of CN's underlying business operations and which could distort the analysis of trends in business performance. Adjusted debt and adjusted EBITDA are non-GAAP measures used to compute the adjusted debt-to-adjusted EBITDA multiple. These measures do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies.The following table provides a reconciliation of debt and Net income in accordance with GAAP, reported as at and for the years ended December 31, 2025 and 2024, respectively, to the adjusted measures presented herein, which have been used to calculate the non-GAAP adjusted debt-to-adjusted EBITDA multiple:

unaudited *In millions, unless otherwise indicated* *As at and for the year ended December 31,*	2025	2024
Debt [1]	**$ 21,206**	$ 20,894
Adjustments:		
Operating lease liabilities, including current portion [2]	**424**	477
Pension plans in deficiency [3]	**329**	350
Adjusted debt	**$ 21,959**	$ 21,721
Net income	**$ 4,720**	$ 4,448
Interest expense	**913**	891
Income tax expense	**1,544**	1,404
Depreciation and amortization	**1,938**	1,892
Operating lease cost [4]	**160**	153
Other components of net periodic benefit income	**(502)**	(454)
Other income	**(88)**	(42)
Adjustments:		
Workforce reduction program [5]	**34**	—
Advisory costs related to rail consolidation matters [6]	**15**	—
Loss on assets held for sale [7]	**—**	78
Adjusted EBITDA	**$ 8,734**	$ 8,370
Adjusted debt-to-adjusted EBITDA multiple *(times)*	**2.51**	2.60

1. Represents the aggregate of Current portion of long-term and Long-term debt.
2. Represents the present value of operating lease payments.
3. Represents the total funded deficit of all defined benefit pension plans with a projected benefit obligation in excess of plan assets.
4. Represents the operating lease costs recorded in Purchased services and material and Equipment rents.
5. Relates to employee termination benefits and severance costs related to a workforce reduction program.
6. Represents advisory costs related to analysis and advocacy for STB enforcement of antitrust laws pertaining to the potential merger between Union Pacific and Norfolk Southern recorded in the fourth quarter.
7. Relates to a loss on assets held for sale of $78 million recorded in the second quarter of 2024, resulting from an agreement to transfer the ownership and related risks and obligations of the Quebec Bridge located in Quebec, Canada, to the Government of Canada.

Non-GAAP measures

ROIC and Adjusted ROIC

ROIC and adjusted ROIC are useful measures for management and investors to evaluate the efficiency of the Company's use of capital funds and allow investors to assess the operating and investment decisions made by management. The Company calculates ROIC as return divided by average invested capital, both of which are non-GAAP measures. 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 the last twelve-month period. The Company calculates adjusted ROIC as adjusted return divided by average invested capital, both of which are non-GAAP measures. Adjusted return is defined as adjusted net income plus interest expense after-tax, calculated using the Company's adjusted effective tax rate. Return, average invested capital, ROIC, adjusted return and adjusted ROIC do not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. The following table provides a reconciliation of Net income and adjusted net income to return and adjusted return, respectively, as well as the calculation of average invested capital, which have been used to calculate ROIC and adjusted ROIC:

unaudited *In millions, except percentage* — *As at and for the year ended December 31,*	2025	2024
Net income	**$ 4,720**	$ 4,448
Interest expense	**913**	891
Tax on interest expense [1]	**(225)**	(214)
Return	**$ 5,408**	$ 5,125
Average total shareholders' equity	**$ 21,310**	$ 20,584
Average long-term debt	**20,014**	17,931
Average current portion of long-term debt	**1,036**	1,753
Less: Average cash, cash equivalents, restricted cash and restricted cash equivalents	**(382)**	(663)
Average invested capital	**$ 41,978**	$ 39,605
ROIC	**12.9 %**	12.9 %
Adjusted net income [2]	**$ 4,756**	$ 4,506
Interest expense	**913**	891
Adjusted tax on interest expense [3]	**(226)**	(214)
Adjusted return	**$ 5,443**	$ 5,183
Average invested capital	**$ 41,978**	$ 39,605
Adjusted ROIC	**13.0 %**	13.1 %

1. The effective tax rate, defined as Income tax expense as a percentage of Income before income taxes, used to calculate the tax on Interest expense for 2025 was 24.6% (2024 - 24.0%).
2. This non-GAAP measure does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to similar measures presented by other companies. See the Adjusted net income and earnings per share slide for an explanation of this non-GAAP measure.
3. The adjusted effective tax rate is a non-GAAP measure, defined as Income tax expense, net of tax adjustments as presented in Adjusted performance measures as a percentage of Income before taxes, net of pre-tax adjustments as presented in Adjusted performance measures. This measure does not have any standardized meaning prescribed by GAAP and therefore, may not be comparable to a similar measure presented by other companies. The adjusted effective tax rate used to calculate the adjusted tax on interest expense for 2025 was 24.7% (2024 - 24.0%).