NON-GAAP MEASURES – UNAUDITED

In this supplementary schedule, the "Company" or "CN" refers to Canadian National Railway Company, together with its wholly-owned subsidiaries. Financial information included in this schedule is expressed in Canadian dollars, unless otherwise noted.

CN reports its financial results in accordance with United States generally accepted accounting principles (GAAP). The Company also uses non-GAAP measures that do not have any standardized meaning prescribed by GAAP, including adjusted performance measures, free cash flow, constant currency and adjusted debt-to-adjusted EBITDA multiple. 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, 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 and nine months ended September 30, 2025, the Company's net income was $1,139 million, or $1.83 per diluted share, and $3,472 million, or $5.54 per diluted share, respectively. There were no adjustments in the third quarter and the first nine months of 2025.

For the three and nine months ended September 30, 2024, the Company's adjusted net income was $1,085 million, or $1.72 per diluted share, and $3,360 million, or $5.28 per diluted share, respectively. The adjusted figures for the nine months ended September 30, 2024 exclude 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. See *Note 4 - Assets held for sale to* the Company's unaudited Interim Consolidated Financial Statements for additional information.

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.

NON-GAAP MEASURES – UNAUDITED

The following table provides a reconciliation of Net income and Earnings per share in accordance with GAAP, as reported for the three and nine months ended September 30, 2025 and 2024, to the non-GAAP adjusted performance measures presented herein:

	Three months ended September 30		Nine months ended September 30	
In millions, except per share data	**2025**	2024	**2025**	2024
Net income	**$ 1,139**	$ 1,085	**$ 3,472**	$ 3,302
Adjustments:				
Loss on assets held for sale	**—**	—	**—**	78
Tax effect of adjustments [1]	**—**	—	**—**	(20)
Total adjustments	**$ —**	$ —	**$ —**	$ 58
Adjusted net income	**$ 1,139**	$ 1,085	**$ 3,472**	$ 3,360
Diluted earnings per share	**$ 1.83**	$ 1.72	**$ 5.54**	$ 5.19
Impact of adjustments, per share	**—**	—	**—**	0.09
Adjusted diluted earnings per share	**$ 1.83**	$ 1.72	**$ 5.54**	$ 5.28

(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.

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 and nine months ended September 30, 2025 and 2024, to the non-GAAP adjusted performance measures presented herein:

	Three months ended September 30		Nine months ended September 30	
In millions, except percentages	**2025**	2024	**2025**	2024
Operating income	**$ 1,606**	$ 1,515	**$ 4,854**	$ 4,619
Adjustment:				
Loss on assets held for sale	**$ —**	$ —	**$ —**	$ 78
Total adjustment	**—**	—	**—**	78
Adjusted operating income	**$ 1,606**	$ 1,515	**$ 4,854**	$ 4,697
Operating expenses	**$ 2,559**	$ 2,595	**$ 7,986**	$ 8,069
Total adjustment	**—**	—	**—**	(78)
Adjusted operating expenses	**$ 2,559**	$ 2,595	**$ 7,986**	$ 7,991
Operating ratio	**61.4 %**	63.1 %	**62.2 %**	63.6 %
Impact of adjustment	**— %**	— %	**— %**	(0.6)%
Adjusted operating ratio	**61.4 %**	63.1 %	**62.2 %**	63.0 %

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 (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 and nine months ended September 30, 2025 and 2024, to the non-GAAP free cash flow presented herein:

	Three months ended September 30		Nine months ended September 30	
In millions	**2025**	2024	**2025**	2024
Net cash provided by operating activities	**$ 1,913**	$ 1,774	**$ 4,822**	$ 4,704
Net cash used in investing activities	**(1,120)**	(1,190)	**(2,481)**	(2,644)
Free cash flow	**$ 793**	$ 584	**$ 2,341**	$ 2,060

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 $1.378 and 1.399 per US$1.00 for the three and nine months ended September 30, 2025 and $1.364 and $1.360 per US$1.00 for the three and nine months ended September 30, 2024, respectively. On a constant currency basis, the Company's net income for the three and nine months ended September 30, 2025 would have been lower by $1 million ($nil per diluted share) and lower by $45 million ($0.07 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 and nine months ended September 30, 2025:

	Three months ended September 30				Nine months ended September 30			
In millions, except per share data	**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	**$ 854**	$ (4)	$ 839	1%	**$ 2,577**	$ (43)	$ 2,546	—%
Metals and minerals	**477**	(3)	502	(6%)	**1,496**	(34)	1,560	(6%)
Forest products	**451**	(3)	467	(4%)	**1,406**	(31)	1,462	(6%)
Coal	**237**	(1)	229	3%	**725**	(7)	691	4%
Grain and fertilizers	**775**	(3)	786	(2%)	**2,560**	(36)	2,384	6%
Intermodal	**980**	(3)	882	11%	**2,928**	(19)	2,881	1%
Automotive	**217**	(1)	217	—%	**677**	(13)	688	(3%)
Total freight revenues	**3,991**	(18)	3,922	1%	**12,369**	(183)	12,212	—%
Other revenues	**174**	(1)	188	(8%)	**471**	(7)	476	(3%)
Total revenues	**4,165**	(19)	4,110	1%	**12,840**	(190)	12,688	—%
Operating expenses								
Labor and fringe benefits	**815**	(3)	795	(2%)	**2,597**	(28)	2,539	(1%)
Purchased services and material	**562**	(3)	566	1%	**1,715**	(14)	1,715	1%
Fuel	**418**	(4)	519	20%	**1,349**	(38)	1,579	17%
Depreciation and amortization	**500**	(2)	475	(5%)	**1,482**	(17)	1,403	(4%)
Equipment rents	**103**	(1)	93	(10%)	**326**	(8)	294	(8%)
Other	**161**	(3)	147	(7%)	**517**	(12)	461	(10%)
Loss on assets held for sale	**—**	—	—	—%	**—**	—	78	100%
Total operating expenses	**2,559**	(16)	2,595	2%	**7,986**	(117)	8,069	2%
Operating income	**1,606**	(3)	1,515	6%	**4,854**	(73)	4,619	4%
Interest expense	**(227)**	1	(230)	2%	**(679)**	14	(660)	(1%)
Other components of net periodic benefit income	**125**	—	114	10%	**376**	—	341	10%
Other income	**3**	—	10	(70%)	**44**	(1)	44	(2%)
Income before income taxes	**1,507**	(2)	1,409	7%	**4,595**	(60)	4,344	4%
Income tax expense	**(368)**	1	(324)	(13%)	**(1,123)**	15	(1,042)	(6%)
Net income	**$ 1,139**	$ (1)	$ 1,085	5%	**$ 3,472**	$ (45)	$ 3,302	4%
Diluted earnings per share	**$ 1.83**	$ —	$ 1.72	6%	**$ 5.54**	$ (0.07)	$ 5.19	5%

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 twelve months ended September 30, 2025 and 2024, to the adjusted measures presented herein, which have been used to calculate the non-GAAP adjusted debt-to-adjusted EBITDA multiple:

In millions, unless otherwise indicated	*As at and for the twelve months ended September 30,*	**2025**	2024
Debt [1]		**$ 21,120**	$ 20,698
Adjustments:			
Operating lease liabilities, including current portion [2]		**452**	363
Pension plans in deficiency [3]		**341**	356
Adjusted debt		**$ 21,913**	$ 21,417
Net income		**$ 4,618**	$ 5,432
Interest expense		**910**	859
Income tax expense		**1,485**	784
Depreciation and amortization		**1,971**	1,866
Operating lease cost [4]		**159**	153
Other components of net periodic benefit income		**(489)**	(460)
Other income		**(42)**	(178)
Adjustment:			
Loss on assets held for sale [5]		**—**	78
Adjusted EBITDA		**$ 8,612**	$ 8,534
Adjusted debt-to-adjusted EBITDA multiple *(times)*		**2.54**	2.51

(1) Represents the aggregate of Current portion of long-term debt and Long-term debt as disclosed on the Consolidated Balance Sheets.

(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 within the Consolidated Statements of Income.

(5) 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. See *Note 4 - Assets held for sale* to the Company's unaudited Interim Consolidated Financial Statements for additional information.