



THE CPKC ADVANTAGE



INVESTOR FACT BOOK
**2026 DATA
SUPPLEMENT**

FORWARD-LOOKING INFORMATION

This Investor Fact Book contains certain forward-looking information and forward-looking statements (collectively, "forward-looking statements") within the meaning of applicable securities laws relating to our operations, anticipated financial performance, business prospects, planned capital expenditures and strategies, among other things. Any statements about our expectations, beliefs, plans, goals, targets, predictions, forecasts, objectives, assumptions, information and statements about possible future events, conditions and results of operations or performance are not historical facts and may be forward-looking. Forward-looking statements in this Investor Fact Book include, but are not limited to, our ability to deliver safe and reliable services to our customers, including additional track safety measures; plans or objectives of management for future operations; our ability to responsibly manage our balance sheet and maintain a leverage target; expectations regarding the success of our business; the realization of the anticipated benefits and synergies of the CP-KCS combination; business prospects and demand for our services and new growth opportunities, including outlook in bulk, merchandise and intermodal; plans for high-return capital investments, expenditures, and projects; investments in track infrastructure and product expansion; investing in the Celaya Bypass; expected shareholder returns, through dividend growth and share buybacks, including the normal course issuer bid and our ability to execute the locomotive decarbonization phases and anticipated milestones; information regarding sustainability-related actions we plan to take in the future, including Canadian Pacific Kansas City Limited's ("CPKC" or the "Company") climate strategy for reducing greenhouse gas ("GHG") emissions; fuel efficiency of railways and our operations; future investments in and the availability of carbon emissions-reduction tools and technologies including through our fleet modernization program and technology upgrades, including artificial intelligence ("AI")-assisted decision making; the impacts of existing and planned capital investments and our ability to work with governments and third parties to mitigate the impacts of climate change. Forward-looking statements may contain statements with words or headings such as "anticipates," "aims," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimates," "plans," "targets," "projects," "continuing," "ongoing," "expects," "intends," "outlook," "guidance" and similar words or phrases suggesting future outcomes.

The forward-looking statements contained in this Investor Fact Book are based on current expectations, estimates, projections and assumptions, having regard to the Company's experience and its perception of historical trends, and include, but are not limited to, expectations, estimates, projections and assumptions relating to: changes in business strategies, North American and global economic growth and conditions; commodity demand growth; sustainable industrial and agricultural production; commodity prices and interest rates; foreign exchange rates; core adjusted effective tax rates; performance of our assets and equipment; sufficiency of our budgeted capital expenditures in carrying out our business plan; geopolitical conditions, applicable laws, regulations and government policies, including, without limitation, those relating to regulation of rates, tariffs, import/export, trade, taxes, wages, labour and immigration; the availability and cost of labour, services and infrastructure; labour disruptions; the satisfaction by third parties of their obligations to the Company; and carbon markets, evolving sustainability strategies, and scientific or technological developments. Although the Company believes the expectations, estimates, projections and assumptions reflected in the forward-looking statements presented herein are reasonable as of the date hereof, there can be no assurance that they will prove to be correct. Current conditions, economic and otherwise, render assumptions, although reasonable when made, subject to greater uncertainty.

Undue reliance should not be placed on forward-looking statements as actual results may differ materially from those expressed or implied by forward-looking statements. By their nature, forward-looking statements involve numerous inherent risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including, but not limited to, the following factors: changes in business strategies and strategic opportunities; general Canadian, United States ("U.S."), Mexican and global social, economic, political, credit and business conditions; risks associated with agricultural production such as weather conditions and insect populations; the availability and price of energy commodities; the effects of competition and pricing pressures, including competition from other rail carriers, trucking companies and maritime shippers in Canada, the U.S. and Mexico; North American and global economic growth and conditions; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped by the Company; inflation; geopolitical instability; changes in laws, regulations and government policies, including, without limitation, those relating to regulation of rates, tariffs, import/export, trade, wages, labour and immigration; changes in taxes and tax rates; potential

increases in maintenance and operating costs; changes in fuel prices; disruption in fuel supplies; uncertainties of investigations, proceedings or other types of claims and litigation; compliance with environmental regulations; labour disputes; changes in labour costs and labour difficulties; risks and liabilities arising from derailments; transportation of dangerous goods; timing of completion of capital and maintenance projects; sufficiency of budgeted capital expenditures in carrying out business plans; services and infrastructure; the satisfaction by third parties of their obligations; currency and interest rate fluctuations; exchange rates; effects of changes in market conditions and discount rates on the financial position of pension plans and investments; trade restrictions, including the imposition of any tariffs, or other changes to international trade arrangements; the effects of current and future multinational trade agreements on or other developments affecting the level of trade among Canada, the U.S. and Mexico; climate change and the market and regulatory responses to climate change; anticipated in-service dates; success of hedging activities; operational performance and reliability; customer, regulatory and other stakeholder approvals and support; regulatory and legislative decisions and actions; the adverse impact of any termination or revocation by the Mexican government of Kansas City Southern de México, S.A. de C.V.'s concession; public opinion; various events that could disrupt operations, including severe weather, such as droughts, floods, avalanches, volcanism and earthquakes, and cybersecurity attacks, as well as security threats and governmental response to them, and technological changes; acts of terrorism, war or other acts of violence or crime or risk of such activities; insurance coverage limitations; material adverse changes in economic and industry conditions; the outbreak of a pandemic or contagious disease and the resulting effects on economic conditions; the demand environment for logistics requirements and energy prices, restrictions imposed by public health authorities or governments; fiscal and monetary policy responses by governments and financial institutions; disruptions to global supply chains; the realization of anticipated benefits and synergies of the CP-KCS transaction and the timing thereof; the satisfaction of the conditions imposed by the U.S. Surface Transportation Board (the "STB") in its March 15, 2023 decision; the successful integration of Kansas City Southern ("KCS") into the Company; the focus of management time and attention on the CP-KCS integration and other disruptions arising from the CP-KCS integration; estimated future dividends; financial strength and flexibility; debt and equity market conditions, including the ability to access capital markets on favourable terms or at all; cost of debt and equity capital; improvement in data collection and measuring systems; industry-driven changes to methodologies; and the ability of the management of the Company to execute key priorities, including those in connection with the CP-KCS transaction. The foregoing list of factors is not exhaustive.

These and other factors are detailed from time to time in reports we file with the securities regulators in Canada and with the U.S. Securities and Exchange Commission ("SEC") in the United States. You should refer to Item 1A – Risk Factors and Item 7 – Management's Discussion and Analysis of Financial Condition and Results of Operations and Forward-Looking Information in our 2025 annual report on Form 10-K and quarterly reports on Form 10-Q, and to our risk factor and forward-looking information disclosure in our annual and interim reports filed on SEDAR+ (www.sedarplus.ca) and EDGAR (www.sec.gov). In addition, our environmental, social, governance and sustainability priorities, policies, practices, programs, goals and objectives remain under development as we continue to refine our analysis of and response to potential future climate and other risks and opportunities, and as the science, data and methodology underlying our analysis and strategy continue to evolve over time. Further, we are conducting additional data-gathering and intend to further assess the climate and other environmental, social, governance and sustainability strategies and initiatives for the combined company, and may make changes to our existing strategies and initiatives as a result.

Forward-looking statements are based on our current expectations, estimates and projections, and it is possible we will not achieve these predictions, forecasts, projections and other forms of forward-looking statements. Unless indicated otherwise or the context otherwise requires, this Investor Fact Book speaks only as of the date hereof. In future disclosures, we may present information (including both forward-looking and historical information) that differs from the information contained in this Investor Fact Book. Except as required by law, we undertake no obligation to update or otherwise revise any forward-looking information, or the foregoing assumptions and risks affecting such forward-looking statements, whether as a result of new information, future events, or otherwise.

FORWARD-LOOKING NON-GAAP MEASURE

Although the Company has provided forward-looking Non-GAAP measure (Adjusted net debt to adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") on page 11, management is unable to reconcile, without unreasonable efforts, the forward-looking Adjusted net debt to adjusted EBITDA to the most comparable accounting principles generally accepted in the United States of America ("GAAP") measure (Long-term debt to Net income attributable to controlling shareholders), due to unknown variables and uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value. In recent years, the Company has recognized acquisition-related costs, KCS purchase accounting, adjustments to provisions and settlements of Mexican taxes, changes in income tax rates and a change to an uncertain tax item. These or other similar significant unforeseen variables may affect the Company's reported results, debt and other assets and liabilities but may be adjusted in arriving at the Adjusted net debt to adjusted EBITDA ratio. Additionally, the Canadian-to-U.S. dollar and Mexican peso-to-U.S. dollar exchange rates are unpredictable and can have a significant impact on CPKC's reported results but may be excluded from CPKC's Adjusted net debt to adjusted EBITDA ratio. For further information about Non-GAAP measures, see page 31.

BASIS OF PRESENTATION

On September 15, 2021, Canadian Pacific Railway Limited, a Canadian corporation ("CPRL"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with KCS, a Delaware corporation, pursuant to which CPRL agreed to acquire KCS in a stock and cash transaction.

On December 14, 2021, CPRL completed the indirect acquisition of KCS. Pending regulatory approval from the STB, the shares of KCS common stock were deposited by a subsidiary of CPRL into a voting trust. During this period, CPRL recorded its investment in KCS using the equity method of accounting up to the date effective control of KCS was obtained.

On March 15, 2023, the STB issued a final decision approving the CPRL and KCS joint merger application, subject to certain conditions. On April 14, 2023 (the "Control Date"), CPRL assumed control of KCS and filed articles of amendment to change CPRL's name to CPKC.

In this Investor Fact Book, unless the context indicates otherwise, references to "CPRL" or "CP" refer to Canadian Pacific Railway Limited prior to the Control Date without giving effect to the KCS business combination, and references to "CPKC", "the Company", "our", or "us" are to Canadian Pacific Kansas City Limited and its subsidiaries, which includes KCS as a consolidated subsidiary on and from the Control Date. Prior to April 14, 2023, the Company's 100 percent interest in KCS was reported as an equity-method investment. In this Investor Fact Book, combined information presented for 2021 through to April 13, 2023 is provided to illustrate the estimated effects of combining certain of CPRL's and KCS's key financial measures as if CPRL and KCS had formed a combined company for these periods, and have been adjusted in a manner consistent with Regulation S-X Article 11 ("Article 11") by giving effect to pro forma transaction accounting adjustments. For more information about the pro forma transaction accounting adjustments for 2021 through to March 31, 2023, please see Exhibit 99.1 "Selected Unaudited Combined Summary of Historical Financial Data" of CPKC's Current Report on Form 8-K furnished with the SEC on May 15, 2023. In addition, combined revenue ton-mile ("RTM") and carloads by line of business and combined operations performance metrics presented for 2021 through to April 13, 2023 is provided to illustrate the estimated effects of combining certain of CPRL's and KCS's RTM and carloads by line of business and operating performance consistent with CPKC's line of business categories used and performance measure definitions as if CPRL and KCS had formed a combined company for these periods. The combined RTMs and carloads by line of business and operations performance metrics are not prepared in accordance with Article 11 as Article 11 does not encompass the presentation of non-financial information. Combined financial information should be evaluated together with reported results prepared in accordance with GAAP on page 26 and are in addition to, not a substitute for, or superior to, measures of financial performance prepared in accordance with GAAP.

Combined financial measures that have been adjusted for KCS's GAAP results in a manner consistent with Article 11 do not purport to represent what the actual consolidated results of operations would have been had the Company obtained control of KCS and consolidation actually occurred on January 1, 2022, nor are they indicative of future results. This information is based upon assumptions that CPKC believes are reasonable to reflect the impact of obtaining control of KCS on CPKC's historical financial information on a supplemental basis and does not represent a restatement

of CPRL's or KCS's previously issued consolidated financial statements. CPRL did not control KCS during 2022 or for the period from January 1 to April 13, 2023. This information does not include anticipated costs related to integration activities, cost savings or synergies that may be achieved by the combined company. This document has been prepared by and is the responsibility of CPKC's management. CPKC's independent auditors have not performed a review of this document.

Beginning in the first quarter 2025, Core adjusted operating income, Core adjusted operating ratio, Core adjusted income, Core adjusted diluted earnings per share ("EPS"), Adjusted free cash, Adjusted net debt to adjusted EBITDA ratio and Core adjusted return on invested capital ("ROIC"), have been used in continuity of the Non-GAAP measures previously known as Core adjusted combined operating income, Core adjusted combined operating ratio, Core adjusted combined income, Core adjusted combined diluted EPS, Adjusted combined free cash, Adjusted combined net debt to adjusted combined EBITDA ratio and Core adjusted combined ROIC, respectively. No adjustments are required to the previously presented Non-GAAP measures as reported in 2024 to present them on a comparable basis, as KCS was consolidated within the Company's results throughout the whole year and therefore, no combination adjustments exist.

ADDITIONAL REPORT INFORMATION

This document incorporates or otherwise relies upon data from third parties, which may have been prepared in ways that are not consistent with our methodologies or practices. We do not independently verify such third-party information. As a result of these and other factors, including our ongoing sustainability integration and factors described elsewhere in this document, information disclosed in this document might differ from that contained in prior disclosures (including prior KCS disclosures). In future disclosures, we may change, or update the mileposts, plans, targets, objectives and other information contained herein or include disclosures that otherwise differ from those contained in or implied by this document or prior disclosures. We undertake no obligation to update the information in this report or prior disclosures, except to the extent required by law.

Our approach to the disclosures included in this document differs from our approach to other disclosures, including our filings with the SEC, and any disclosures we may make under any other regulatory frameworks. This document is intended to provide information from a different perspective and in some cases in greater detail than is required to be included in such other reports. Words used in this document (including any references to "significance," "importance," "priority," "transition plan," "scenario analysis," "carbon neutral," "greenhouse gas reduction," "renewable," "offset," "sustainable," "impact" or "net zero" or similar terms) should not be read to have the meanings ascribed to them under any law, regulation or standards, including any regulatory or other frameworks referenced herein (including the International Financial Reporting Standards ("IFRS")). To guide the content of this report, we consider external frameworks such as those developed by IFRS, but this report should not be deemed to be indicative of our interpretation of any requirements under such standards or any legal or regulatory requirements referencing such standards. Unless otherwise stated, we use such words in this document to refer to our internal criteria, processes and approaches.

All references to websites, reports or other documents in this report are for your information only. The content of such websites, reports or other documents (or any other information they refer to) is not incorporated by reference into this report.

This document outlines some of the near-term steps that we currently expect to take in order to support CPKC in preparing for the transition to a low-carbon future. In this document, we also highlight some of the longer-term possibilities we are exploring to enhance the sustainability of our business, including the possibility of widespread decarbonization across our locomotive fleet. We expect the road to net-zero to continuously evolve. The mileposts outlined in this document are intended to provide our stakeholders with a sense of our current thinking about potential future opportunities to enhance the sustainability of our operations, which will evolve due to unknowns that will continue to emerge for mileposts yet to come. As a result, the plans, targets and objectives we describe in this and other climate-related disclosures may ultimately change. As we continue to explore opportunities to decarbonize our business, it is clear that our ability to meet these milestones will depend significantly on the actions of third parties and stakeholders beyond our control, including governments, investors, suppliers, customers, freight sector peers and countless others along the way.

UNITED FOR GROWTH

At CPKC, we serve today while building the foundation for tomorrow, together. Over the past year, our unwavering dedication to service, innovation and progress has enabled us to unlock new opportunities across North America. Through strategic collaboration and a focus on building lasting value for our customers, CPKC has continued to grow and drive the industry forward.

CPKC operates the only single-line railroad connecting Canada, the U.S. and Mexico, giving businesses unparalleled access to seamless rail transportation and expanded markets. Our unrivalled network drives economic growth by making cross-border trade smarter, faster and more efficient, while strengthening vital partnerships between three great nations.

Throughout 2025, our achievements demonstrate what is possible when vision meets action. By investing in cutting-edge technology, sustainable infrastructure and community initiatives, we are providing safer, more reliable service and setting new industry standards. These accomplishments are made possible by the dedication and expertise of our 20,000 railroaders, whose passion and commitment drive our progress every day. As we move forward, CPKC remains committed to fueling the ambitions of those we serve, driving shared success and uniting our customers and communities in growth.

TABLE OF CONTENTS

Performance Highlights	5
CPKC at a Glance: Our Footprint	7
Business Mix: Diversified Book of Business	9
Financial Performance: Driving Shareholder Value	11
Capital Expenditures: Reinvesting in the Business	13
Technology: Precision Innovation	17
Environment: Sustainably Driven	21
Appendix	25

PERFORMANCE HIGHLIGHTS

\$ in millions of Canadian dollars except for per share data, ratios, or unless otherwise indicated

	2023	2024	2025
FINANCIAL HIGHLIGHTS⁽¹⁾			
Total revenues as reported	\$12,555	\$14,546	\$15,078
Total combined revenues ⁽²⁾⁽³⁾	\$13,909	n/a	n/a
Operating income as reported	\$4,388	\$5,179	\$5,609
Core adjusted combined operating income ⁽²⁾⁽³⁾	\$5,281	n/a	n/a
Core adjusted operating income ⁽²⁾	n/a	\$5,623	\$6,048
Operating ratio as reported ⁽⁴⁾	65.0%	64.4%	62.8%
Core adjusted combined operating ratio ⁽²⁾⁽³⁾	62.0%	n/a	n/a
Core adjusted operating ratio ⁽²⁾	n/a	61.3%	59.9%
Net income attributed to controlling shareholders as reported	\$3,927	\$3,718	\$4,141
Core adjusted combined income ⁽²⁾⁽³⁾	\$3,582	n/a	n/a
Core adjusted income ⁽²⁾	n/a	\$3,973	\$4,226
Diluted earnings per share as reported	\$4.21	\$3.98	\$4.51
Core adjusted combined diluted earnings per share ⁽²⁾⁽³⁾	\$3.84	n/a	n/a
Core adjusted diluted earnings per share ⁽²⁾	n/a	\$4.25	\$4.61
Net cash provided by operating activities as reported	\$4,137	\$5,269	\$5,309
Net cash used in investing activities as reported	(\$2,162)	(\$2,796)	(\$2,665)
Net cash used in financing activities as reported	(\$1,955)	(\$2,252)	(\$3,146)
Adjusted combined free cash ⁽²⁾⁽³⁾	\$2,151	n/a	n/a
Adjusted free cash ⁽²⁾	n/a	\$2,688	\$2,283
Return on average shareholders' equity as reported ⁽⁵⁾	9.8%	8.3%	8.8%
Core adjusted combined return on invested capital ⁽²⁾⁽³⁾	6.6%	n/a	n/a
Core adjusted return on invested capital ⁽²⁾	n/a	6.7%	6.9%
Long-term debt to net income attribute to controlling shareholders ratio as reported ⁽⁶⁾	5.7	6.1	5.6
Adjusted combined net debt to adjusted combined EBITDA ratio ⁽¹⁾⁽²⁾⁽³⁾	3.4	n/a	n/a
Adjusted net debt to adjusted EBITDA ratio ⁽¹⁾⁽²⁾	n/a	3.1	3.1
STATISTICAL HIGHLIGHTS⁽⁷⁾			
RTMs (millions) ⁽⁸⁾	204,672	211,458	219,420
Carloads (thousands) ⁽⁹⁾	4,535	4,370	4,514
Gross ton-miles (" GTMs ") (millions) ⁽¹⁰⁾	378,539	388,958	403,891
Locomotive productivity (GTM / operating horsepower) ⁽¹¹⁾	156	165	166
Fuel efficiency (U.S. gallons of locomotive fuel consumed / 1,000 GTMs) ⁽¹²⁾	1.043	1.033	1.034
Average train weight - excluding local traffic (tons) ⁽¹³⁾	8,954	8,988	9,228
Average train length - excluding local traffic (feet) ⁽¹⁴⁾	7,609	7,623	7,827
Average terminal dwell (hours) ⁽¹⁵⁾	10.4	9.9	9.8
Average train speed (miles per hour, or " mph ") ⁽¹⁶⁾	17.8	19.0	19.2
Total employees (end of period) ⁽¹⁷⁾	19,927	19,797	19,479
Workforce (end of period) ⁽¹⁸⁾	20,038	19,924	19,502
SAFETY INDICATORS⁽¹⁹⁾			
Federal Railroad Administration (" FRA ") personal injuries per 200,000 employee-hours ⁽²⁰⁾	1.15	0.95	0.92
FRA train accidents per million train-miles ⁽²¹⁾	0.99	1.01	0.85



- (1) The reported numbers are prepared in accordance with GAAP, except as referenced in Note 2, below. The results of KCS are consolidated in the Company's reported results from April 14, 2023, the date the Company acquired control. From December 14, 2021 to April 13, 2023, the Company included the results of KCS by the equity method of accounting in its reported results. Certain combined metrics have been adjusted for KCS GAAP results prior to the Control Date in a manner consistent with Regulation S-X Article 11.
- (2) These measures are Non-GAAP measures, and have no standardized meaning prescribed by GAAP and, therefore, may not be comparable to similar measures presented by other companies. These measures are defined and reconciled in Non-GAAP measures on page 31 to page 45.
- (3) These financial information for the year ended December 31, 2023 were prepared on a combined basis to illustrate the estimated effects of the KCS acquisition for the year ended December 31, 2023, as if the acquisition closed on January 1, 2022. Beginning April 14, 2023 through period ended December 31, 2025, KCS was consolidated for these periods.
- (4) Operating ratio is defined as total operating expenses divided by total revenues.
- (5) Return on average shareholders' equity is defined as net income attributable to controlling shareholders divided by average shareholders' equity, averaged between the beginning and ending balance over a twelve-month period.
- (6) Long-term debt to net income attributable to controlling shareholders ratio is defined as long-term debt, including long-term debt maturing within one year, divided by net income attributable to controlling shareholders.
- (7) The Statistical Highlights for the years ended December 31, 2023 have been determined through combining commodity and operations metrics data of CPRL and KCS and aligning KCS commodity and operations metrics to CPKC's definitions where applicable. These combined statistical highlights include and rely upon data and information that existed in KCS's systems prior to our assumption of control of KCS on April 14, 2023, which include certain data prepared using methodologies, assumptions, and processes that differ from those used in CPKC's systems and processes or used following integration of such systems.
- (8) RTMs are defined as the movement of one revenue-producing ton of freight over a distance of one mile. RTMs measure the relative weight and distance of rail freight moved by CPKC.
- (9) Carloads are defined as revenue-generating shipments of containers and freight cars. Interchanged carloads are presented as one carload for combined CPKC presentation.
- (10) GTM is defined as the movement of one ton of train weight over one mile. GTMs are calculated by multiplying total train weight by the distance the train moved. Total train weight comprises the weight of the freight cars, their contents, and any inactive locomotives. An increase in GTMs indicates additional workload.
- (11) Locomotive productivity is defined as the daily average GTMs divided by daily average operating horsepower. Operating horsepower excludes units offline, tied up or in storage, or in use on other railways, and includes foreign units online. An increase in locomotive productivity indicates more efficient locomotive utilization and may also be the result of moving heavier commodities.
- (12) Fuel efficiency is defined as U.S. gallons of locomotive fuel consumed per 1,000 GTMs. Fuel consumed includes gallons from freight, yard and commuter service but excludes fuel used in capital projects and other non-freight activities. An improvement in fuel efficiency indicates operational cost savings.

- (13) Average train weight - excluding local traffic (tons) is defined as the average gross weight of CPKC trains, both loaded and empty. This excludes trains in short-haul service, work trains used to move CPKC's track equipment and materials, and the haulage of other railways' trains on CPKC's network. An increase in average train weight indicates improved asset utilization and may also be the result of moving heavier commodities.
- (14) Average train length - excluding local traffic (feet) is defined as the average total length of CPKC trains, both loaded and empty. This includes all cars and locomotives on the train and is calculated as the sum of each car or locomotive's length multiplied by the distance travelled, divided by train miles. This excludes trains in short-haul service, work trains used to move CPKC's track equipment and materials, and the haulage of other railways' trains on CPKC's network. An increase in average train length indicates improved asset utilization.
- (15) Average terminal dwell is defined as the average time a freight car resides within terminal boundaries expressed in hours. The timing starts with a train arriving at the terminal, a customer releasing the car to CPKC, or a car arriving at interchange from another railway. The timing ends when the train leaves, a customer receives the car from CPKC, or the freight car is transferred to another railway. Freight cars are excluded if they are being stored at the terminal or used in track repairs. A decrease in average terminal dwell indicates improved terminal performance resulting in faster cycle times and improved railcar utilization.
- (16) Average train speed is defined as a measure of the line-haul movement from origin to destination including terminal dwell hours. It is calculated by dividing the total train miles travelled by the total train hours operated. This calculation does not include delay time related to customers or foreign railroads and excludes the time and distance travelled by: i) trains used in or around CPKC's yards; ii) passenger trains; and iii) trains used for repairing track. An increase in average train speed indicates improved on-time performance resulting in improved asset utilization.
- (17) An employee is defined as an individual currently engaged in full-time, part-time, or seasonal employment with CPKC. CPKC monitors employment levels in order to efficiently meet service and strategic requirements. The number of employees is a key driver to total compensation and benefits costs.
- (18) Workforce is defined as employees plus contractors and consultants.
- (19) FRA personal injuries per 200,000 employee-hours for the year ended December 31, 2023 has been restated to reflect new information available within specified periods stipulated by the FRA but that exceed the Company's financial reporting timeline.
- (20) FRA personal injuries per 200,000 employee-hours frequency is the number of personal injuries, multiplied by 200,000 and divided by total employee hours. Personal injuries are defined as injuries that require employees to lose time away from work, modify their normal duties or obtain medical treatment beyond minor first aid. FRA employee-hours are the total hours worked, excluding vacation and sick time, by all employees, excluding contractors.
- (21) FRA train accidents per million train-miles frequency is the number of train accidents, multiplied by 1,000,000 and divided by total train miles.

OUR FOOTPRINT

CPKC is the first and only single-line transnational railroad linking Canada, the U.S. and Mexico, with unrivalled access to major ports from Vancouver to Atlantic Canada, to the Gulf Coast to Lázaro Cárdenas. Stretching approximately 20,000 route miles, and employing approximately 20,000 railroaders, CPKC provides our customers superior rail service and network reach to key North American and export markets.

We have the fastest and most reliable routes in key lanes across North America. Our flagship transcontinental service provides unparalleled premium service between Vancouver, Calgary, Toronto and the Upper Midwest. We have replicated that success with our MMX 180/181 cross-border service between Central Mexico and the Upper Midwest, providing the first single-line, truck-competitive rail option between the U.S. and Mexico. We are the only rail network with single-line access over the Laredo gateway, the premier border crossing between the U.S. and Mexico, and our newly established Southeast Mexico Express (SMX) service with CSX Corp. (CSX) provides a truck competitive rail routing option connecting shippers in Mexico, Texas and the Southeast U.S.

CPKC is growing with our customers, offering a suite of freight transportation services, logistics solutions and supply chain expertise. We serve more than 30 ports, connecting key markets across the globe and we have partnerships with over 200 transloads, extending our reach beyond the mainline. CPKC's innovative supply chain solutions are driving growth to our network.

786 MILES
AVERAGE LENGTH OF HAUL

20,000 MILE
RAIL NETWORK

30+ AUTO FACILITIES

100+ SHORT LINE CONNECTIONS

200+ TRANSLOADS

ONLY SINGLE-LINE RAILROAD
CONNECTING CANADA, THE U.S. AND MEXICO

MOST BORDER CROSSINGS
IN WESTERN CANADA

30+ PORTS



DIVERSIFIED BOOK OF BUSINESS

Our transnational North American network and diversified book of business creates a powerful base to drive sustainable growth.

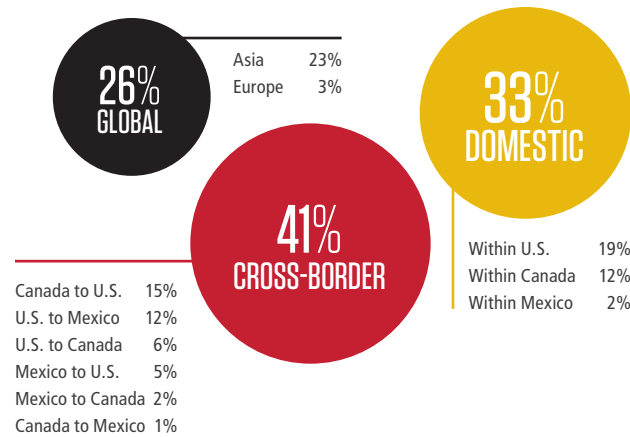
Underpinned by Precision Scheduled Railroading (PSR), CPKC's franchise delivers best-in-class service across a diverse book of business. With the first and only transnational railroad in North America, CPKC can offer more solutions to customers than ever before through new origin and destination pairs. We are leveraging our franchise to bring on new business, and growing with our existing customers by expanding their service options and extending their length of haul on our network.

Our freight revenues are derived from diversified lines of business representing a balanced portfolio of industries, goods and commodities transported between domestic and export markets. From a geographical distribution of revenues perspective, we consider traffic moving into and out of a port as global, within a nation's borders as domestic, and between nations in North America as cross-border.

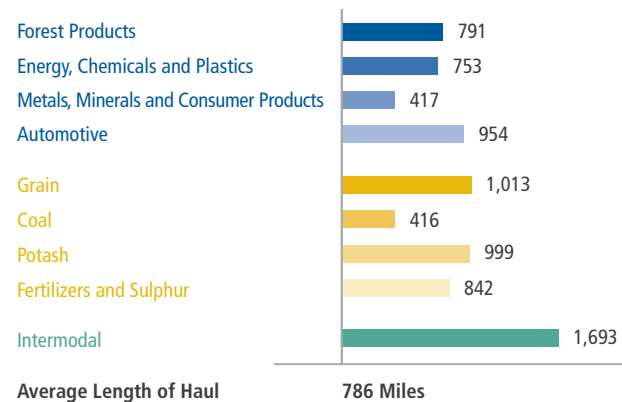
We organize our freight traffic into three business groups based on the service and equipment requirements of our customers: bulk, merchandise and intermodal. Bulk commodities, which typically move in large volumes across long distances, include grain, coal, potash, fertilizers and sulphur. Merchandise products typically move in trains of mixed freight and in a variety of car types containing a range of products.

Merchandise includes finished vehicles and automotive parts, energy, chemicals and plastics, forest products, metals, minerals and consumer products. Intermodal consists largely of high-value, time-sensitive retail goods in overseas containers that can be transported by train, ship, truck and in domestic containers and trailers that can be moved by train and truck.

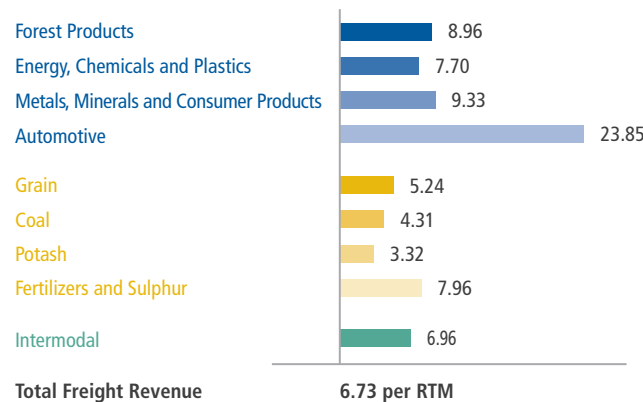
GEOGRAPHICAL DISTRIBUTION % OF 2025 FREIGHT REVENUES



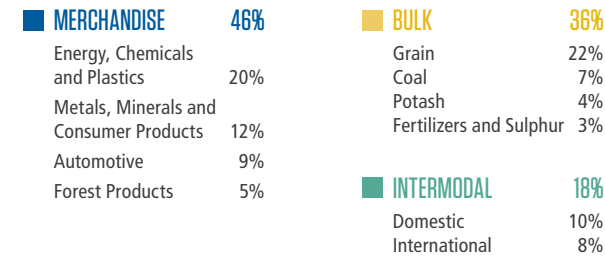
2025 AVERAGE LENGTH OF HAUL (MILES)



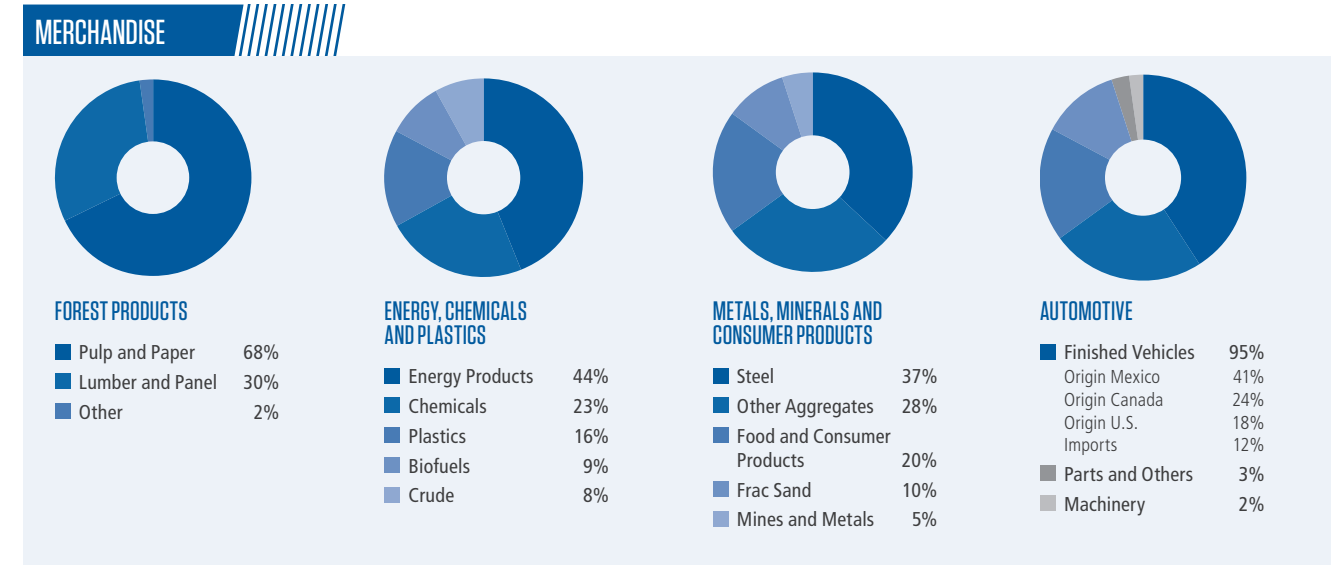
2025 FREIGHT REVENUES PER REVENUE TON-MILE (CENTS)



BUSINESS MIX % OF 2025 FREIGHT REVENUES



LINE OF BUSINESS % OF 2025 FREIGHT REVENUES



DRIVING SHAREHOLDER VALUE

CPKC is rewarding shareholders with industry-leading performance and a strong shareholder return profile.

CPKC's transformative combination is unlocking value for shareholders. Through a combination of differentiated growth opportunities, and continued commitment to sustainable, profitable growth driven by our PSR operating model, CPKC is rewarding shareholders with industry-leading performance and a strong shareholder return profile.

That commitment to sustainable, profitable growth laid the foundation to invest in our future. Our strong balance sheet and financial discipline enabled Canadian Pacific (CP) to acquire Kansas City Southern (KCS) using a combination of US\$8.5 billion debt, stock and cash on hand. Through the acquisition, the company maintained a strong investment grade credit rating.

The CPKC combination is now transforming the industry and producing the benefits promised to stakeholders. While we deliver on the unique growth opportunities that this new franchise creates, we are rewarding our shareholders through meaningful shareholder returns.

RETURN ON INVESTMENT

Capital allocation through sound investment analysis has been at the core of our value proposition. Our investment decisions are driven by a disciplined internal review process. This rigorous approach to decision making is designed to ensure the most attractive opportunities to grow the business are prioritized. Our investment decisions are focused on delivering an appropriate ROIC. CPKC has an established project pipeline, with many high-return opportunities to support our outlook for industry-leading growth.

CPKC's first call on capital is reinvesting in the business, and we expect to spend between \$2.6 and \$2.8 billion annually on capital expenditures through 2028, subject to changes in USD/CAD spot exchange rate.⁽¹⁾

⁽¹⁾ Capital expenditures are subject to fluctuations in the exchange rate between USD and CAD. Outlook for capital expenditures as provided during CPKC's Investor Day on June 28, 2023.

⁽²⁾ See further information about Non-GAAP Measure on page 31.

Recognizing the capital-intensive nature of our business and our shareholders' appreciation for ROIC as a financial measure for management compensation, we intend to re-introduce it as a long-term incentive plan target once we reach the appropriate stage of the CPKC integration.

BALANCE SHEET STRENGTH

While focusing on sustainable, profitable growth, we are committed to responsibly managing our balance sheet. CPKC's capital allocation discipline and balance sheet strength has resulted in credit ratings of BBB+ and Baa1. We intend on maintaining a leverage target of approximately 2.75x to 3.0x adjusted net debt to adjusted EBITDA ratio ("leverage ratio").⁽²⁾

REWARDING SHAREHOLDERS

CP had a long history of disciplined capital allocation and meaningful shareholder returns. Prior to announcing our combination with KCS in 2021, CP increased our dividend by 171 percent and returned \$10.2 billion to shareholders since initiating a share buyback program in 2014.

CPKC is utilizing the strong free cash⁽²⁾ growth from the business to continue rewarding shareholders. In 2025, we completed a normal course issuer bid for approximately four percent of CPKC's shares outstanding and increased our dividend by 20 percent.

In 2026, we issued a new normal course issuer bid for approximately five percent of CPKC's shares outstanding and increased our dividend by 17.5 percent.

CPKC is continuing to make strategic, high-return investments in growth while returning excess capital to shareholders through dividend growth and share buybacks.



DISCIPLINED CAPITAL ALLOCATION THROUGH SOUND INVESTMENT ANALYSIS



ESTABLISHED PROJECT PIPELINE WITH HIGH RETURN OPPORTUNITIES



STRONG SHAREHOLDER RETURNS

REINVESTING IN THE BUSINESS

CPKC is committed to investing in safe and sustainable growth, with a disciplined process to deploy capital, and a strong pipeline of high-return projects.

CPKC is investing in the network to drive growth and improve safety, productivity and service reliability. Prior to the combination, both CP and KCS reinvested at industry-leading rates in anticipation of future growth. Now, as a combined company, CPKC continues to make strategic investments in capacity, safety and growth to maintain our position as the safest and fastest-growing Class 1 railroad in the industry.

REPLACEMENT, SAFETY AND REGULATORY

CPKC has allocated approximately 60 percent of our 2026 capital budget to replacement, safety and regulatory projects.

ENGINEERING

Our investments in track infrastructure include rail, ties, ballast, bridges and signals. In 2026, CPKC plans to install 265 miles of rail and approximately 1.3 million ties to drive safety, reliability and network resilience.

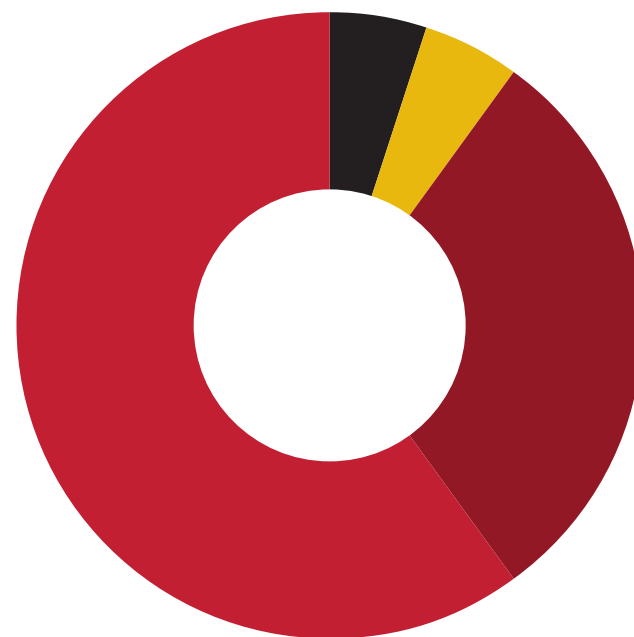
CPKC is driving capital synergies such as expanding the capacity of KCS's tie plant in Vivian, La. This facility allows CPKC to produce ties at a lower cost than what is available on the open market, reducing reliance on vendors. CPKC is investing in the facility to expand production, allowing for the use of the internally manufactured ties across a larger portion of the combined network and driving up to \$8 million annually in capital savings.

As part of the acquisition of the Meridian & Bigbee Railroad, we invested in upgrades to the line and created our SMX service — a new, competitive connection between CPKC's network and CSX's network in the Southeast U.S.

SAFETY

CPKC is an industry leader in safety and intends to maintain this position by making safety-specific investments, including an additional 100 broken rail detectors in 2026, bringing the total number deployed across the network to 2,500 by the end of the year.

CPKC 2026 CAPITAL BUDGET



Replacement, Safety, Regulatory and Other	60%
Rolling Stock	30%
Network Enhancements	5%
Information Systems	5%

SUSTAINABILITY

CPKC is a sustainably-driven company, and a key part of that is investing in technologies that reduce our greenhouse gas (GHG) emissions while continuing to operate efficiently.

We continue to invest in our industry-first Hydrogen Locomotive Program, with plans to expand low horsepower locomotive builds along with continued testing of our high-horsepower locomotives.



CPKC has also invested in a solar farm to power CPKC's new state-of-the-art U.S. Operations Center at Knoche Yard in Kansas City, Mo., similar to the solar farm currently powering CPKC's global headquarters in Calgary.

OTHER

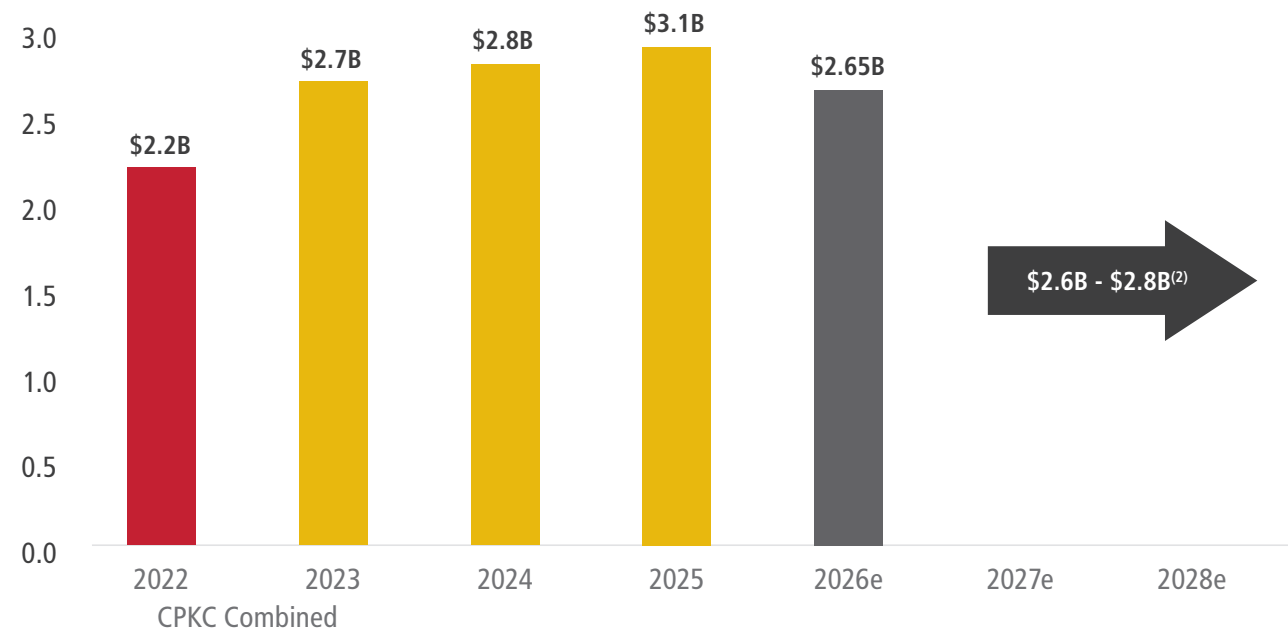
CPKC invests in facilities, real estate, corporate risk, police and railroad technologies, which keep our railroad safe and efficient now and into the future. In 2024, we completed the new U.S. Operations Center at Knoche Yard and renovations to our U.S. headquarters facility in Kansas City. Key investments in 2025 included a new General Yard Office at Kendleton, Texas and renovations to our office in Monterrey, N.L. In 2026, we are investing in a new resthouse in Revelstoke, B.C. to provide improved accommodations for our crews operating in Western Canada.

ROLLING STOCK

CPKC's rolling stock budget includes locomotives and railcars that cycle across the network. Approximately 30 percent of capital expenditures in the 2026 budget are related to rolling stock.

In 2025, we invested in 100 new Tier 4 locomotives to improve the reliability and fuel efficiency of our fleet, along with locomotive improvements including engines, alternators and traction motor overhauls. In 2026, we are investing in an additional 100 new Tier 4 locomotives, further improving reliability and fuel efficiency while enhancing our capacity for growth. The purchase of new Tier 4 locomotives continues CPKC's commitment to renew our locomotive fleet through a more than US\$800 million investment in American manufacturing capacity in 2025 and 2026.

CAPEX BY YEAR⁽¹⁾
(BILLIONS)



NETWORK ENHANCEMENTS

CPKC is investing in our network to expand capacity, allowing us to capitalize on our unique growth opportunities. CPKC's unique access to Mexico is a key driver of future growth, and the company is investing in capacity to serve that growth at the U.S./Mexico border. At the end of 2024, we completed construction of a second span of the international bridge at Laredo, Texas. Laredo is the premier gateway between the two nations, and our investment in the new Laredo bridge span more than doubles CPKC's capacity at the border.

CPKC utilized our strategic land holdings for the construction of a new automotive terminal at Wylie, Texas to support our closed-loop automotive strategy, driving revenue synergies and serving the growing Dallas market. This facility opened in June 2024, with anchor tenants in place.

At the heart of our network is the Bensenville terminal, located in the metro-Chicago area, the busiest rail hub in the U.S. CPKC expects to spend approximately US\$300 million for the improvement of this facility. Investments in Bensenville Yard

have significantly increased capacity, delivered an automobile facility to support our closed-loop automotive strategy and are facilitating 10,000-foot trains. This yard functions as a key hub for intermodal, automotive and other traffic.

As part of our US\$275 million commitment to the Surface Transportation Board, CPKC continues to advance targeted network improvements between Chicago and Beaumont, Texas. In 2026, we are investing more than \$40 million in enhancements along this corridor. These projects, including sidings and strategic track upgrades, will improve fluidity, support more efficient operations, and create incremental capacity to accommodate future growth.

In 2026, we are also investing in the Celaya Bypass in Central Mexico. This strategic investment will route trains around Celaya, Gto. and create regional capacity for growth in rail traffic out of the Port of Lázaro Cárdenas.

⁽¹⁾ 2022 and 2023 figures presented in this Capital Expenditure section represent combined annual capital expenditures to illustrate the estimated effects of combining CPRL's and KCS's capital spending for the years ended December 31, 2022 and 2023 as if CPRL and KCS formed a combined company for these periods. The combined capital expenditures have been determined through the combination of CPKC reported capital expenditures (\$1,557 million and \$2,468 million for the years ended December 31, 2022 and 2023, respectively) and KCS stand-alone capital expenditures (U.S. \$529 million for the year ended December 31, 2022 and U.S. \$164 million for the period from January 1 to April 13, 2023), by translating KCS U.S. dollar values into Canadian dollars at the Bank of Canada average exchange rate for the year ended December 31, 2022 and period from January 1 through April 13, 2023 with an effective exchange rate of \$1.30 and \$1.35, respectively. For the periods starting April 14, 2023 through December 31, 2025, there were no combination adjustments, as KCS was consolidated for these periods.

⁽²⁾ Capital expenditures are subject to fluctuations in the exchange rate between USD and CAD. Outlook for capital expenditures as provided during CPKC's Investor Day on June 28, 2023.



DISCIPLINED
CAPITAL DEPLOYMENT



STRONG PIPELINE OF
HIGH-RETURN PROJECTS



TIMING BUSINESS WITH
INCREMENTAL CAPACITY



CONSISTENT
CAPITAL SPEND

INFORMATION SYSTEMS

Key to our integration strategy is combining and optimizing Information Systems (IS) between the two legacy companies, while identifying opportunities to drive enhanced decision making by improving access to data.

In 2025, we took a meaningful step towards this objective by combining our legacy CP and KCS-U.S. operating and financial systems and processes. This significant integration milestone is streamlining operations and operating practices, providing enhanced visibility to data and generating operating efficiencies.

In 2026, CPKC plans to allocate approximately 5 percent of the capital budget to IS. With the majority of our merger-related systems integration completed in 2025, our focus is shifting to modernizing core business platforms, expanding digitization across assets and operations and applying analytics, automation and targeted artificial intelligence (AI) to improve safety, efficiency, productivity and service. Key multi-year initiatives include the modernization of our Crew, Enterprise Resource Planning, Customer Portal, Service Design and Train Dispatch systems.

We are investing in proprietary analytics and machine learning capabilities to better use operational and sensor data to improve asset reliability, reduce incidents, and enhance the safety and resilience of rail operations.

We are also expanding our multi-year CLEAR supply chain visibility solution that uses AI and machine learning to navigate customs requirements for certain shipments arriving at CPKC-served ports. In 2024 and 2025, this technology was implemented at the Port of Lázaro Cárdenas. We are now expanding the application of this technology to Port Saint John, facilitating end-to-end visibility across vessel, port, rail and container operations.

CPKC's differentiated capital discipline and selection process prioritizes safety and high-return projects

Our approach to AI-assisted decision making is disciplined and use-case driven. We are building the foundations to scale AI-assisted decision making responsibly while advancing targeted applications that enhance employee productivity, automate selected workflows, improve access to knowledge and strengthen decision making across a large, complex rail and logistics network. Our objective is to deploy AI-assisted decision making where it can deliver measurable business value and support long-term operational performance.

PRECISION INNOVATION

CPKC is utilizing predictive technologies to solve problems before they arise.

PSR demands disciplined measurement and a culture of continuous improvement. At CPKC, PSR is strengthened by the strategic use of technology to enhance safety, service, reliability and operational efficiency. Our mechanical, engineering and information services teams have improved existing processes and developed proprietary technologies and analytics that further elevate CPKC's safety culture and operational performance.

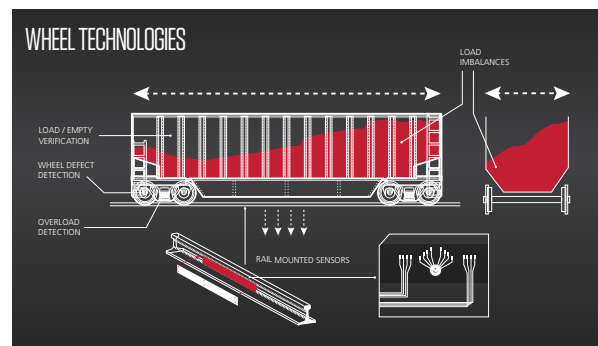
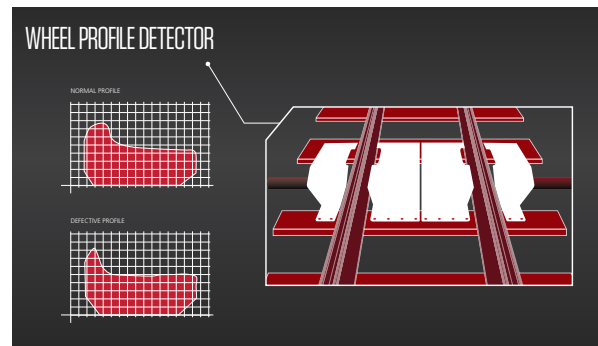
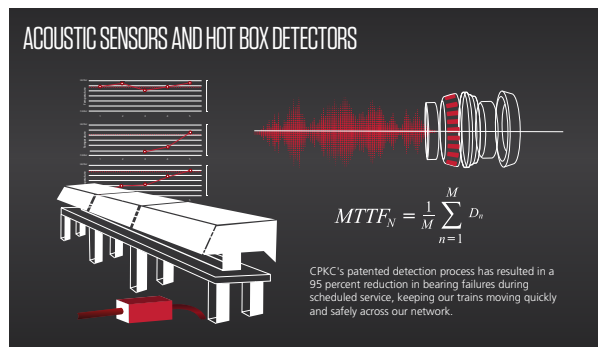
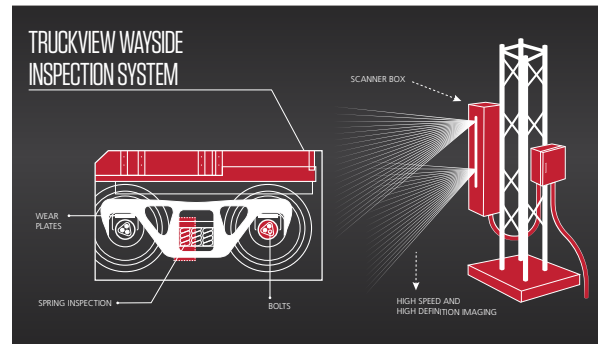
PREDICTIVE ANALYTICS

CPKC is at the forefront of predictive analytics in our industry — anticipating issues with locomotives, railcars and track infrastructure and taking preventative measures before a service interruption occurs. Through a wide variety of wayside and rolling stock sensors, strategically located on our network, we process massive amounts of data into in-memory data management technology with unparalleled analytical capabilities. For example, CPKC's acoustic detector system can predict, up to three months in advance, when a wheel bearing is going to fail. This patented detection process has resulted in a 95 percent reduction in online bearing failures, keeping our trains moving safely and efficiently across our network.

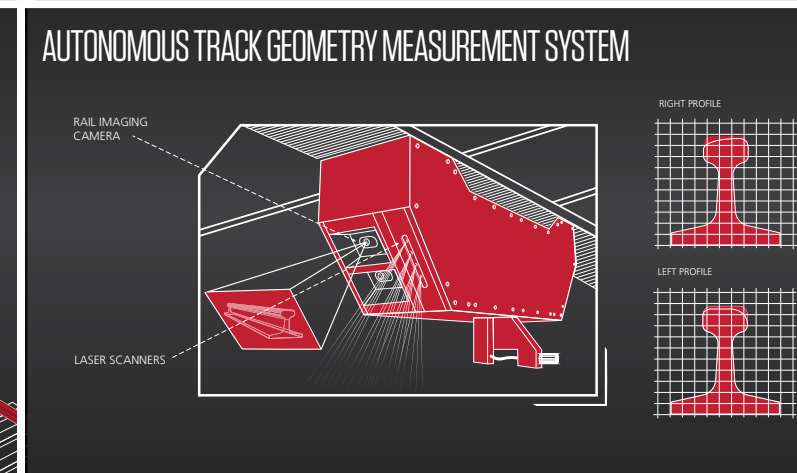
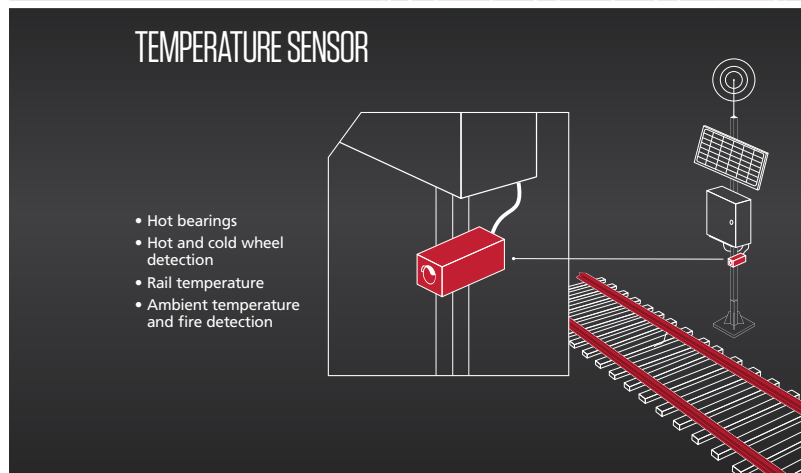
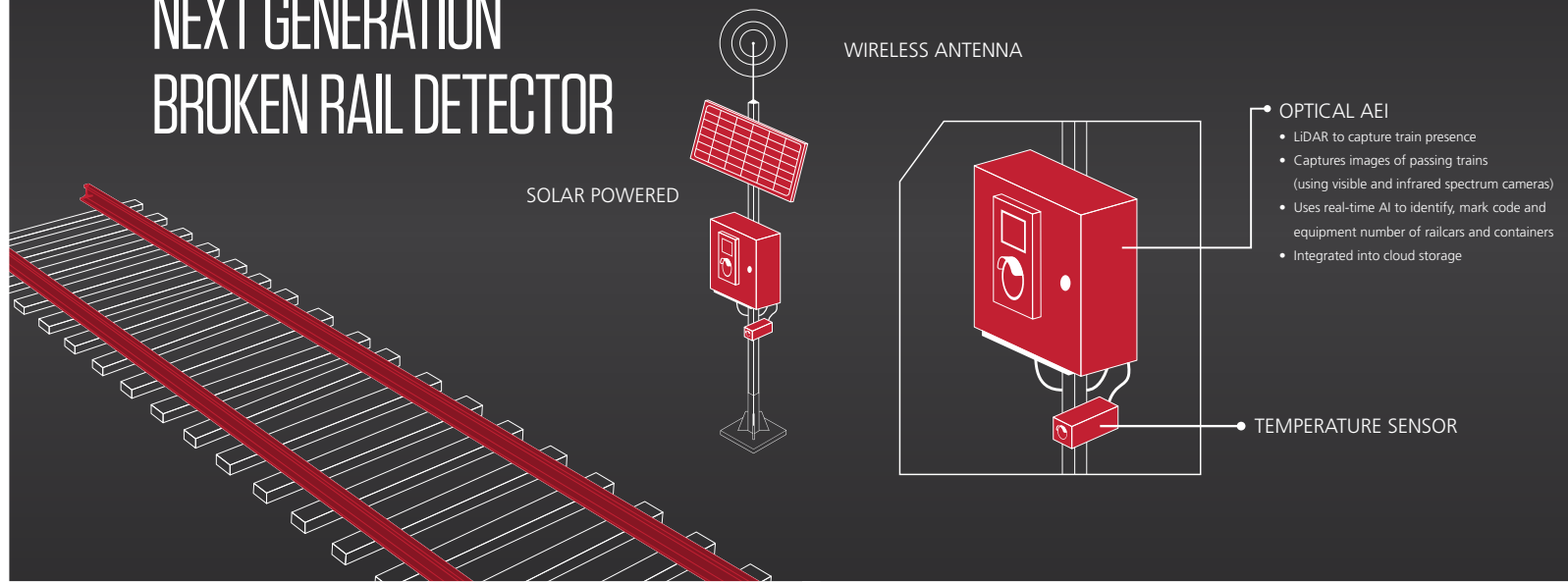
WHEEL TECHNOLOGIES

CPKC is advancing data-driven maintenance capabilities by forecasting individual freight car wheel life using precise wear-geometry analytics. By integrating repair history with detector-based trend data, we can accurately predict when wheels will reach wear limits. Private car owners can subscribe to these forecast reports, enabling proactive maintenance planning that reduces equipment downtime and improves fleet utilization.

CPKC also continues to benefit from its patented Break Effectiveness Technology (BET), which enables certain coal and potash trains to be exempt from manual visual brake inspections. This technology measures wheel temperatures on descending grades to validate the effectiveness of air brakes — identifying potential failures when wheels fall below temperature thresholds. BET detects 32 percent more brake-related defects than traditional inspection methods and reduces terminal dwell by one to two hours per train in each direction. Developed in-house, this award-winning system exceeds current regulatory standards and materially improves safety, efficiency and network fluidity.



NEXT GENERATION BROKEN RAIL DETECTOR



BROKEN RAIL DETECTION

CPKC has developed a proprietary Broken Rail Detection (BRD) technology that enables an electric current to run through the rail to identify broken rails in territories that do not utilize Centralized Traffic Control (CTC) (also referred to as "non-signal track" or "dark territory"). This technology materially enhances safety and allows CPKC to operate at higher track speeds — unlocking capacity, improving cycle times and reducing fuel consumption — all at a fraction of the cost of deploying CTC. CPKC now has more than 2,400 BRD units installed across the network and is deploying an additional 100 units in 2026, further extending the safety and efficiency benefits of this technology.

BRD allows CPKC the flexibility to add other sensors to further enhance data collection, including Temperature Sensors which monitor track conditions and trains. Hot bearings flag potential performance failures, cold or hot wheels indicate adverse braking conditions, rail temperature detects potential buckling and ambient air temperature is used to trigger additional rail inspections in extreme weather conditions.

TRACK INSPECTION

CPKC utilizes a Track Evaluation Train that includes specialized systems to measure and inspect our network:

- Track Geometry Measurement System, a non-contact laser-based optical measuring system that can provide for near real-time defect detection and predict track deterioration.
- Rail Surface Imaging System, a line scan camera system that captures a linear image of the track to evaluate it for surface damage.
- Joint Bar Inspection System, utilizes line scan cameras to continuously scan the track and capture images that help detect cracked rails and joints that require repair.
- Track Component Imaging System, a wide, continuous scan to overview more of the track, measuring ties, ballast and fasteners along the network.

CPKC also utilizes an Autonomous Track Geometry Measurement System (ATGMS) to measure track geometry for deviations from baseline standards. CPKC now has six ATGMS cars in service, collecting data across our North American network.

Data collected from our Track Evaluation Train and our ATGMS cars is fed into our Track Asset Management platform, enabling aggregation with other data sources to provide a consolidated view of track health. In addition to real-time incident prevention, this data helps focus our infrastructure and maintenance capital on areas where it will have the most impact. Collectively, we expect our track inspection equipment to measure more than 300,000 track miles in 2026, almost four times the number of miles measured in 2023.

TRAIN INSPECTION PORTAL SYSTEM

CPKC's Train Inspection Portal System (TIPS) uses high-speed, infrared, full-body imaging to capture detailed, real-time views of moving trains. Supported by advanced algorithms, the system identifies defective components with materially greater accuracy — detecting up to 80 percent more defects than traditional manual inspection. Its proven reliability has enabled CPKC to secure a regulatory exemption allowing loaded potash and sulfur fleets to be inspected through TIPS rather than visual inspection. This exemption eliminates approximately 1,200 hours of dwell and approximately 5,000 hours of additional remote inspections on safety critical railcar components, while lowering GHG emissions and creating additional capacity at our high-volume Moose Jaw, Sask. terminal.

Complementing TIPS, CPKC's undercarriage imaging technology captures high-resolution images of railcar and locomotive underframes to detect issues such as missing bolts, bent or broken brake rigging, open bottom gates, and damaged coupler or draft systems. Together, these inspection technologies strengthen safety, reduce unplanned service interruptions, and improve network fluidity by enabling earlier defect detection and fewer manual interventions.

WATERBODY HAZARD MONITORING SYSTEM

CPKC's Geotechnical team has developed a Waterbody Hazard Monitoring System that uses Synthetic Aperture Radar (SAR) to measure over 12,600 miles of right-of-way. This proprietary and award-winning system uses a Deep Machine Learning Model to detect, identify and monitor waterbodies, assisting CPKC in our preparation for flood or drought-related risks, strengthening network resilience and reducing service disruptions.

BEARING TECHNOLOGIES

CPKC deploys an integrated suite of advanced wayside detection technologies that materially enhance safety, reduce service interruptions and drive predictive maintenance across our network.

ADDITIONAL CAPACITY

Our hot bearing detectors measure the temperature of roller bearings as freight cars pass at speed. Supported by advanced trending algorithms, these systems provide industry-leading identification of defective bearings, enabling earlier intervention and reducing the likelihood of in-service failures.

ACOUSTIC BEARING DETECTION

CPKC's patented trackside acoustic detection systems use microphone arrays to capture vibration signatures from rotating wheelsets. These systems analyze subtle acoustic patterns to predict roller-bearing failures well before they occur. By identifying issues early, CPKC strengthens safe train operations, prevents delays and enables proactive railcar fleet maintenance, improving both reliability and asset utilization.

OPTICAL AEI / LiDAR™-BASED TRAIN IMAGING

CPKC's Optical AEI sensors combine LiDAR™, visual imaging and infrared technology to accurately locate trains on the network and capture high-resolution images of each car. AI-driven identification matches equipment to wayside data, allowing for precise real-time monitoring of train position, equipment health and operational performance.

Together, these technologies create a highly automated, data-rich inspection ecosystem that supports safer operations, fewer unplanned stoppages and improved productivity across the CPKC network.

ARTIFICIAL INTELLIGENCE

CPKC has a long track record of applying early forms of AI-assisted decision making, automation and machine learning to strengthen safety, enhance predictive analytics and streamline administrative tasks. Today, AI-assisted decision making supports several core operational systems, including inspection portals, broken-rail detection, active train analysis, revenue forecasting and a secure, enterprise-grade ChatGPT environment.

CPKC is accelerating its exploration of more advanced and generative AI-assisted decision making to drive practical business value. New applications in development include cybersecurity threat detection, customs-processing automation, fraud identification, employee digital-assistant tools, rail-equipment failure prediction and AI-driven network performance optimization. These initiatives are designed to enhance safety, reduce cost, improve service reliability and unlock post-merger technology synergies across the CPKC network.



SUSTAINABLY DRIVEN

CPKC is committed to conducting business in a sustainable manner while we continue to safely and efficiently operate our railroad.

CPKC's sustainability program includes board and executive-level oversight, engagement with our stakeholders and regular and transparent sustainability disclosures, which are informed by recognized disclosure frameworks and best practices.

Highlights of CPKC's approach include:

- Focusing on the safety of employees, communities and the environment.
- Fostering employee growth, leadership development and a culture of accountability and continuous improvement.
- Integrating responsible procurement practices in our supply chain.
- Investing in local programs and supporting economic development in communities along our network.
- First North American Class 1 railroad to participate in the United Nations Global Compact.
- Commitment to climate action and reducing GHG emissions from our locomotive operations.

MANAGING CLIMATE RISK, SUPPORTING GROWTH AND PROTECTING LONG-TERM VALUE

CPKC approaches climate change through an enterprise-wide governance and risk management framework aligned with long-term business performance. The Board of Directors, through its Risk and Sustainability Committee, oversees climate-related risks and opportunities, while management execution is directed through the executive-led Sustainability Steering Committee and guided by the Carbon Reduction Task Force.

We believe that an appropriate approach to addressing these challenges and potential benefits is critical to preserving the long-term value of our business. CPKC's strategic approach to climate change prioritizes action across five distinct pillars. By proactively assessing and preparing for the risks and opportunities associated with climate change, we are positioning CPKC for a strong and enduring future built on our extensive history.



Climate-related considerations are integrated, where appropriate, into CPKC's enterprise risk management, strategic planning and capital allocation processes, alongside safety, service reliability and financial performance. This approach supports disciplined, forward-looking decision making and the protection of long-term shareholder value.

PATHWAYS TO REDUCE EMISSIONS

FUEL EFFICIENCY

Improving fuel efficiency remains a core focus, as locomotive operations account for the majority of CPKC's energy use and GHG emissions. CPKC continues to deploy operating practices, locomotive energy management systems, train handling efficiency incentives for locomotive engineers and network infrastructure investments intended to reduce fuel consumption and enhance operational efficiency.

FLEET RENEWAL

CPKC is investing in newer, more efficient locomotives and modernizing existing assets to improve performance and reduce emissions. Tier 4 diesel-electric locomotives are designed to meet the most stringent current emissions standards, improve fuel efficiency and provide flexibility to integrate emerging technologies as they become commercially viable.

RENEWABLE FUELS

CPKC is evaluating opportunities to expand renewable fuel use through targeted pilot programs and operational testing. This includes testing of ten locomotives powered by a B20 blend — 20 percent biodiesel and 80 percent conventional diesel — in demanding operating conditions. During 2025, CPKC completed more than 1,100 fueling events consuming approximately 10.2 million litres of B20 fuel.

These efforts are designed to assess real-world performance, emissions impacts and infrastructure requirements at operating scale. Progress and potential expansion are evaluated based on fuel availability, regulatory approvals and compatibility with existing locomotive technology, supporting informed risk-managed decision making.

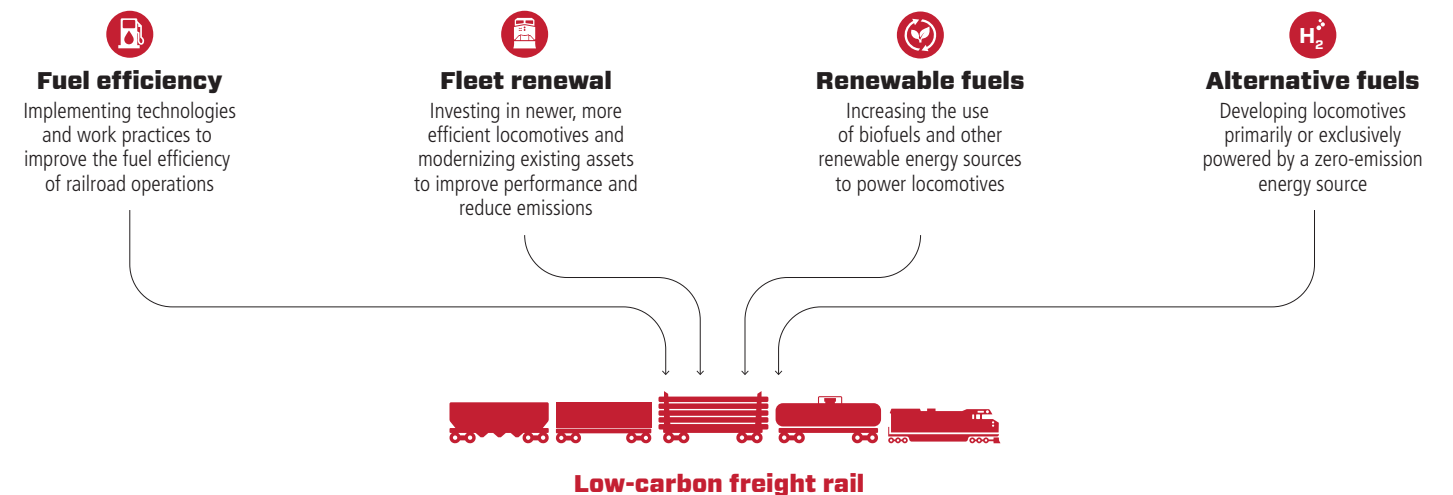
ALTERNATIVE FUELS

Through its Hydrogen Locomotive Program, CPKC is evaluating the technical and operational feasibility of hydrogen fuel cell and battery systems. A phased testing approach — spanning both switcher and line-haul applications under diverse operating conditions — is designed to build operational insight, assess performance and reliability, and inform longer-term decarbonization pathways prior to any potential large-scale deployment.

At year-end 2025, eight hydrogen locomotives were in active testing, including six switcher units and two line-haul locomotives. In 2026, we plan to produce and test an additional two switcher units.

Pathways to reduce emissions

Key potential pathways to reduce locomotive GHG emissions fall into four categories



For additional details on CPKC's climate governance and strategy, please see CPKC's Climate Insights.



MANAGING PHYSICAL CLIMATE RISK TO ENHANCE NETWORK RELIABILITY

Extreme weather and longer-term climate trends continue to pose risks to infrastructure availability, service levels and recovery costs. CPKC strives to manage these risks through proactive capital and business continuity investment, disciplined engineering standards, technology-enabled asset monitoring and robust emergency preparedness programs.

In 2025, CPKC completed a network-wide physical climate risk assessment, covering track, bridges, tunnels and railyards across its three-nation network. The assessment applied climate modelling and geospatial analysis to strengthen long-term planning and network resilience.

UPDATE ON OUR GHG EMISSIONS REDUCTION TARGET

In 2023, CPKC established a Science Based Targets initiative (SBTi) validated target to reduce Scope 1, 2 and 3 well-to-wheel locomotive GHG emissions 36.9 percent per gross ton-mile by 2030, from a 2020 base year. Our target was developed using SBTi's sector-specific freight-rail methodology and is aligned with a well-below-2°C pathway.

This intensity-based methodology has not yet been developed for 1.5°C aligned targets, but remains important to CPKC because it accounts for volume growth and supports the essential role of freight rail in reducing the overall emissions of the transportation sector. CPKC continues to monitor evolving regulatory expectations, target-setting methodologies and technology readiness, including developments related to 1.5°C alignment and sector-specific guidance. For additional information on our review of GHG emissions target, please see [CPKC's Climate Mileposts](#).

2025 CLIMATE ACTION HIGHLIGHTS

In 2025, CPKC advanced a series of actions intended to strengthen climate resilience, improve operational efficiency and support progress toward lower-carbon freight rail operations.

- **Enhanced network capacity and fluidity:** By the end of 2025, CPKC completed 25 siding projects, yard and industry lead upgrades, and installed more than 240 miles of centralized traffic control, enhancing network capacity, reducing dwell time and improving safety and efficiency.
- **Fleet renewal and fuel efficiency advanced:** CPKC integrated 100 new Tier 4 diesel-electric locomotives into service, replacing older assets and supporting future growth while improving fuel efficiency and emissions performance.
- **Enterprise-wide climate scenario analysis completed:** CPKC completed a comprehensive climate scenario analysis assessing physical and transition risks across key markets and suppliers under multiple climate scenarios, strengthening long-term strategic planning and risk management.
- **Waterbody hazard monitoring launched:** A satellite-based waterbody hazard monitoring was developed by our Geotechnical team to provide near real-time visibility of water-related risks across the rail network, strengthening risk management and asset resilience.
- **Hydrogen locomotive development expanded:** Through Hyion Technologies, our joint venture with CSX Transportation focused on developing modern, low-horsepower locomotives powered by hydrogen and fuel-cell battery systems, CPKC is supporting the rail industry's transition toward lower-emissions operations.



APPENDIX

U.S. GAAP FINANCIALS AS REPORTED

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME⁽¹⁾

\$ in millions of Canadian dollars except for per share data, ratios, or unless otherwise indicated

	2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
REVENUES															
Freight	\$2,217	\$3,101	\$3,266	\$3,697	\$12,281	\$3,427	\$3,534	\$3,461	\$3,801	\$14,223	\$3,727	\$3,629	\$3,589	\$3,831	\$14,776
Non-freight	49	73	73	79	274	93	69	88	73	323	68	70	72	92	302
Total revenues	2,266	3,174	3,339	3,776	12,555	3,520	3,603	3,549	3,874	14,546	3,795	3,699	3,661	3,923	15,078
OPERATING EXPENSES															
Compensation and benefits	438	659	598	637	2,332	690	612	644	619	2,565	682	659	619	621	2,581
Current service cost - net periodic benefit cost	20	20	20	21	81	24	24	24	25	97	24	25	25	24	98
Stock-based compensation	32	39	13	38	122	59	9	52	(12)	108	34	59	4	(38)	59
Compensation and benefits - all other components	386	600	565	578	2,129	607	579	568	606	2,360	624	575	590	635	2,424
Fuel	326	397	430	528	1,681	458	466	419	459	1,802	481	405	415	430	1,731
Materials	72	98	90	86	346	94	97	99	116	406	124	124	114	112	474
Equipment rents	30	80	91	76	277	82	82	89	94	347	99	103	109	97	408
Depreciation and amortization	225	410	451	457	1,543	467	473	472	488	1,900	504	493	503	519	2,019
Purchased services and other	346	586	506	550	1,988	580	606	623	538	2,347	588	572	565	531	2,256
Total operating expenses	1,437	2,230	2,166	2,334	8,167	2,371	2,336	2,346	2,314	9,367	2,478	2,356	2,325	2,310	9,469
Operating income	829	944	1,173	1,442	4,388	1,149	1,267	1,203	1,560	5,179	1,317	1,343	1,336	1,613	5,609
Equity earnings of Kansas City Southern	(204)	(26)	—	—	(230)	—	—	—	—	—	—	—	—	—	—
Other expense (income)	2	21	13	16	52	(2)	(40)	1	(1)	(42)	7	(16)	8	—	(1)
Other components of net periodic benefit recovery	(86)	(83)	(85)	(73)	(327)	(88)	(88)	(89)	(87)	(352)	(107)	(107)	(107)	(94)	(415)
Net interest expense	154	204	207	206	771	206	200	192	203	801	216	208	222	230	876
Remeasurement loss of Kansas City Southern	—	7,175	—	—	7,175	—	—	—	—	—	—	—	—	—	—
Gain on sale of equity investment	—	—	—	—	—	—	—	—	—	—	—	(333)	—	—	(333)
Income (loss) before income tax expense (recovery)	963	(6,347)	1,038	1,293	(3,053)	1,033	1,195	1,099	1,445	4,772	1,201	1,591	1,213	1,477	5,482
Current income tax expense	139	281	255	235	909	242	274	257	258	1,031	266	348	307	253	1,174
Deferred income tax expense (recovery)	24	(7,953)	3	40	(7,885)	17	18	5	(12)	28	26	9	(11)	147	171
Income tax expense (recovery)	163	(7,672)	258	275	(6,976)	259	292	262	246	1,059	292	357	296	400	1,345
Net income	\$800	\$1,325	\$780	\$1,018	\$3,923	\$774	\$903	\$837	\$1,199	\$3,713	\$909	\$1,234	\$917	\$1,077	\$4,137
Net income (loss) attributable to non-controlling interest	—	1	—	(5)	(4)	(1)	(2)	—	(2)	(5)	(1)	—	(3)	—	(4)
Net income attributable to controlling shareholders	\$800	\$1,324	\$780	\$1,023	\$3,927	\$775	\$905	\$837	\$1,201	\$3,718	\$910	\$1,234	\$920	\$1,077	\$4,141
Operating ratio (%)	63.4%	70.3%	64.9%	61.8%	65.0%	67.4%	64.8%	66.1%	59.7%	64.4%	65.3%	63.7%	63.5%	58.9%	62.8%
Diluted EPS	\$0.86	\$1.42	\$0.84	\$1.10	\$4.21	\$0.83	\$0.97	\$0.90	\$1.28	\$3.98	\$0.97	\$1.33	\$1.01	\$1.20	\$4.51
Weighted average number of diluted shares outstanding (millions)	933.5	933.8	933.9	933.8	933.7	934.4	934.6	935.3	934.8	934.6	934.3	924.8	911.4	898.4	917.1
FOREIGN EXCHANGE ("FX")															
Average FX rate (U.S./Canadian\$)	0.74	0.75	0.75	0.74	0.74	0.74	0.73	0.74	0.71	0.73	0.70	0.72	0.72	0.72	0.71
Average FX rate (Canadian\$/U.S.\$)	1.35	1.34	1.34	1.36	1.35	1.35	1.37	1.36	1.40	1.37	1.44	1.38	1.38	1.39	1.40
Average foreign exchange rate (Mexican peso/Canadian\$)	13.77	13.16	12.72	12.89	13.12	12.61	12.61	13.88	14.37	13.32	14.23	14.09	13.53	13.13	13.73
Average foreign exchange rate (Canadian\$/Mexican peso)	0.0726	0.0760	0.0786	0.0776	0.0762	0.0793	0.0794	0.0721	0.0696	0.0751	0.0703	0.0710	0.0739	0.0762	0.0728

⁽¹⁾ The results of KCS are included on a consolidated basis from the Control Date. From December 14, 2021 to April 13, 2023, the Company recorded its interest in KCS under the equity method of accounting.

OPERATING METRICS

QUARTERLY STATISTICAL DATA⁽¹⁾

	Combined ⁽¹⁾										Consolidated														
	2021					2022					2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
OPERATIONS PERFORMANCE																									
GTMs (millions) ⁽²⁾	96,287	96,939	89,775	90,236	373,237	87,983	95,224	94,909	96,196	374,312	94,047	92,400	90,987	101,361	378,539	95,809	96,579	94,869	101,692	388,958	98,412	101,973	100,310	103,196	403,891
Train miles (thousands) ⁽²⁾	11,312	11,260	10,708	10,823	44,103	10,773	11,270	11,230	11,471	44,744	11,165	11,138	10,979	12,499	45,748	11,995	11,523	11,257	12,115	46,892	11,804	11,960	11,589	11,817	47,170
Average train weight - excluding local traffic (tons) ⁽²⁾	9,202	9,341	9,124	9,092	9,192	8,908	9,202	9,203	9,085	9,102	9,155	8,982	8,974	8,732	8,954	8,639	9,090	9,155	9,083	8,988	9,034	9,187	9,298	9,395	9,228
Average train length - excluding local traffic (feet) ⁽²⁾	7,573	7,777	7,642	7,576	7,642	7,445	7,746	7,798	7,573	7,643	7,640	7,747	7,737	7,345	7,609	7,324	7,761	7,821	7,606	7,623	7,628	7,844	7,940	7,896	7,827
Average terminal dwell (hours) ⁽²⁾	10.1	9.1	8.6	8.4	9.0	10.5	9.9	10.2	10.5	10.3	10.8	10.4	11.2	9.3	10.4	9.7	9.5	10.3	10.2	9.9	10.3	10.2	10.1	9.0	9.8
Average train speed (miles per hour, or "mph") ⁽²⁾	17.4	17.4	19.0	19.3	18.3	18.7	18.0	18.0	17.6	18.0	16.9	18.2	17.7	18.6	17.8	19.1	19.3	18.8	18.7	19.0	19.1	19.3	19.0	19.5	19.2
Locomotive productivity (GTMs / operating horsepower) ⁽²⁾	n/a	n/a	n/a	n/a	n/a	140	151	149	145	146	146	157	155	164	156	158	172	167	165	165	163	169	163	168	166
Fuel efficiency (U.S. gallons of locomotive fuel consumed / 1,000 GTMs) ⁽²⁾	1.033	1.004	1.003	1.023	1.016	1.075	1.030	1.030	1.063	1.049	1.048	1.047	1.036	1.042	1.043	1.065	1.027	1.016	1.025	1.033	1.064	1.034	1.021	1.016	1.034
U.S. gallons of locomotive fuel consumed (millions)	99.5	97.3	90.0	92.4	379.2	94.6	98.1	97.7	102.3	392.7	98.5	96.7	94.2	105.6	395.1	102.0	99.2	96.4	104.2	401.9	104.7	105.5	102.4	104.8	417.5
Average fuel price (U.S. dollars per U.S. gallon)	2.35	2.63	2.63	2.92	2.63	3.31	4.23	4.05	4.06	3.92	3.57	3.32	3.41	3.67	3.50	3.34	3.44	3.19	3.15	3.28	3.20	2.77	2.94	2.94	2.97
TOTAL EMPLOYEES AND WORKFORCE																									
Total employees (average) ⁽²⁾	18,575	19,305	19,308	19,036	19,057	18,710	19,431	19,958	20,003	19,525	20,001	20,607	20,310	20,108	20,256	19,997	20,441	20,164	19,973	20,144	19,749	20,138	20,067	19,915	19,967
Total employees (end of period) ⁽²⁾	18,934	19,354	19,199	18,763	18,763	18,898	19,615	20,026	19,785	19,785	20,230	20,624	20,243	19,927	19,927	20,158	20,374	20,224	19,797	19,797	19,992	20,107	20,151	19,479	19,479
Workforce (end of period) ⁽²⁾	19,025	19,459	19,304	18,872	18,872	19,004	19,730	20,156	19,914	19,914	20,345	20,726	20,340	20,038	20,038	20,261	20,482	20,341	19,924	19,924	20,114	20,189	20,185	19,502	19,502
SAFETY INDICATORS⁽⁴⁾																									
FRA personal injuries per 200,000 employee-hours ⁽²⁾	1.28	1.36	1.18	0.98	1.20	1.41	1.00	1.50	1.29	1.30	1.12	1.31	1.02	1.13	1.15	1.14	0.84	0.95	0.86	0.95	0.98	0.77	0.92	1.05	0.92
FRA train accidents per million train-miles ⁽²⁾	2.47	1.20	2.10	1.17	1.73	1.66	1.43	1.43	1.40	1.45	0.71	0.80	1.38	1.08	0.99	0.90	0.70	1.43	1.03	1.01	0.38	0.97	1.15	0.91	0.85

- (1) For periods from January 1, 2021 through to April 13, 2023, the Combined Operations Performance Metrics have been determined through combining operations metrics data of CPRL and KCS and aligning KCS operations metrics to CPKC's definitions where applicable. These combined operations performance metrics include and rely upon data and information that existed in KCS's systems prior to our assumption of control of KCS on April 14, 2023, which include certain data prepared using methodologies, assumptions, and processes that differ from those used in CPKC's systems and processes or used following integration of such systems. For the periods starting April 14, 2023 through to the fourth quarter of 2025, KCS was consolidated for these periods.
- (2) These metrics are defined in the Performance Highlights section on page 6.
- (3) Train miles are defined as the sum of the distance moved by all trains operated on the network. Train miles provide a measure of the productive utilization of our network. A smaller increase in train miles relative to increases in volumes, as measured by RTMs, and/or workload, as measured by GTMs, indicate improved train productivity.
- (4) Certain safety indicators have been restated to reflect new information available within specified periods stipulated by the FRA but that exceeded the Company's financial reporting timeline.

REVENUE METRICS

QUARTERLY REVENUE AND VOLUME DATA

	Combined ⁽¹⁾										Consolidated														
	2021					2022					2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
FREIGHT REVENUES																									
(in millions)																									
Grain	\$577	\$586	\$495	\$616	\$2,274	\$520	\$551	\$562	\$867	\$2,500	\$714	\$563	\$600	\$844	\$2,721	\$730	\$665	\$668	\$949	\$3,012	\$788	\$743	\$702	\$984	\$3,217
Coal	218	222	232	199	871	206	228	230	193	857	224	227	229	256	936	209	236	248	250	943	257	256	255	257	1,025
Potash	101	134	113	115	463	104	172	170	135	581	132	144	133	157	566	137	180	144	153	614	156	167	167	150	640
Fertilizers and sulphur	83	82	75	82	322	85	92	87	95	359	103	89	91	109	392	104	103	91	108	406	114	98	102	109	423
Forest products	153	168	180	177	678	172	198	212	202	784	209	202	199	207	817	202	203	198	213	816	217	195	193	187	792
Energy, chemicals and plastics	699	671	672	669	2,711	568	635	662	668	2,533	683	620	643	717	2,663	702	695	712	742	2,851	758	712	701	727	2,898
Metals, minerals and consumer products	290	315	350	348	1,303	337	411	448	431	1,627	439	470	455	451	1,815	440	464	443	430	1,777	448	444	458	442	1,792
Automotive	175	173	145	156	649	170	202	219	226	817	235	272	266	286	1,059	265	358	333	324	1,280	315	330	343	322	1,310
Intermodal	503	563	557	559	2,182	603	731	804	749	2,887	646	674	650	670	2,640	638	630	624	632	2,524	674	684	668	653	2,679
Total freight revenues	\$2,799	\$2,914	\$2,819	\$2,921	\$11,453	\$2,765	\$3,220	\$3,394	\$3,566	\$12,945	\$3,385	\$3,261	\$3,266	\$3,697	\$13,609	\$3,427	\$3,534	\$3,461	\$3,801	\$14,223	\$3,727	\$3,629	\$3,589	\$3,831	\$14,776
Non-freight revenues	\$58	\$63	\$63	\$65	\$249	\$62	\$65	\$72	\$73	\$272	\$71	\$77	\$73	\$79	\$300	\$93	\$69	\$88	\$73	\$323	\$68	\$70	\$72	\$92	\$302
Total revenues	\$2,857	\$2,977	\$2,882	\$2,986	\$11,702	\$2,827	\$3,285	\$3,466	\$3,639	\$13,217	\$3,456	\$3,338	\$3,339	\$3,776	\$13,909	\$3,520	\$3,603	\$3,549	\$3,874	\$14,546	\$3,795	\$3,699	\$3,661	\$3,923	\$15,078

- (1) Combined Revenues for 2021 through to April 13, 2023 have been determined by translating KCS's historical U.S. dollar denominated revenues to Canadian dollars at the Bank of Canada daily exchange rate, aligning KCS's revenues into Freight and Non-freight revenues consistent with CPKC's financial statement captions, and eliminating intercompany transactions between CPRL and KCS, in a manner consistent with Article 11. For the periods starting April 14, 2023 through to the fourth quarter of 2025, there are no reclassification adjustments, intercompany eliminations, or pro forma adjustments under Article 11, as KCS was consolidated for these periods.

	Combined ⁽¹⁾										Consolidated														
	2021					2022					2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
REVENUE TON-MILES⁽²⁾																									
(in millions)																									
Grain	14,198	13,842	11,297	14,022	53,359	12,269	12,083	11,284	16,475	52,111	14,411	11,508	12,284	15,347	53,550	14,570	13,240	13,193	17,098	58,101	14,942	14,970	13,950	17,484	61,346
Coal	7,000	6,451	6,552	5,773	25,776	5,903	5,883	5,699	4,796	22,281	5,651	5,922	6,081	6,395	24,049	5,252	5,794	5,951	5,890	22,887	5,783	6,073	6,081	5,851	23,788
Potash	3,786	4,978	3,941	3,966	16,671	3,652	5,481	5,164	3,879	18,176	4,010	4,491	3,736	4,668	16,905	4,110	4,965	4,484	4,334	17,893	4,419	5,304	5,158	4,410	19,291
Fertilizers and sulphur	1,318	1,303	1,179	1,208	5,008	1,276	1,298	1,197	1,261	5,032	1,392	1,116	1,151	1,416	5,075	1,366	1,305	1,167	1,418	5,256	1,427	1,220	1,273	1,396	5,316
Forest products	2,156	2,367	2,351	2,297	9,171	2,216	2,384	2,349	2,231	9,180	2,244	2,256	2,256	2,260	9,016	2,244	2,244	2,224	2,363	9,075	2,343	2,236	2,194	2,070	8,843
Energy, chemicals and plastics	10,924	9,363	9,453	9,053	38,793	8,936	9,179	9,505	9,560	37,180	9,516	8,465	9,006	9,813	36,800	9,719	9,644	9,548	9,926	38,837	9,701	9,148	9,400	9,410	37,659
Metals, minerals and consumer products	4,238	4,683	4,877	4,729	18,527	4,471	5,188	5,354	4,911	19,924	4,960	5,463	5,279	4,905	20,607	4,701	4,974	4,865	4,637	19,177	4,681	4,905	4,951	4,674	19,211
Automotive	888	913	717	794	3,312	880	967	924	904	3,675	927	1,075	1,029	1,072	4,103	997	1,306	1,391	1,320	5,014	1,233	1,416	1,514	1,330	5,493
Intermodal	7,586	8,249	8,033	7,584	31,452	7,604	9,322	9,491	8,836	35,253	8,265	8,949	8,498	8,855	34,567	8,879	8,658	8,697	8,984	35,218	9,195	10,257	9,679	9,342	38,473
Total revenue ton-miles	52,094	52,149	48,400	49,426	202,069	47,207	51,785	50,967	52,853	202,812	51,376	49,245	49,320	54,731	204,672	51,838	52,130	51,520	55,970						

	Combined ⁽¹⁾										Consolidated														
	2021					2022					2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
CARLOADS⁽²⁾	(in thousands)																								
Grain	145.4	150.1	119.9	137.9	553.3	118.1	118.4	120.0	160.7	517.2	141.4	121.6	127.4	148.6	539.0	132.3	128.9	127.0	161.4	549.6	133.7	142.6	132.3	162.2	570.8
Coal	122.3	131.9	134.0	119.0	507.2	123.6	120.7	128.8	108.6	481.7	123.1	121.0	128.4	134.0	506.5	108.2	108.9	121.7	115.5	454.3	118.4	118.6	126.5	127.6	491.1
Potash	34.4	44.6	35.7	36.2	150.9	32.1	47.3	45.7	34.9	160.0	36.9	39.8	34.9	41.9	153.5	37.0	49.4	40.6	42.3	169.3	39.8	47.4	47.3	42.4	176.9
Fertilizers and sulphur	17.5	17.9	16.1	17.0	68.5	17.1	17.1	16.1	16.4	66.7	18.0	15.4	15.4	18.3	67.1	17.2	17.0	15.4	17.6	67.2	17.8	15.6	16.6	17.4	67.4
Forest products	36.5	38.7	40.0	39.9	155.1	38.3	40.6	40.2	38.3	157.4	38.6	37.6	37.0	36.5	149.7	35.9	34.6	33.9	35.1	139.5	34.8	32.8	31.9	30.5	130.0
Energy, chemicals and plastics	162.4	158.2	150.8	145.5	616.9	140.8	143.9	146.1	144.2	575.0	146.7	138.0	139.0	145.3	569.0	144.5	142.4	145.6	149.3	581.8	142.5	142.7	139.0	139.1	563.3
Metals, minerals and consumer products	115.5	122.3	126.5	126.9	491.2	121.3	139.8	138.9	130.7	530.7	131.6	139.5	133.7	133.0	537.8	129.7	134.6	127.9	125.4	517.6	124.4	125.4	125.3	119.9	495.0
Automotive	55.5	52.8	41.5	44.9	194.7	50.0	54.8	52.7	52.8	210.3	54.9	59.8	58.5	58.0	231.2	55.7	66.1	63.7	62.3	247.8	57.8	62.4	62.2	56.5	238.9
Intermodal	405.4	436.1	413.7	399.9	1,655.1	409.2	471.3	498.7	460.1	1,839.3	419.8	454.9	455.0	451.5	1,781.2	412.1	403.5	416.3	411.0	1,642.9	435.4	459.5	451.1	434.6	1,780.6
Total carloads	1,094.9	1,152.6	1,078.2	1,067.2	4,392.9	1,050.5	1,153.9	1,187.2	1,146.7	4,538.3	1,111.0	1,127.6	1,129.3	1,167.1	4,535.0	1,072.6	1,085.4	1,092.1	1,119.9	4,370.0	1,104.6	1,147.0	1,132.2	1,130.2	4,514.0

(1) The Combined Commodity Data for 2021 through to April 13, 2023 has been determined through the combination of CPRL's and KCS's revenue commodity data consistent with CPKC's definitions and line of business categories used for financial reporting purposes. For the periods starting April 14, 2023 through to the fourth quarter of 2025, KCS was consolidated for these periods.

(2) Carloads are defined in the Performance Highlights section on page 6.

	Combined ⁽¹⁾										Consolidated														
	2021					2022					2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
FREIGHT REVENUE PER RTM⁽²⁾	(in cents)																								
Grain	4.06	4.23	4.38	4.39	4.26	4.24	4.56	4.98	5.26	4.80	4.95	4.89	4.88	5.50	5.08	5.01	5.02	5.06	5.55	5.18	5.27	4.96	5.03	5.63	5.24
Coal	3.11	3.44	3.54	3.45	3.38	3.49	3.88	4.04	4.02	3.85	3.96	3.83	3.77	4.00	3.89	3.98	4.07	4.17	4.24	4.12	4.44	4.22	4.19	4.39	4.31
Potash	2.67	2.69	2.87	2.90	2.78	2.85	3.14	3.29	3.48	3.20	3.29	3.21	3.56	3.36	3.35	3.33	3.63	3.21	3.53	3.43	3.53	3.15	3.24	3.40	3.32
Fertilizers and sulphur	6.30	6.29	6.36	6.79	6.43	6.66	7.09	7.27	7.53	7.13	7.40	7.97	7.91	7.70	7.72	7.61	7.89	7.80	7.62	7.72	7.99	8.03	8.01	7.81	7.96
Forest products	7.10	7.10	7.66	7.71	7.39	7.76	8.31	9.03	9.05	8.54	9.31	8.95	8.82	9.16	9.06	9.00	9.05	8.90	9.01	8.99	9.26	8.72	8.80	9.03	8.96
Energy, chemicals and plastics	6.40	7.17	7.11	7.39	6.99	6.36	6.92	6.96	6.99	6.81	7.18	7.32	7.14	7.31	7.24	7.22	7.21	7.46	7.48	7.34	7.81	7.78	7.46	7.73	7.70
Metals, minerals and consumer products	6.84	6.73	7.18	7.36	7.03	7.54	7.92	8.37	8.78	8.17	8.85	8.60	8.62	9.19	8.81	9.36	9.33	9.11	9.27	9.27	9.57	9.05	9.25	9.46	9.33
Automotive	19.71	18.95	20.22	19.65	19.60	19.32	20.89	23.70	25.00	22.23	25.35	25.30	25.85	26.68	25.81	26.58	27.41	23.94	24.55	25.53	25.55	23.31	22.66	24.21	23.85
Intermodal	6.63	6.83	6.93	7.37	6.94	7.93	7.84	8.47	8.48	8.19	7.82	7.53	7.65	7.57	7.64	7.19	7.28	7.17	7.03	7.17	7.33	6.67	6.90	6.99	6.96
Total freight revenue per RTM	5.37	5.59	5.82	5.91	5.67	5.86	6.22	6.66	6.75	6.38	6.59	6.62	6.62	6.75	6.65	6.61	6.78	6.72	6.79	6.73	6.94	6.54	6.62	6.85	6.73

(1) The Combined Commodity Data for 2021 through to April 13, 2023 has been determined through the combination of CPRL's and KCS's revenue commodity data consistent with CPKC's definitions and line of business categories used for financial reporting purposes. For the periods starting April 14, 2023 through to the fourth quarter of 2025, KCS was consolidated for these periods.

(2) Freight revenue per RTM is defined as freight revenue per revenue-producing ton of freight over a distance of one mile. This is an indicator of yield with no standardized meaning under GAAP and, therefore, may not be comparable to similar measures presented by other companies. See the Non-GAAP measures section on page 31 to page 45 for the definition and reconciliation of freight revenue.

	Combined ⁽¹⁾										Consolidated														
	2021					2022					2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
FREIGHT REVENUE PER CARLOAD⁽²⁾	(in dollars)																								
Grain	\$3,968	\$3,904	\$4,128	\$4,467	\$4,110	\$4,403	\$4,654	\$4,683	\$5,395	\$4,834	\$5,050	\$4,630	\$4,710	\$5,680	\$5,048	\$5,518	\$5,159	\$5,260	\$5,880	\$5,480	\$5,894	\$5,210	\$5,306	\$6,067	\$5,636
Coal	1,783	1,683	1,731	1,672	1,717	1,667	1,889	1,786	1,777	1,779	1,820	1,876	1,783	1,910	1,848	1,932	2,167	2,038	2,165	2,076	2,171	2,159	2,016	2,014	2,087
Potash	2,936	3,004	3,165	3,177	3,068	3,240	3,636	3,720	3,868	3,631	3,577	3,618	3,811	3,747	3,687	3,703	3,644	3,547	3,617	3,627	3,920	3,523	3,531	3,538	3,618
Fertilizers and sulphur	4,743	4,581	4,658	4,824	4,701	4,971	5,380	5,404	5,793	5,382	5,722	5,779	5,909	5,956	5,842	6,047	6,059	5,909	6,136	6,042	6,404	6,282	6,145	6,264	6,276
Forest products	4,192	4,341	4,500	4,436	4,371	4,491	4,877	5,274	5,274	4,981	5,415	5,372	5,378	5,671	5,458	5,627	5,867	5,841	6,068	5,849	6,236	5,945	6,050	6,131	6,092
Energy, chemicals and plastics	4,304	4,241	4,456	4,598	4,395	4,034	4,413	4,531	4,632	4,405	4,656	4,493	4,626	4,935	4,680	4,858	4,881	4,890	4,970	4,900	5,319	4,989	5,043	5,226	5,145
Metals, minerals and consumer products	2,511	2,576	2,767	2,742	2,653	2,778	2,940	3,225	3,298	3,066	3,336	3,369	3,403	3,391	3,375	3,392	3,447	3,464	3,429	3,433	3,601	3,541	3,655	3,686	3,620
Automotive	3,153	3,277	3,494	3,474	3,333	3,400	3,686	4,156	4,280	3,885	4,281	4,548	4,547	4,931	4,580	4,758	5,416	5,228	5,201	5,165	5,450	5,288	5,514	5,699	5,483
Intermodal	1,241	1,291	1,346	1,398	1,318	1,474	1,551	1,612	1,628	1,570	1,539	1,482	1,429	1,484	1,482	1,548	1,561	1,499	1,538	1,536	1,548	1,489	1,481	1,503	1,505
Total freight revenue per carload	\$2,556	\$2,528	\$2,615	\$2,737	\$2,607	\$2,632	\$2,791	\$2,859	\$3,110	\$2,852	\$3,047	\$2,892	\$2,892	\$3,168	\$3,001	\$3,195	\$3,256	\$3,169	\$3,394	\$3,255	\$3,374	\$3,164	\$3,170	\$3,390	\$3,273

(1) The Combined Commodity Data for 2021 through to April 13, 2023 has been determined through the combination of CPRL's and KCS's revenue commodity data consistent with CPKC's definitions and line of business categories used for financial reporting purposes. For the periods starting April 14, 2023 through to the fourth quarter of 2025, KCS was consolidated for these periods.

(2) Freight revenue per carload is defined as freight revenue per revenue-generating shipment of containers or freight cars. This is an indicator of yield with no standardized meaning under GAAP and, therefore, may not be comparable to similar measures presented by other companies. See the Non-GAAP measures section on page 31 to page 45 for the definition and reconciliation of freight revenue.

NON-GAAP MEASURES

The Company presents Non-GAAP measures to provide a basis for evaluating underlying earnings and liquidity trends in the Company's business that can be compared with the results of operations in prior periods. In addition, these Non-GAAP measures facilitate a multi-period assessment of long-term profitability, allowing management and other external users of the Company's consolidated financial information to compare profitability on a long-term basis.

These Non-GAAP measures have no standardized meaning and are not defined by GAAP and, therefore may not be comparable to similar measures presented by other companies. The presentation of these Non-GAAP measures is not intended to be considered in isolation from, as a substitute for, or as superior to the financial information presented in accordance with GAAP.

NON-GAAP PERFORMANCE AND LIQUIDITY MEASURES

On the Control Date, CP obtained control of KCS and CPKC began consolidating KCS, which had been accounted for under the equity method of accounting between December 14, 2021 and April 13, 2023. For periods presented during 2023 which include January 1 through April 13, 2023, the Company uses Core adjusted combined earnings results including Core adjusted combined operating income, Core adjusted combined operating ratio, Core adjusted combined income, and Core adjusted combined diluted EPS, to give effect to results after isolating and removing the impact of the acquisition of KCS on those results and to evaluate the Company's operating performance and for planning and forecasting future business operations and future profitability. In addition to the Core adjusted combined Non-GAAP performance measures noted above, other Non-GAAP performance and liquidity measures include Core adjusted combined ROIC, Adjusted combined free cash, and Adjusted combined net debt to adjusted combined EBITDA ratio. These measures are calculated by (1) adding KCS historical GAAP results and giving effect to transaction accounting adjustments in a consistent manner with Article 11, where applicable, and (2) adjusting for KCS purchase accounting and significant items that management believes affect the comparability between periods.

Beginning in the first quarter 2025, Core adjusted operating income, Core adjusted operating ratio, Core adjusted income, Core adjusted diluted EPS, Adjusted free cash, Adjusted net debt to adjusted EBITDA ratio and Core adjusted ROIC, have been used in continuity of the Non-GAAP measures previously known as Core adjusted combined operating income, Core adjusted combined operating ratio, Core adjusted combined income, Core adjusted combined diluted EPS, Adjusted combined free cash, Adjusted combined net debt to adjusted combined EBITDA ratio and Core adjusted combined ROIC, respectively. No adjustments are required to the previously presented Non-GAAP measures as reported in 2024 to present them on a comparable basis, as KCS was consolidated within the Company's results throughout the whole year and therefore, no combination adjustments exist.

Management believes these Non-GAAP measures provide meaningful supplemental information regarding operating results because they exclude certain significant items that are not considered indicative of

future financial trends either by nature or amount. As a result, these items are excluded for management assessment of operational performance, allocation of resources and preparation of annual budgets. These significant items may include, but are not limited to, restructuring and asset impairment charges, individually significant gains and losses from sales of assets, acquisition-related costs, adjustments to provisions and settlements of Mexican taxes, a gain on sale of an equity investment, loss on derecognition of CPKC's previously held equity method investment in KCS, changes in the outside basis tax difference between the carrying amount of CPKC's equity investment in KCS and its tax basis of this investment, a deferred income tax recovery related to the elimination of the deferred income tax liability on the outside basis difference of the investment, discrete tax items, changes in income tax rates, changes to an uncertain tax item, and certain items outside the control of management. Acquisition-related costs include legal, consulting, integration costs including third-party services and system migration, debt exchange transaction costs, community investments, fair value gain or loss on FX forward contracts and interest rate hedges, FX gain on U.S. dollar-denominated cash on hand from the issuances of long-term debt to fund the KCS acquisition, restructuring and special termination benefit costs, employee retention and synergy incentive costs, and transaction and integration costs incurred by KCS. These items may not be non-recurring and may include items that are settled in cash. Specifically, due to the magnitude of the acquisition, its significant impact to the Company's business and complexity of integrating the acquired business and operations, the Company expects to incur acquisition-related costs beyond the year of acquisition. Management believes excluding these significant items from GAAP results allows for a consistent understanding of the Company's consolidated financial performance when performing a multi-period assessment including assessing the likelihood of future results. Accordingly, these Non-GAAP financial measures may provide insight to investors and other external users of the Company's consolidated financial information.

In addition, these Non-GAAP measures exclude KCS purchase accounting. KCS purchase accounting represents the amortization of basis differences being the incremental depreciation and amortization in relation to fair value adjustments to properties and intangible assets, incremental amortization in relation to fair value adjustments to KCS's investments, amortization of the change in fair value of debt of KCS assumed on the Control Date, and depreciation and amortization of fair value adjustments that are attributable to non-controlling interest, as recognized within "Depreciation and amortization", "Other expense (income)", "Net interest expense", and "Net income (loss) attributable to non-controlling interest", respectively, in the Company's Consolidated Statements of Income. During the periods that KCS was equity accounted for, from December 14, 2021 to April 13, 2023, KCS purchase accounting represents the amortization of basis differences, being the difference in value between the consideration paid to acquire KCS and the underlying carrying value of the net assets of KCS immediately prior to its acquisition by the Company, net of tax, as recognized within "Equity earnings of Kansas City Southern" in the Company's Consolidated Statements of Income. All assets subject to KCS purchase accounting contribute to income generation and will continue to amortize over their estimated useful lives. Management believes excluding KCS purchase accounting from GAAP results provides financial statement

users with additional transparency by isolating the impact of KCS purchase accounting.

The following table presents the acquisition-related costs and KCS purchase accounting recognized in each line item within the Net income

Acquisition-related costs breakdown (in millions of Canadian dollars, except otherwise indicated)	2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Compensation & Benefits	\$ —	\$ 63	\$ 1	\$ 7	\$ 71	\$ 4	\$ 2	\$ 11	\$ 1	\$ 18	\$ 5	\$ 7	\$ 4	\$ (5)	\$ 11
Materials	—	—	1	1	2	2	2	1	1	6	1	—	—	—	1
Purchased services and other	12	53	22	24	111	20	24	24	20	88	14	12	9	16	51
	12	116	24	32	184	26	28	36	22	112	20	19	13	11	63
Other expense	3	3	—	—	6	—	—	—	—	—	—	—	—	—	—
Equity earnings of Kansas City Southern	10	1	—	—	11	—	—	—	—	—	—	—	—	—	—
Other components of net periodic benefit recovery	—	—	—	—	—	—	—	—	—	—	—	—	—	9	9
Income tax recovery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Current income tax recovery	(4)	(19)	(6)	(8)	(37)	(6)	(9)	(10)	(5)	(30)	(5)	(5)	(3)	(3)	(16)
Deferred income tax recovery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	9	(15)	(6)	(8)	(20)	(6)	(9)	(10)	(5)	(30)	(5)	(5)	(3)	6	(7)
Total, net of tax	\$ 21	\$ 101	\$ 18	\$ 24	\$ 164	\$ 20	\$ 19	\$ 26	\$ 17	\$ 82	\$ 15	\$ 14	\$ 10	\$ 17	\$ 56
Diluted EPS impact on a GAAP basis (in cents)	2 cents	11 cents	2 cents	2 cents	17 cents	2 cents	2 cents	3 cents	2 cents	9 cents	2 cents	2 cents	1 cent	2 cents	6 cents

KCS purchase accounting breakdown (in millions of Canadian dollars, except otherwise indicated)	2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Depreciation and amortization	\$ —	\$ 68	\$ 81	\$ 85	\$ 234	\$ 79	\$ 82	\$ 85	\$ 87	\$ 333	\$ 87	\$ 91	\$ 90	\$ 105	\$ 373
Purchased services and other	—	—	—	1	1	1	1	—	1	3	1	—	1	1	3
	—	68	81	86	235	80	83	85	88	336	88	91	91	106	376
Net interest expense	—	6	5	6	17	5	5	4	6	20	5	5	6	5	21
Other expense	—	1	1	—	2	1	—	1	1	3	1	—	—	—	1
Equity earnings of Kansas City Southern	42	6	—	—	48	—	—	—	—	—	—	—	—	—	—
Income tax recovery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Current income tax recovery	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Deferred income tax recovery	—	(20)	(24)	(25)	(69)	(23)	(24)	(24)	(25)	(96)	(25)	(25)	(26)	(30)	(106)
Net loss attributable to the non-controlling interest	—	—	—	(5)	(5)	(2)	(2)	(1)	(2)	(7)	(2)	(1)	(2)	(2)	(7)
	42	(7)	(18)	(24)	(7)	(19)	(21)	(20)	(20)	(80)	(21)	(21)	(22)	(27)	(91)
Total, net of tax	\$ 42	\$ 61	\$ 63	\$ 62	\$ 228	\$ 61	\$ 62	\$ 65	\$ 68	\$ 256	\$ 67	\$ 70	\$ 69	\$ 79	\$ 285
Diluted EPS impact on a GAAP basis (in cents)	5 cents	6 cents	7 cents	7 cents	25 cents	7 cents	6 cents	7 cents	8 cents	27 cents	7 cents	7 cents	8 cents	8 cents	31 cents

In addition to the above, the following significant items were included in the Net income attributable to controlling shareholders as reported on a GAAP basis for each year ended December 31, 2023, 2024 and 2025:

2023

- in the second quarter, a remeasurement loss of KCS of \$7,175 million recognized in "Remeasurement loss of Kansas City Southern" due to the derecognition of CPKC's previously held equity method investment in KCS and remeasurement at its Control Date fair value, that unfavourably impacted Diluted EPS by \$7.68;
- during the course of the year, a total current income tax expense of \$16 million related to a tax settlement with the Servicio de Administracion Tributaria ("SAT") of \$13 million and a reserve for the estimated impact of potential future audit settlements of \$3 million, that unfavourably impacted Diluted EPS by 2 cents as follows:

attributable to controlling shareholders as reported on a GAAP basis, the tax effect of these adjustments and diluted earnings per share impact for each period of 2023, 2024 and 2025:

- in the third quarter, a total current income tax expense of \$15 million related to a tax settlement with the SAT of \$9 million and reserves for the estimated impact of potential future audit settlements of \$6 million of which \$3 million was settled in the fourth quarter, that unfavourably impacted Diluted EPS by 2 cents; and
- in the fourth quarter, a current income tax expense of \$1 million related to a tax settlement with the SAT that had minimal impact on Diluted EPS;
- during the course of the year, a deferred income tax recovery of \$72 million on account of changes in tax rates and apportionment, that favourably impacted Diluted EPS by 7 cents as follows:
 - in the second quarter, a deferred income tax recovery of \$51 million due to CPKC unitary state apportionment changes, that favourably impacted Diluted EPS by 5 cents;
 - in the third quarter, a deferred income tax recovery of \$14 million due to decreases in the Iowa and Arkansas state

RECONCILIATION OF GAAP MEASURES TO NON-GAAP MEASURES

The following tables reconcile the most directly comparable measures presented in accordance with GAAP to the Non-GAAP measures. These Non-GAAP measures are presented in Performance Highlights and Quarterly Consolidated Statements of Income on pages 5 to 6, and 26, respectively.

Core adjusted combined income is calculated as Net income attributable to controlling shareholders reported on a GAAP basis adjusted for significant items less KCS purchase accounting.

For the period and year ended December 31 (in millions of Canadian dollars)	2023				
	Q1	Q2	Q3	Q4	Year
Net income attributable to controlling shareholders as reported	\$800	\$1,324	\$780	\$1,023	\$3,927
Less:					
Significant items (pre-tax):					
Remeasurement loss of Kansas City Southern	—	(7,175)	—	—	(7,175)
Acquisition-related costs	(25)	(120)	(24)	(32)	(201)
KCS purchase accounting	(42)	(81)	(87)	(87)	(297)
Add:					
Tax effect of adjustments ⁽¹⁾	(4)	(40)	(30)	(33)	(107)
Adjustments to provisions and settlements of Mexican taxes	—	—	15	1	16
Income tax rate changes	—	(51)	(14)	(7)	(72)
Deferred income tax recovery on the outside basis difference of the investment in KCS	(23)	(7,832)	—	—	(7,855)
Core adjusted combined income	\$840	\$777	\$862	\$1,103	\$3,582

⁽¹⁾ Tax effect of adjustments was calculated as the pre-tax of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate for the periods presented on page 36.

Core adjusted income is calculated as Net income attributable to controlling shareholders reported on a GAAP basis adjusted for significant items less KCS purchase accounting.

For the period and year ended December 31 (in millions of Canadian dollars)	2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Net income attributable to controlling shareholders as reported	\$775	\$905	\$837	\$1,201	\$3,718	\$910	\$1,234	\$920	\$1,077	\$4,141
Less:										
Significant items (pre-tax):										
Gain on sale of equity investment	—	—	—	—	—	—	333	—	—	333
Adjustments to provisions and settlements of Mexican taxes	(10)	—	7	7	4	—	—	—	—	—
Acquisition-related costs	(26)	(28)	(36)	(22)	(112)	(20)	(19)	(13)	(20)	(72)
KCS purchase accounting	(84)	(86)	(89)	(93)	(352)	(92)	(95)	(95)	(109)	(391)
Add:										
Tax effect of adjustments ⁽¹⁾	(29)	(33)	(33)	(29)	(124)	(30)	21	(29)	(7)	(45)
Income tax rate changes	—	(3)	—	(78)	(81)	—	—	—	—	—
Core adjusted income	\$866	\$983	\$922	\$1,202	\$3,973	\$992	\$1,036	\$999	\$1,199	\$4,226

⁽¹⁾ Tax effect of adjustments was calculated as the pre-tax of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate for the periods presented on page 36.

Core adjusted combined diluted EPS is calculated using Diluted EPS reported on a GAAP basis adjusted for significant items less KCS purchase accounting.

For the period and year ended December 31	2023				
	Q1	Q2	Q3	Q4	Year
Diluted EPS as reported	\$0.86	\$1.42	\$0.84	\$1.10	\$4.21
Less:					
Significant items (pre-tax):					
Remeasurement loss of Kansas City Southern	—	(7.68)	—	—	(7.68)
Acquisition-related costs	(0.03)	(0.13)	(0.03)	(0.02)	(0.21)
KCS purchase accounting	(0.05)	(0.09)	(0.09)	(0.09)	(0.32)
Add:					
Tax effect of adjustments ⁽¹⁾	(0.01)	(0.05)	(0.04)	(0.02)	(0.11)
Adjustments to provisions and settlements of Mexican taxes	—	—	0.02	—	0.02
Income tax rate changes	—	(0.05)	(0.02)	(0.01)	(0.07)
Deferred income tax recovery on the outside basis difference of the investment in KCS	(0.03)	(8.39)	—	—	(8.42)
Core adjusted combined diluted EPS	\$0.90	\$0.83	\$0.92	\$1.18	\$3.84

⁽¹⁾ Tax effect of adjustments was calculated as the pre-tax of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate for the periods presented below.

Core adjusted diluted EPS is calculated using Diluted EPS reported on a GAAP basis adjusted for significant items less KCS purchase accounting.

For the period and year ended December 31	2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Diluted EPS as reported	\$0.83	\$0.97	\$0.90	\$1.28	\$3.98	\$0.97	\$1.33	\$1.01	\$1.20	\$4.51
Less:										
Significant items (pre-tax):										
Gain on sale of equity investment	—	—	—	—	—	—	0.36	—	—	0.36
Adjustments to provisions and settlements of Mexican taxes	(0.01)	—	0.01	—	—	—	—	—	—	—
Acquisition-related costs	(0.03)	(0.03)	(0.04)	(0.02)	(0.12)	(0.02)	(0.02)	(0.02)	(0.02)	(0.08)
KCS purchase accounting	(0.09)	(0.09)	(0.10)	(0.10)	(0.38)	(0.10)	(0.10)	(0.10)	(0.12)	(0.43)
Add:										
Tax effect of adjustments ⁽¹⁾	(0.03)	(0.04)	(0.04)	(0.02)	(0.14)	(0.03)	0.03	(0.03)	(0.01)	(0.05)
Income tax rate changes	—	—	—	(0.09)	(0.09)	—	—	—	—	—
Core adjusted diluted EPS	\$0.93	\$1.05	\$0.99	\$1.29	\$4.25	\$1.06	\$1.12	\$1.10	\$1.33	\$4.61

⁽¹⁾ Tax effect of adjustments was calculated as the pre-tax of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate for the periods presented below.

APPLICABLE TAX RATES - SIGNIFICANT ITEMS AND KCS PURCHASE ACCOUNTING ADJUSTED IN NON-GAAP MEASURES

The applicable tax rates presented below reflect the taxable jurisdictions and nature, being on account of capital or income, of the significant items and KCS purchase accounting for the periods presented:

For the period and year ended December 31	2023					2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Applicable tax rate	5.75%	0.54%	26.55%	27.37%	1.37%	24.61%	28.72%	28.01%	27.32%	27.13%	26.76%	9.45%	26.69%	5.49%	34.76%

Core adjusted combined operating income and Core adjusted combined operating ratio are calculated from reported GAAP revenue and operating expenses adjusted for (1) KCS operating income prior to the Control Date and giving effect to transaction accounting adjustments in a manner consistent with Article 11, where applicable, (2) acquisition-related costs that are reported within Operating income, and (3) KCS purchase accounting recognized in "Depreciation and amortization" and "Purchased services and other".

For the period and year ended December 31 (in millions of Canadian dollars)	2023				
	Q1	Q2	Q3	Q4	Year
Operating income as reported	\$829	\$944	\$1,173	\$1,442	\$4,388
Add:					
KCS operating income as reported prior to Control Date ⁽¹⁾	408	55	—	—	463
Pro forma Article 11 transaction accounting adjustments ⁽²⁾	(80)	(14)	—	—	(94)
	1,157	985	1,173	1,442	4,757
Less:					
Acquisition-related costs	(25)	(116)	(24)	(32)	(197)
KCS purchase accounting recognized in Operating expenses	(80)	(80)	(81)	(86)	(327)
Core adjusted combined operating income	\$1,262	\$1,181	\$1,278	\$1,560	\$5,281

⁽¹⁾ KCS's historical amounts in U.S. dollars were translated into Canadian dollars at the Bank of Canada average exchange rate for the three months ended March 31, 2023, as well for the period April 1 through April 13, 2023 with an effective exchange rate of \$1.35.

⁽²⁾ Pro forma Article 11 transaction accounting adjustments represent adjustments made in a manner consistent with Article 11, these include:

- For the three months ended March 31, 2023, depreciation and amortization of differences between the historic carrying values and the provisional fair values of KCS's tangible and intangible assets and investments prior to the Control Date that unfavourably impacted operating income by \$80 million and miscellaneous immaterial amounts that have been reclassified across revenue, operating expenses, and non-operating income or expense, consistent with CPKC's financial statement captions; and
- For April 1 through April 13, 2023, depreciation and amortization of differences between the historic carrying values and the provisional fair values of KCS's tangible and intangible assets and investments prior to the Control Date that unfavourably impacted operating income by \$14 million and miscellaneous immaterial amounts that have been reclassified across revenue, operating expenses, and non-operating income or expense, consistent with CPKC's financial statement captions.

For more information about these pro forma transaction accounting adjustments for the three months ended March 31, 2023, please see Exhibit 99.1 "Selected Unaudited Combined Summary of Historical Financial Data" of CPKC's Current Report on Form 8-K furnished with the SEC on May 15, 2023.

For the period and year ended December 31	2023				
	Q1	Q2	Q3	Q4	Year
Operating ratio as reported	63.4%	70.3%	64.9%	61.8%	65.0%
Add:					
KCS operating income prior to Control Date ⁽¹⁾	0.8%	(0.2)%	—%	—%	—%
Pro forma Article 11 transaction accounting adjustments ⁽²⁾	2.3%	0.4%	—%	—%	0.8%
	66.5%	70.5%	64.9%	61.8%	65.8%
Less:					
Acquisition-related costs	0.7%	3.5%	0.8%	0.8%	1.4%
KCS purchase accounting recognized in Operating expenses	2.3%	2.4%	2.4%	2.3%	2.4%
Core adjusted combined operating ratio⁽³⁾	63.5%	64.6%	61.7%	58.7%	62.0%

⁽¹⁾ KCS's historical amounts in U.S. dollars were translated into Canadian dollars at the Bank of Canada average exchange rate for the three months ended March 31, 2023, as well for the period April 1 through April 13, 2023 with an effective exchange rate of \$1.35.

⁽²⁾ Pro forma Article 11 transaction accounting adjustments represent adjustments made in a manner consistent with Article 11, these include:

- For the three months ended March 31, 2023, depreciation and amortization of differences between the historic carrying values and the provisional fair values of KCS's tangible and intangible assets and investments prior to the Control Date that unfavourably impacted operating ratio by 2.3% and miscellaneous immaterial amounts that have been reclassified across revenue, operating expenses, and non-operating income or expense, consistent with CPKC's financial statement captions; and
- For April 1 through April 13, 2023, depreciation and amortization of differences between the historic carrying values and the provisional fair values of KCS's tangible and intangible assets and investments prior to the Control Date of 0.4% operating ratio and miscellaneous immaterial amounts that have been reclassified across revenue, operating expenses, and non-operating income or expense, consistent with CPKC's financial statement captions.

For more information about these pro forma transaction accounting adjustments for the three months ended March 31, 2023, please see Exhibit 99.1 "Selected Unaudited Combined Summary of Historical Financial Data" of CPKC's Current Report on Form 8-K furnished with the SEC on May 15, 2023.

Core adjusted operating income and Core adjusted operating ratio are calculated from reported GAAP revenue and operating expenses adjusted for (1) significant items (acquisition-related costs and adjustments to provisions and settlement of Mexican taxes) that are reported within Operating income, and (2) KCS purchase accounting recognized in "Depreciation and amortization" and "Purchased services and other".

For the period and year ended December 31 (in millions of Canadian dollars)	2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Operating income as reported	\$1,149	\$1,267	\$1,203	\$1,560	\$5,179	\$1,317	\$1,343	\$1,336	\$1,613	\$5,609
Less:										
Adjustment to provisions and settlements of Mexican taxes	(10)	—	7	7	4	—	—	—	—	—
Acquisition-related costs	(26)	(28)	(36)	(22)	(112)	(20)	(19)	(13)	(11)	(63)
KCS purchase accounting recognized in Operating expenses	(80)	(83)	(85)	(88)	(336)	(88)	(91)	(91)	(106)	(376)
Core adjusted operating income	\$1,265	\$1,378	\$1,317	\$1,663	\$5,623	\$1,425	\$1,453	\$1,440	\$1,730	\$6,048

For the period and year ended December 31	2024					2025				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Operating ratio as reported	67.4%	64.8%	66.1%	59.7%	64.4%	65.3%	63.7%	63.5%	58.9%	62.8%
Less:										
Adjustment to provisions and settlements of Mexican taxes	0.3%	—%	(0.2)%	(0.2)%	—%	—%	—%	—%	—%	—%
Acquisition-related costs	0.8%	0.7%	1.0%	0.5%	0.8%	0.5%	0.5%	0.3%	0.3%	0.4%
KCS purchase accounting recognized in Operating expenses	2.3%	2.3%	2.4%	2.3%	2.3%	2.3%	2.5%	2.5%	2.7%	2.5%
Core adjusted operating ratio	64.0%	61.8%	62.9%	57.1%	61.3%	62.5%	60.7%	60.7%	55.9%	59.9%

CORE ADJUSTED COMBINED ROIC AND CORE ADJUSTED ROIC

Core adjusted combined ROIC is calculated as Core adjusted combined return divided by Core adjusted combined average invested capital.

Core adjusted ROIC is calculated as Core adjusted return divided by Core adjusted average invested capital. Core adjusted combined ROIC and Core adjusted ROIC are reconciled below from Return on average shareholders' equity, the most comparable measure calculated in accordance with GAAP.

Core adjusted combined return is defined as Net income attributable to controlling shareholders adjusted for interest expense, tax effected at the Company's core adjusted annualized effective tax rate, interest expense incurred by KCS during the trust period consistent with CPKC, net of taxes, and significant items and KCS purchase accounting, tax effected at the applicable tax rate.

Core adjusted return is defined as Net income attributable to controlling shareholders adjusted for interest expense, tax effected at the Company's core adjusted annualized effective tax rate, and significant items and KCS purchase accounting excluding amortization of the change in fair value of KCS's debt recognized in "Net interest expense", tax effected at the applicable tax rate

Core adjusted combined average invested capital is defined as the sum of total Shareholders' equity, Long-term debt, and Long-term debt

maturing within one year, as presented in the Company's Consolidated Financial Statements, incorporating KCS debt at its carrying value prior to Control Date, each averaged between the beginning and ending balance over a trailing twelve-month period, adjusted for the impact of the unamortized fair value adjustment made to debt upon acquisition of KCS, and the impact of significant items and KCS purchase accounting, tax effected at the applicable tax rate, on closing balances as part of this average.

Core adjusted average invested capital is defined as the sum of total Shareholders' equity, Long-term debt and Long-term debt maturing within one year, as presented in the Company's Consolidated Financial Information, each averaged between the beginning and ending balance over a trailing twelve-month period, adjusted for the impact of the unamortized fair value adjustment made to debt upon the acquisition of KCS, the impact of significant items and KCS purchase accounting, and tax effected at the applicable tax rate on closing balances as part of this average.

CPKC uses Core adjusted combined ROIC and Core adjusted ROIC to measure how productively the Company uses its long-term capital investments, representing indicators of good operating and investment decisions made by management.

CALCULATION OF RETURN ON AVERAGE SHAREHOLDERS' EQUITY

For the year ended December 31
(in millions of Canadian dollars, except for percentages)

	2023	2024	2025
Net income attributable to controlling shareholders as reported	\$3,927	\$3,718	\$4,141
Average shareholders' equity	40,189	44,692	46,885
Return on average shareholders' equity	9.8 %	8.3 %	8.8 %

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS TO CORE ADJUSTED COMBINED RETURN

For the year ended December 31
(in millions of Canadian dollars)

	2023
Net income attributable to controlling shareholders as reported	\$3,927
Add:	
Net interest expense	771
KCS net interest expense as reported ⁽¹⁾	59
Significant items (pre-tax):	
Acquisition-related costs	201
Remeasurement loss of Kansas City Southern	7,175
KCS purchase accounting	280
Less:	
Tax on interest ⁽²⁾	185
KCS tax on interest recognized in Equity earnings ⁽¹⁾⁽³⁾	16
Tax effect of adjustments ⁽⁴⁾	105
Adjustments to provisions and settlements of Mexican taxes	(16)
Deferred income tax recovery on the outside basis difference of the investment in KCS	7,855
Income tax rate changes	72
Core adjusted combined return	\$4,196

⁽¹⁾ KCS's historical amounts in U.S. dollars were translated into Canadian dollars at the Bank of Canada average exchange rate for the period from January 1 through April 13, 2023 with an effective rate of \$1.35.

⁽²⁾ CPKC tax was calculated at the core adjusted annualized effective tax rate of 24.15% for the year ended December 31, 2023.

⁽³⁾ KCS tax was calculated at the adjusted annualized effective tax rate of 26.51% for the period from January 1, 2023 through April 13, 2023.

⁽⁴⁾ Tax was calculated as the effect of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate of 1.34% for the year ended December 31, 2023. The applicable tax rates reflect the taxable jurisdictions and nature, being on account of capital or income, of the adjustments.

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS TO CORE ADJUSTED RETURN

For the year ended December 31
(in millions of Canadian dollars)

	2024	2025
Net income attributable to controlling shareholders as reported	\$3,718	\$4,141
Add:		
Net interest expense	801	876
Significant items (pre-tax):		
Adjustments to provisions and settlements of Mexican taxes	(4)	—
Acquisition-related costs	112	72
Gain on sale of equity investment	—	(333)
KCS purchase accounting	332	370
Less:		
Tax on interest ⁽¹⁾	194	217
Tax effect of adjustments ⁽²⁾	121	43
Income tax rate changes	81	—
Core adjusted return	\$4,563	\$4,866

⁽¹⁾ CPKC tax was calculated at the core adjusted annualized effective tax rate of 24.14% for the year ended December 31, 2024 and 24.76% for the year ended December 31, 2025.

⁽²⁾ Tax was calculated as the effect of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate of 27.74% for the year ended December 31, 2024 and 38.77% for the year ended December 31, 2025. The applicable tax rates reflect the taxable jurisdictions and nature, being on account of capital or income, of the adjustments.

RECONCILIATION OF AVERAGE SHAREHOLDERS' EQUITY TO CORE ADJUSTED COMBINED AVERAGE INVESTED CAPITAL

For the year ended December 31
(in millions of Canadian dollars)

	2023
Average shareholders' equity	\$40,189
Add:	
Average Long-term debt, including long-term debt maturing within one year	21,073
Impact of KCS debt assumed at its carrying value prior to Control Date ⁽¹⁾	2,560
Less:	
Impact of unamortized fair value adjustment to KCS debt ⁽²⁾	(242)
Significant items (pre-tax):	
Acquisition-related costs	(101)
Remeasurement loss of Kansas City Southern	(3,588)
KCS purchase accounting	(140)
Tax effect of adjustments ⁽³⁾	53
Adjustments to provisions and settlements of Mexican taxes	(8)
Deferred income tax recovery on the outside basis difference of the investment in KCS	3,928
Income tax rate changes	36
Core adjusted combined average invested capital	\$63,884

⁽¹⁾ KCS's amounts have been multiplied by a factor of 50% to arrive at the impact to the average.

⁽²⁾ Relates to the unamortized discount from fair value adjustment of KCS debt based on the purchase price allocation. The unamortized fair value adjustment of KCS debt is multiplied by a factor of 50% to arrive at the impact to the average for year ended December 31, 2023.

⁽³⁾ Tax was calculated as the effect of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate of 1.34% for the year ended December 31, 2023. The applicable tax rates reflect the taxable jurisdictions and nature, being on account of capital or income, of the adjustments.

RECONCILIATION OF AVERAGE SHAREHOLDERS' EQUITY TO CORE ADJUSTED AVERAGE INVESTED CAPITAL

For the year ended December 31
(in millions of Canadian dollars)

	2024	2025
Average shareholders' equity	\$44,692	\$46,885
Add:		
Average Long-term debt, including long-term debt maturing within one year	22,559	22,906
Less:		
Impact of unamortized fair value adjustment to KCS debt ⁽¹⁾	(493)	(480)
Significant items (pre-tax):		
Acquisition-related costs	(56)	(36)
Adjustments to provisions and settlements of Mexican taxes	2	—
Gain on sale of equity investment	—	167
KCS purchase accounting	(166)	(185)
Tax effect of adjustments ⁽²⁾	61	21
Income tax rate changes	41	—
Core adjusted average invested capital	\$67,862	\$70,304

⁽¹⁾ Relates to the unamortized discount from fair value adjustment of KCS debt based on the purchase price allocation.

⁽²⁾ Tax was calculated as the effect of the significant items and KCS purchase accounting listed above multiplied by the applicable tax rate of 27.74% for the year ended December 31, 2024 and 38.77% for the year ended December 31, 2025. The applicable tax rates reflect the taxable jurisdictions and nature, being on account of capital or income, of the adjustments.

CALCULATION OF CORE ADJUSTED COMBINED ROIC

For the year ended December 31
(in millions of Canadian dollars, except for percentages)

	2023
Core adjusted combined return	\$4,196
Core adjusted combined average invested capital	63,884
Core adjusted combined ROIC	6.6 %

CALCULATION OF CORE ADJUSTED ROIC

For the year ended December 31
(in millions of Canadian dollars, except for percentages)

	2024	2025
Core adjusted return	\$4,563	\$4,866
Core adjusted average invested capital	67,862	70,304
Core adjusted ROIC	6.7 %	6.9 %

ADJUSTED COMBINED FREE CASH AND ADJUSTED FREE CASH

Adjusted combined free cash is calculated as Net Cash provided by operating activities, less Net Cash used in investing activities, adjusted for changes in Cash and cash equivalents balances resulting from FX fluctuations, and the operating cash flow impacts of acquisition-related costs associated with the KCS transaction, and settlements of Mexican taxes. The acquisition-related costs associated with the KCS acquisition and settlements of Mexican taxes, are not indicative of operating trends and have been excluded from Adjusted combined free cash. In addition, KCS's cash from operating activities, investing activities, and changes in cash and cash equivalents balances resulting from FX fluctuations as reported prior to the Control Date are added to Adjusted combined free cash. KCS's cash flows are further adjusted for KCS's operating cash flow impacts of acquisition-related costs incurred. Dividends received from KCS by CPKC prior to the Control Date are further deducted in order to eliminate inter-company cash activities. Cash paid for settlement of Mexican taxes relating to prior years, and cash flow impacts of acquisition-related costs associated with the KCS acquisition, including cash tax paid on the KCS debt exchange, are excluded from operating activities, as they are not indicative of operating trend. Cash acquired from control of KCS, proceeds from settlement of treasury lock agreements, and investment in government securities and proceeds from settlement of government securities as part of the satisfaction and discharge of the KCS 2023 Notes are further excluded from Adjusted combined free cash as they are not indicative of investment trends.

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED COMBINED FREE CASH

For the year ended December 31 (in millions of Canadian dollars)	2023
Net Cash provided by operating activities as reported	\$4,137
Net Cash used in investing activities	(2,162)
Effect of foreign currency fluctuations on foreign currency-denominated cash and cash equivalents	(7)
Less:	
Settlements of Mexican taxes	(135)
Investment in government securities	(267)
Proceeds from settlement of government securities	274
Acquisition-related costs	(278)
Cash acquired on control of Kansas City Southern	298
Adjusted free cash	2,076
KCS Net Cash provided by operating activities as reported prior to Control Date⁽¹⁾	556
KCS Net Cash used in investing activities as reported prior to Control Date ⁽¹⁾	(228)
KCS Effect of foreign currency fluctuations on foreign currency-denominated cash and cash equivalents as reported prior to Control Date ⁽¹⁾	1
Less:	
KCS Acquisition-related costs as reported prior to Control Date ⁽¹⁾	(46)
KCS Adjusted free cash	375
Less:	
Dividends from KCS as reported prior to Control Date	300
Adjusted combined free cash	\$2,151

⁽¹⁾ KCS's historical amounts in U.S. dollars were translated into Canadian dollars at the Bank of Canada average exchange rate for the period from January 1 through April 13, 2023 with an effective exchange rate of \$1.35..

Adjusted free cash is calculated as Net cash provided by operating activities, less Net cash used in investing activities, adjusted for changes in Cash and cash equivalents balances resulting from FX fluctuations, the cash flow impacts of acquisition-related costs associated with the KCS acquisition, settlements of Mexican taxes, settlement of foreign currency forward contracts, net of tax, and net proceeds from the sale of an equity investment, net of tax. The acquisition-related costs associated with the KCS acquisition, settlements of Mexican taxes, and settlement of foreign currency forward contracts, net of tax, are not indicative of operating trends and have been excluded from Adjusted free cash. Net proceeds from the sale of an equity investment, net of tax, is not indicative of investment trends and has also been excluded from Adjusted free cash.

Adjusted combined free cash and Adjusted free cash are useful to investors and other external users of the Company's Consolidated Financial Information as they assist with the evaluation of the Company's ability to generate cash to satisfy debt obligations and other activities such as dividends, share repurchase programs, and other strategic opportunities, and are an important performance criterion in determining certain elements of the Company's long-term incentive plan. Adjusted combined free cash and Adjusted free cash should be considered in addition to, rather than as a substitute for, Net cash provided by operating activities.

RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO ADJUSTED FREE CASH

For the year ended December 31 (in millions of Canadian dollars)	2024	2025
Net Cash provided by operating activities as reported	\$5,269	\$5,309
Net Cash used in investing activities	(2,796)	(2,665)
Effect of foreign currency fluctuations on foreign currency-denominated cash and cash equivalents	54	(53)
Less:		
Settlements of Mexican taxes	(12)	(12)
Settlements of foreign currency forward contracts, net of tax	(46)	—
Net proceeds from sale of equity investment, net of tax	—	362
Acquisition-related costs	(103)	(42)
Adjusted free cash	\$2,688	\$2,283

TOTAL COMBINED REVENUES

Combined Revenues for 2021 through to April 13, 2023 have been determined by translating KCS's historical U.S. dollar denominated revenues to Canadian dollars at the Bank of Canada daily exchange rate, aligning KCS's revenues into Freight and Non-freight revenues consistent with CPKC's financial statement captions, and eliminating intercompany transactions between CPRL and KCS, in a manner

consistent with Article 11. For the periods starting April 14, 2023 through to the fourth quarter of 2025, there are no reclassification adjustments, intercompany eliminations, or pro forma adjustments under Article 11, as KCS was consolidated for these periods. Total combined revenues is reconciled below:

For the period and year ended December 31 (in millions)	2021					2022					2023				
	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year	Q1	Q2	Q3	Q4	Year
Combined freight revenues reconciliation:															
CPKC freight revenues as reported	\$ 1,918	\$ 2,008	\$ 1,896	\$ 1,994	\$ 7,816	\$ 1,796	\$ 2,154	\$ 2,264	\$ 2,413	\$ 8,627	\$ 2,217	\$ 3,101	\$ 3,266	\$ 3,697	\$ 12,281
KCS Total revenues converted to Canadian dollar ⁽¹⁾	894	920	937	943	3,694	986	1,079	1,151	1,174	4,390	1,187	164	—	—	1,351
Combined transaction accounting adjustments:															
Reclassifications	(14)	(15)	(15)	(17)	(61)	(18)	(14)	(22)	(22)	(76)	(20)	(4)	—	—	(24)
Intercompany eliminations	1	1	1	1	4	1	1	1	1	4	1	—	—	—	1
CPKC combined freight revenues⁽²⁾	\$ 2,799	\$ 2,914	\$ 2,819	\$ 2,921	\$ 11,453	\$ 2,765	\$ 3,220	\$ 3,394	\$ 3,566	\$ 12,945	\$ 3,385	\$ 3,261	\$ 3,266	\$ 3,697	\$ 13,609
Combined non-freight revenues reconciliation:															
CPKC non-freight revenues as reported	\$ 41	\$ 46	\$ 46	\$ 46	\$ 179	\$ 42	\$ 48	\$ 48	\$ 49	\$ 187	\$ 49	\$ 73	\$ 73	\$ 79	\$ 274
Combined transaction accounting adjustments:															
Reclassifications	18	18	18	20	74	21	18	25	25	89	23	4	—	—	27
Intercompany eliminations	(1)	(1)	(1)	(1)	(4)	(1)	(1)	(1)	(1)	(4)	(1)	—	—	—	(1)
CPKC combined non-freight revenues⁽²⁾	\$ 58	\$ 63	\$ 63	\$ 65	\$ 249	\$ 62	\$ 65	\$ 72	\$ 73	\$ 272	\$ 71	\$ 77	\$ 73	\$ 79	\$ 300
CPKC combined total revenues	\$ 2,857	\$ 2,977	\$ 2,882	\$ 2,986	\$ 11,702	\$ 2,827	\$ 3,285	\$ 3,466	\$ 3,639	\$ 13,217	\$ 3,456	\$ 3,338	\$ 3,339	\$ 3,776	\$ 13,909

⁽¹⁾ Translation of KCS total revenues:

KCS Total revenues as reported (in U.S. millions of dollars)	706	750	744	748	2,947	778	846	882	864	3,370	877	121	—	—	998
Effective foreign exchange rate for revenues (\$Cdn. / \$US)	1.27	1.23	1.26	1.26	1.25	1.27	1.28	1.30	1.36	1.30	1.35	1.35	—	—	1.35

⁽²⁾ There were no reclassification adjustments or intercompany eliminations for the periods starting April 14, 2023 through to the fourth quarter of 2025 as KCS was consolidated for this period.

ADJUSTED COMBINED NET DEBT TO ADJUSTED COMBINED EBITDA RATIO AND ADJUSTED NET DEBT TO ADJUSTED EBITDA RATIO

Adjusted combined net debt to Adjusted combined EBITDA ratio is calculated as Adjusted combined net debt divided by Adjusted combined EBITDA.

Adjusted net debt to Adjusted EBITDA ratio is calculated as Adjusted net debt divided by Adjusted EBITDA.

The Adjusted combined net debt to Adjusted combined EBITDA ratio and Adjusted net debt to Adjusted EBITDA ratio are key credit measures used to assess the Company's financial capacity. The ratio provides information on the Company's ability to service its debt and other long-term obligations from operations, excluding significant items, and is an important performance criterion in determining certain elements of the Company's long-term incentive plan. The Adjusted combined net debt to Adjusted combined EBITDA ratio and Adjusted net debt to Adjusted EBITDA ratio are reconciled below from the Long-term debt to Net income attributable to controlling shareholders ratio, the most comparable measure calculated in accordance with GAAP.

Long-term debt to Net income attributable to controlling shareholders ratio is calculated as long-term debt, including long-term debt maturing within one year, divided by Net income attributable to controlling shareholders. Adjusted combined net debt and Adjusted net debt are defined as long-term debt, and long-term debt maturing within one year, as reported on CPKC's Consolidated Balance Sheets adjusted for pension plans' deficit, operating lease liabilities, Cash and cash equivalents, and the fair value adjustment to KCS debt upon Control which is recognized under Long-term debt on CPKC's

Consolidated Balance Sheets. Adjusted combined net debt and Adjusted net debt are used as a measure of debt and long-term obligations as part of the calculation of Adjusted combined net debt to Adjusted combined EBITDA ratio and Adjusted net debt to Adjusted EBITDA ratio.

Adjusted combined EBITDA is calculated as Net income attributable to controlling shareholders before Net interest expense, Income tax recovery, Depreciation and amortization, and Operating lease expense recognized on CPKC's Consolidated Statement of Income, as well as KCS's Net interest expense, Income tax expense, Depreciation and amortization, and Operating lease expense recognized in Equity earnings by CPKC prior to the Control Date, excluding significant items reported in Operating income, Equity earnings of Kansas City Southern, and Other (income) expense, less Other components of net periodic benefit recovery recognized on CPKC's Consolidated Statement of Income. Adjusted combined EBITDA is used as a performance measure derived from operating results, excluding significant items, as part of the calculation of Adjusted Combined Net Debt to Adjusted Combined EBITDA ratio.

Adjusted EBITDA is calculated as Net income attributable to controlling shareholders before Net interest expense, Income tax expense, Depreciation and amortization, and Operating lease expense recognized on CPKC's Consolidated Statement of Income, excluding significant items reported in Net income, less Other components of net periodic benefit recovery recognized on CPKC's Consolidated Statement of Income. Adjusted EBITDA is used as a performance measure derived from operating results, excluding significant items, as part of the calculation of Adjusted Net Debt to Adjusted EBITDA ratio.

CALCULATION OF LONG-TERM DEBT TO NET INCOME ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS RATIO

(in millions of Canadian dollars, except for ratios)	2023	2024	2025
Long-term debt including long-term debt maturing within one year as at December 31	\$22,494	\$22,623	\$23,188
Net income attributable to controlling shareholders for the year ended December 31	3,927	3,718	4,141
Long-term debt to Net income attributable to controlling shareholders ratio	5.7	6.1	5.6

RECONCILIATION OF LONG-TERM DEBT TO ADJUSTED COMBINED NET DEBT

(in millions of Canadian dollars) ⁽¹⁾	2023
Long-term debt including long-term debt maturing within one year as at December 31	\$22,494
Add:	
Pension plans deficit ⁽²⁾	172
Operating lease liabilities	344
Less:	
Fair value adjustment to KCS debt upon Control ⁽³⁾	(484)
Cash and cash equivalents	464
Adjusted combined net debt	\$23,030

⁽¹⁾ KCS's historical amounts in U.S. dollars were translated into Canadian dollars at the Bank of Canada average exchange rate for the period from January 1 through April 13, 2023 with an effective exchange rate of \$1.35.

⁽²⁾ Pension plans deficit is the total funded status of the Pension plans in deficit only.

⁽³⁾ The fair value adjustment to KCS debt upon Control represents the fair value adjustment based on the purchase price allocation at fair value, net of amortization of fair value adjustments from April 14, 2023 to December 31, 2023 and the foreign currency translation impact on the fair value adjustment.

RECONCILIATION OF LONG-TERM DEBT TO ADJUSTED NET DEBT

(in millions of Canadian dollars)	2024	2025
Long-term debt including long-term debt maturing within one year as at December 31	\$22,623	\$23,188
Add:		
Pension plans deficit ⁽¹⁾	161	153
Operating lease liabilities	366	409
Less:		
Fair value adjustment to KCS debt upon Control ⁽²⁾	(503)	(457)
Cash and cash equivalents	739	184
Adjusted net debt	\$22,914	\$24,023

⁽¹⁾ Pension plans deficit is the total funded status of the Pension plans in deficit only.

⁽²⁾ The fair value adjustment to KCS debt upon Control represents the fair value adjustment based on the purchase price allocation at fair value, net of amortization of fair value adjustments from April 14, 2023 to December 31, 2025 and the foreign currency translation impact on the fair value adjustment.

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS TO ADJUSTED COMBINED EBITDA

For the year ended December 31 (in millions of Canadian dollars)	2023
Net income attributable to controlling shareholders as reported	\$3,927
Add:	
Net interest expense	771
Income tax recovery	(6,976)
Depreciation and amortization	1,543
Operating lease expense	94
KCS net interest expense recognized in Equity earnings by CPKC ⁽¹⁾	44
KCS income tax expense recognized in Equity earnings by CPKC ⁽¹⁾	83
KCS depreciation and amortization recognized in Equity earnings by CPKC ⁽¹⁾	240
KCS operating lease expense recognized in Equity earnings by CPKC ⁽¹⁾	10
Less:	
Significant items (pre-tax):	
Acquisition-related costs	(201)
Remeasurement loss of Kansas City Southern	(7,175)
Other components of net periodic benefit recovery	327
Adjusted combined EBITDA	\$6,785

⁽¹⁾ KCS's historical amounts in U.S. dollars were translated into Canadian dollars at the Bank of Canada average exchange rate for the period from January 1 through April 13, 2023 with an effective exchange rate of \$1.35.

RECONCILIATION OF NET INCOME ATTRIBUTABLE TO CONTROLLING SHAREHOLDERS TO ADJUSTED EBITDA

For the year ended December 31 (in millions of Canadian dollars)	2024	2025
Net income attributable to controlling shareholders as reported	\$3,718	\$4,141
Add:		
Net interest expense	801	876
Income tax expense	1,059	1,345
Depreciation and amortization	1,900	2,019
Operating lease expense	109	115
Less:		
Significant items (pre-tax):		
Adjustments to provisions and settlements of Mexican taxes	4	—
Gain on sale of equity investment	—	333
Acquisition-related costs	(112)	(63)
Other components of net periodic benefit recovery	352	415
Adjusted EBITDA	\$7,343	\$7,811

CALCULATION OF ADJUSTED COMBINED NET DEBT TO ADJUSTED COMBINED EBITDA RATIO

(in millions of Canadian dollars, except for ratios)	2023	
Adjusted combined net debt as at December 31		\$23,030
Adjusted combined EBITDA for the year ended December 31		6,785
Adjusted combined net debt to Adjusted combined EBITDA ratio		3.4

CALCULATION OF ADJUSTED NET DEBT TO ADJUSTED EBITDA RATIO

(in millions of Canadian dollars, except for ratios)	2024	2025
Adjusted net debt as at December 31	\$22,914	\$24,023
Adjusted EBITDA for the year ended December 31	7,343	7,811
Adjusted net debt to Adjusted EBITDA ratio	3.1	3.1

SHAREHOLDER ADMINISTRATION

Computershare Investor Services Inc. serves as transfer agent and registrar for the common shares in Canada. Computershare Trust Company, N.A. serves as the co-transfer agent and co-registrar for the common shares in the United States.

For shareholder related inquiries, please contact the transfer agent and registrar by telephone at 1-877-427-7245 toll-free in North America, or 1-514-982-7555 internationally, or visit their website at: <http://www.investorcentre.com/cpkc>.

CPKC INVESTOR RELATIONS

Chris De Bruyn

Vice-President, Capital Markets, Tax and Treasurer

Ashley Thorne

Assistant Vice-President, Investor Relations

Telephone: 1-403-319-3591

Email: investor@cpkcr.com

Website: investor.cpkcr.com

Mailing Address:

Canadian Pacific Kansas City Investor Relations
7550 Ogden Dale Road S.E.
Calgary, Alberta
T2C 4X9 Canada

CPKC

7550 Ogden Dale Road S.E.
Calgary, AB T2C 4X9
Canada
cpkcr.com