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, 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 and six months ended June 30, 2026, the Company's adjusted net income was $1,261 million, or $2.08 per diluted share, and $2,363 million, or $3.88 per diluted share, respectively. The adjusted figures for the three and six months ended June 30, 2026 exclude advisory costs related to the analysis and advocacy for the U.S. Surface Transportation Board (STB) review of the impacts to fair competition pertaining to the potential merger between Union Pacific and Norfolk Southern of $17 million, or $12 million after-tax ($0.02 per diluted share) and $34 million, or $25 million after tax ($0.04 per diluted share), respectively, recorded in Purchased services and material within the Consolidated Statements of Income. The adjusted figures for the six months ended June 30, 2026 also exclude the sale of a portion of the Newmarket subdivision located in Washago and Sundridge, Ontario, Canada, together with rail fixtures, for cash proceeds of $84 million, which resulted in a gain of $66 million, or $57 million after-tax ($0.09 per diluted share) recorded in the first quarter of 2026 in Other income within the Consolidated Statements of Income.

For the three and six months ended June 30, 2025, the Company's net income was $1,172 million, or $1.87 per diluted share, and $2,333 million, or $3.71 per diluted share, respectively. There were no adjustments in the second quarter and the first half of 2025.

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 facilitates 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 six months ended June 30, 2026 and 2025, to the non-GAAP adjusted performance measures presented herein:

In millions, except per share data	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Net income	**$ 1,249**	$ 1,172	**$ 2,395**	$ 2,333
Adjustments:				
Operating expense adjustment:				
Advisory costs related to rail consolidation matters	**17**	—	**34**	—
Non-operating expense adjustment:				
Gain on disposal of property	**—**	—	**(66)**	—
Tax adjustment:				
Tax effect of adjustments (1)	**(5)**	—	**—**	—
Total adjustments	**$ 12**	$ —	**$ (32)**	$ —
Adjusted net income	**$ 1,261**	$ 1,172	**$ 2,363**	$ 2,333
Diluted earnings per share	**$ 2.06**	$ 1.87	**$ 3.93**	$ 3.71
Impact of adjustments, per share	**0.02**	—	**(0.05)**	—
Adjusted diluted earnings per share	**$ 2.08**	$ 1.87	**$ 3.88**	$ 3.71

(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 six months ended June 30, 2026 and 2025, to the non-GAAP adjusted performance measures presented herein:

In millions, except percentages	Three months ended June 30		Six months ended June 30	
	2026	2025	**2026**	2025
Operating income	**$ 1,781**	$ 1,638	**$ 3,330**	$ 3,248
Adjustment:				
Advisory costs related to rail consolidation matters	**17**	—	**34**	—
Total adjustment	**$ 17**	$ —	**$ 34**	$ —
Adjusted operating income	**$ 1,798**	$ 1,638	**$ 3,364**	$ 3,248
Operating expenses	**$ 2,972**	$ 2,634	**$ 5,802**	$ 5,427
Total adjustment	**(17)**	—	**(34)**	—
Adjusted operating expenses	**$ 2,955**	$ 2,634	**$ 5,768**	$ 5,427
Operating ratio	**62.5 %**	61.7 %	**63.5 %**	62.6 %
Impact of adjustment	**(0.3)%**	— %	**(0.3)%**	— %
Adjusted operating ratio	**62.2 %**	61.7 %	**63.2 %**	62.6 %

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 and six months ended June 30, 2026 and 2025, to the non-GAAP free cash flow presented herein:

	Three months ended June 30		**Six months ended June 30**	
In millions	**2026**	2025	**2026**	2025
Net cash provided by operating activities	**$ 1,611**	$ 1,745	**$ 2,876**	$ 2,909
Net cash used in investing activities	**(669)**	(823)	**(1,034)**	(1,361)
Free cash flow	**$ 942**	$ 922	**$ 1,842**	$ 1,548

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 weighted average foreign exchange rates were $1.384 and $1.378 per US$1.00 for the three and six months ended June 30, 2026, respectively and $1.385 and $1.411 per US$1.00 for the three and six months ended June 30, 2025, respectively. On a constant currency basis, the Company's net income for the three and six months ended June 30, 2026 would have been higher by $5 million ($0.01 per diluted share) and $26 million ($0.04 per diluted share), respectively.

NON-GAAP MEASURES – UNAUDITED

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 six months ended June 30, 2026:

In millions, except per share data	Three months ended June 30				Six months ended June 30			
	2026	Constant currency impact	2025	% Change at constant currency Fav (Unfav)	**2026**	Constant currency impact	2025	% Change at constant currency Fav (Unfav)
Revenues								
Petroleum and chemicals	**$ 941**	$ 1	$ 808	17%	**$ 1,869**	$ 25	$ 1,723	10%
Metals and minerals	**528**	1	496	7%	**996**	17	1,019	(1%)
Forest products	**495**	1	461	8%	**929**	16	955	(1%)
Coal	**243**	—	242	—%	**462**	4	488	(5%)
Grain and fertilizers	**980**	2	834	18%	**2,029**	24	1,785	15%
Intermodal	**1,087**	—	1,008	8%	**2,049**	11	1,948	6%
Automotive	**285**	—	241	18%	**492**	7	460	8%
Total freight revenues	**4,559**	5	4,090	12%	**8,826**	104	8,378	7%
Other revenues	**194**	—	182	7%	**306**	3	297	4%
Total revenues	**4,753**	5	4,272	11%	**9,132**	107	8,675	7%
Operating expenses								
Labor and fringe benefits	**889**	(1)	862	(3%)	**1,803**	16	1,782	(2%)
Purchased services and material	**641**	(2)	576	(11%)	**1,264**	6	1,153	(10%)
Fuel	**659**	3	413	(60%)	**1,142**	26	931	(25%)
Depreciation and amortization	**486**	—	489	1%	**970**	9	982	—%
Equipment rents	**106**	—	105	(1%)	**218**	4	223	—%
Other	**191**	(1)	189	(1%)	**405**	4	356	(15%)
Total operating expenses	**2,972**	(1)	2,634	(13%)	**5,802**	65	5,427	(8%)
Operating income	**1,781**	6	1,638	9%	**3,330**	42	3,248	4%
Interest expense	**(241)**	—	(219)	(10%)	**(475)**	(8)	(452)	(7%)
Other components of net periodic benefit income	**133**	—	126	6%	**266**	—	251	6%
Other income	**7**	—	16	(56%)	**80**	—	41	95%
Income before income taxes	**1,680**	6	1,561	8%	**3,201**	34	3,088	5%
Income tax expense	**(431)**	(1)	(389)	(11%)	**(806)**	(8)	(755)	(8%)
Net income	**$ 1,249**	$ 5	$ 1,172	7%	**$ 2,395**	$ 26	$ 2,333	4%
Diluted earnings per share	**$ 2.06**	$ 0.01	$ 1.87	11%	**$ 3.93**	$ 0.04	$ 3.71	7%
Adjusted net income (1)	**$ 1,261**	$ 5	$ 1,172	8%	**$ 2,363**	$ 26	$ 2,333	2%
Adjusted diluted earnings per share (1)	**$ 2.08**	$ 0.01	$ 1.87	12%	**$ 3.88**	$ 0.04	$ 3.71	6%

(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 the section of this MD&A entitled Adjusted performance measures for an explanation and reconciliation of these non-GAAP measures. Adjusted net income at constant currency and adjusted diluted EPS 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. For the three months ended June 30, 2026, the Adjusted net income at constant currency was $1,266 million, calculated as adjusted net income of $1,261 million, adjusted for the impact of fluctuations in foreign currency exchange rates of $5 million. For the six months ended June 30, 2026, the Adjusted net income at constant currency was $2,389 million, calculated as adjusted net income of $2,363 million, adjusted for the impact of fluctuations in foreign currency exchange rates of $26 million. For the three months ended June 30, 2026, the Adjusted diluted EPS at constant currency was $2.09, calculated as adjusted diluted EPS of $2.08, adjusted for the impact of fluctuations in foreign currency exchange rates of $0.01 per diluted share. For the six months ended June 30, 2026, the Adjusted diluted EPS at constant currency was $3.92, calculated as adjusted diluted EPS of $3.88, adjusted for the impact of fluctuations in foreign currency exchange rates of $0.04 per diluted share.

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 June 30, 2026 and 2025, 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 June 30,*	**2026**	2025
Debt (1)		**$ 22,254**	$ 20,425
Adjustments:			
Operating lease liabilities, including current portion (2)		**465**	443
Pension plans in deficiency (3)		**337**	342
Adjusted debt		**$ 23,056**	$ 21,210
Net income		**$ 4,782**	$ 4,564
Interest expense		**936**	913
Income tax expense		**1,595**	1,441
Depreciation and amortization		**1,926**	1,946
Operating lease cost (4)		**154**	158
Other components of net periodic benefit income		**(517)**	(478)
Other income		**(127)**	(49)
Adjustments:			
Workforce reduction program (5)		**34**	—
Advisory costs related to rail consolidation matters (6)		**49**	—
Adjusted EBITDA		**$ 8,832**	$ 8,495
Adjusted debt-to-adjusted EBITDA multiple *(times)*		**2.61**	2.50

(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 employee termination benefits and severance costs related to a workforce reduction program, recorded in the fourth quarter of 2025 in Labor and fringe benefits within the Consolidated Statements of Income.

(6) Represents advisory costs related to the analysis and advocacy for the STB review of the impacts to fair competition pertaining to the potential merger between Union Pacific and Norfolk Southern recorded in Purchased services and material within the Consolidated Statements of Income.