

FUTURE FOR FREIGHT

Midwest Association of Rail Shippers

Keith Creel, CP President and Chief Executive Officer

Pat Ottensmeyer, KCS President and Chief Executive Officer

January 12, 2022



Forward Looking Statements and Additional Information

This presentation includes certain forward-looking statements and forward-looking information (collectively, FLI) to provide information about CP, KCS and their respective subsidiaries and affiliates, which FLI may not be appropriate for other purposes. FLI is typically identified by words such as “will”, “anticipate”, “expect”, “project”, “estimate”, “forecast”, “plan”, “intend”, “target”, “believe”, “likely” and similar words suggesting future outcomes or statements regarding an outlook. All statements other than statements of historical fact may be FLI.

Although we believe that the FLI is reasonable based on the information available today and processes used to prepare it, such statements are not guarantees of future performance and you are cautioned against placing undue reliance on FLI. By its nature, FLI involves a variety of assumptions, which are based upon factors that may be difficult to predict and that may involve known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by these FLI, including, but not limited to, the following: the realization of anticipated benefits and synergies of the transaction and the timing thereof; the success of integration plans; the focus of management time and attention on the transaction and other disruptions arising from the transaction; changes in business strategy and strategic opportunities; 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; potential changes in the CP share price which may negatively impact the value of consideration paid to KCS stockholders; the ability of management of CP, its subsidiaries and affiliates to execute key priorities, including those in connection with the transaction; general Canadian, 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; industry capacity; shifts in market demand; changes in commodity prices and commodity demand; uncertainty surrounding timing and volumes of commodities being shipped; inflation; geopolitical instability; changes in laws, regulations and government policies, including regulation of rates; 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 or other changes to international trade arrangements; the effects of current and future multinational trade agreements on 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 Mexico, S.A. de C.V.’s Concession; public opinion; various events that could disrupt operations, including severe weather events, such as droughts, floods, avalanches 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, including the availability of short and long-term financing; and the pandemic created by the outbreak of COVID-19 and its variants, and 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, and disruptions to global supply chains.

We caution that the foregoing list of factors is not exhaustive and is made as of the date hereof. Additional information about these and other assumptions, risks and uncertainties can be found in reports and filings by CP and KCS with Canadian and U.S. securities regulators, including any proxy statement, prospectus, material change report, management information circular or registration statement that have been or will be filed in connection with the transaction. Reference should be made to “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Forward Looking Statements” in CP’s and KCS’s annual and interim reports on Form 10-K and 10-Q. Due to the interdependencies and correlation of these factors, as well as other factors, the impact of any one assumption, risk or uncertainty on FLI cannot be determined with certainty.

Except to the extent required by law, we assume no obligation to publicly update or revise any FLI, whether as a result of new information, future events or otherwise. All FLI in this presentation is expressly qualified in its entirety by these cautionary statements.

NON-GAAP MEASURES

Although this presentation includes forward-looking non-GAAP measures (adjusted diluted EPS and earnings before interest, tax, depreciation and amortization (EBITDA)), it is not practicable to reconcile, without unreasonable efforts, these forward-looking measures to the most comparable GAAP measures (diluted EPS and net income, respectively), due to unknown variables and uncertainty related to future results. Please see Note on forward-looking statements above for further discussion.

Note on Non-GAAP Measures

BASIS OF PRESENTATION

Except where noted, all figures are in millions of U.S. dollars. Financial information is prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), unless otherwise noted.

NON-GAAP MEASURES

CP presents Non-GAAP earnings information in this presentation to provide a basis for evaluating underlying earnings trends that can be compared with the prior period's results. It should be noted that CP's Non-GAAP earnings as described in this presentation, have no standardized meanings and are not defined by U.S. GAAP and, therefore, are unlikely to be comparable to similar measures presented by other companies.

For further information regarding Non-GAAP measures see the Non-GAAP Measures information in the presentation and the appendix.

Although CP has provided a target non-GAAP measure (Adjusted net debt to Adjusted EBITDA ratio), management is unable to reconcile, without unreasonable efforts, the forward-looking target Adjusted net debt to Adjusted EBITDA ratio to the most comparable GAAP measure (long-term debt to net income ratio), due to unknown variables and uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value. In recent years, CP has recognized acquisition-related costs (including legal, consulting, and financing fees and fair value gain or loss on FX forward contracts and interest rate hedges), the Kansas City Southern merger termination fee received, changes in income tax rates and a change to an uncertain tax item. These or other similar, large unforeseen transactions may affect CP's Adjusted net debt to adjusted EBITDA ratio, where applicable. Additionally, the U.S.-to-Canadian dollar exchange rate is unpredictable and can have a significant impact on CP's reported results but may be excluded from CP's Adjusted net debt to adjusted EBITDA ratio. In particular, CP excludes the FX impact of translating the Company's debt and lease liabilities from Adjusted net debt to Adjusted EBITDA ratio.

The First U.S. – Mexico – Canada Rail Network

- Enhances and creates **competition**.
- Creates new **single-line** routes.
- **Bypasses Chicago** with connections to new markets.
- **Capacity:** Room to grow.
- Focused on **service**.
- **Listening** to our customers.
- Enables **USMCA growth** and investment.
- Takes trucks **off the road**.

(Note: The CPKC network will exist only after STB approval has been received. STB approval is anticipated in Q4 2022.)



CPKC Network

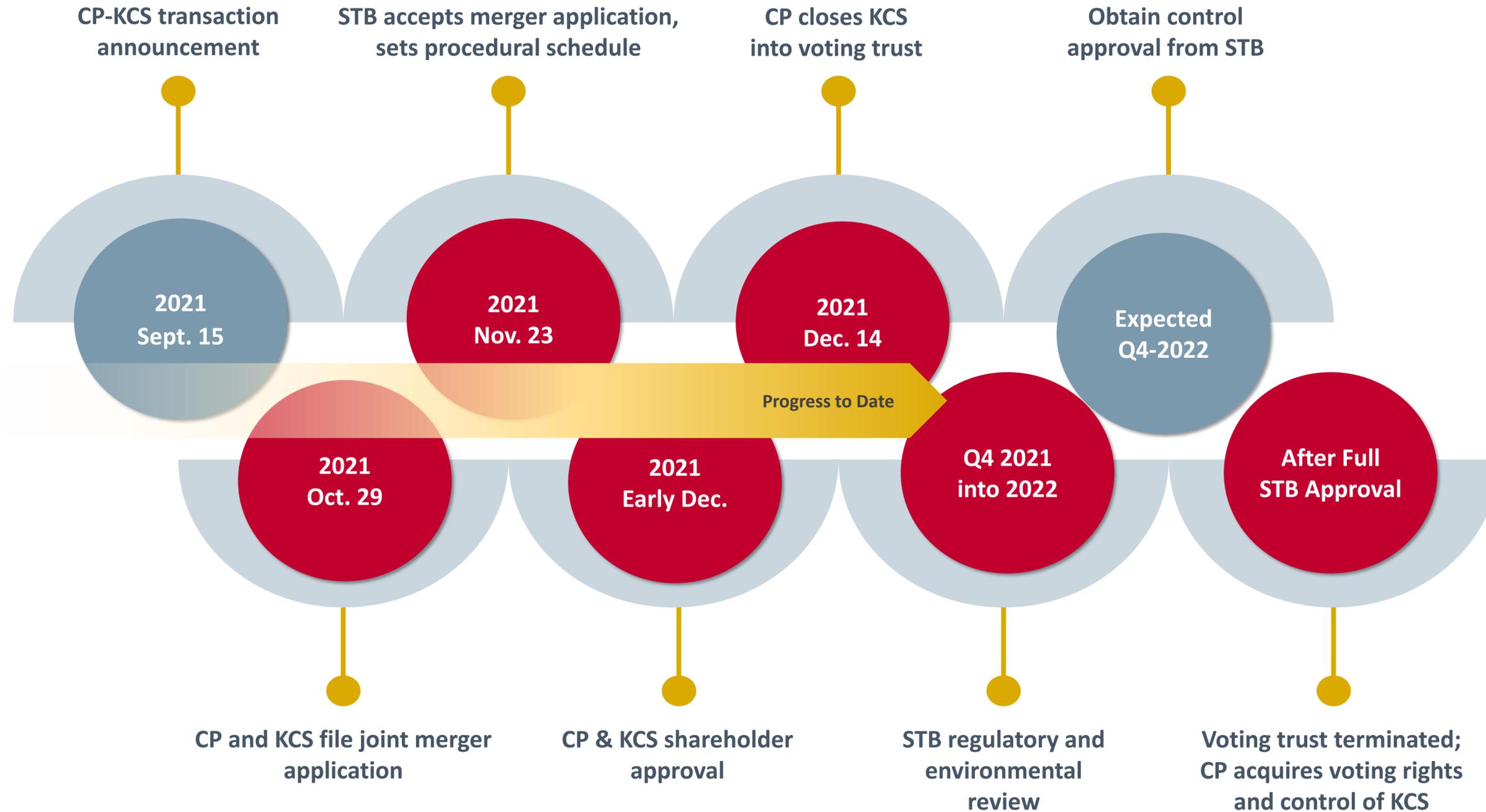
SINGLE-LINE RAILWAY
CONNECTING U.S.
– MEXICO – CANADA

20,000-MILE
RAIL NETWORK

UNRIVALED
NORTH AMERICAN
PORT ACCESS



CPKC – Expected Transaction Timing

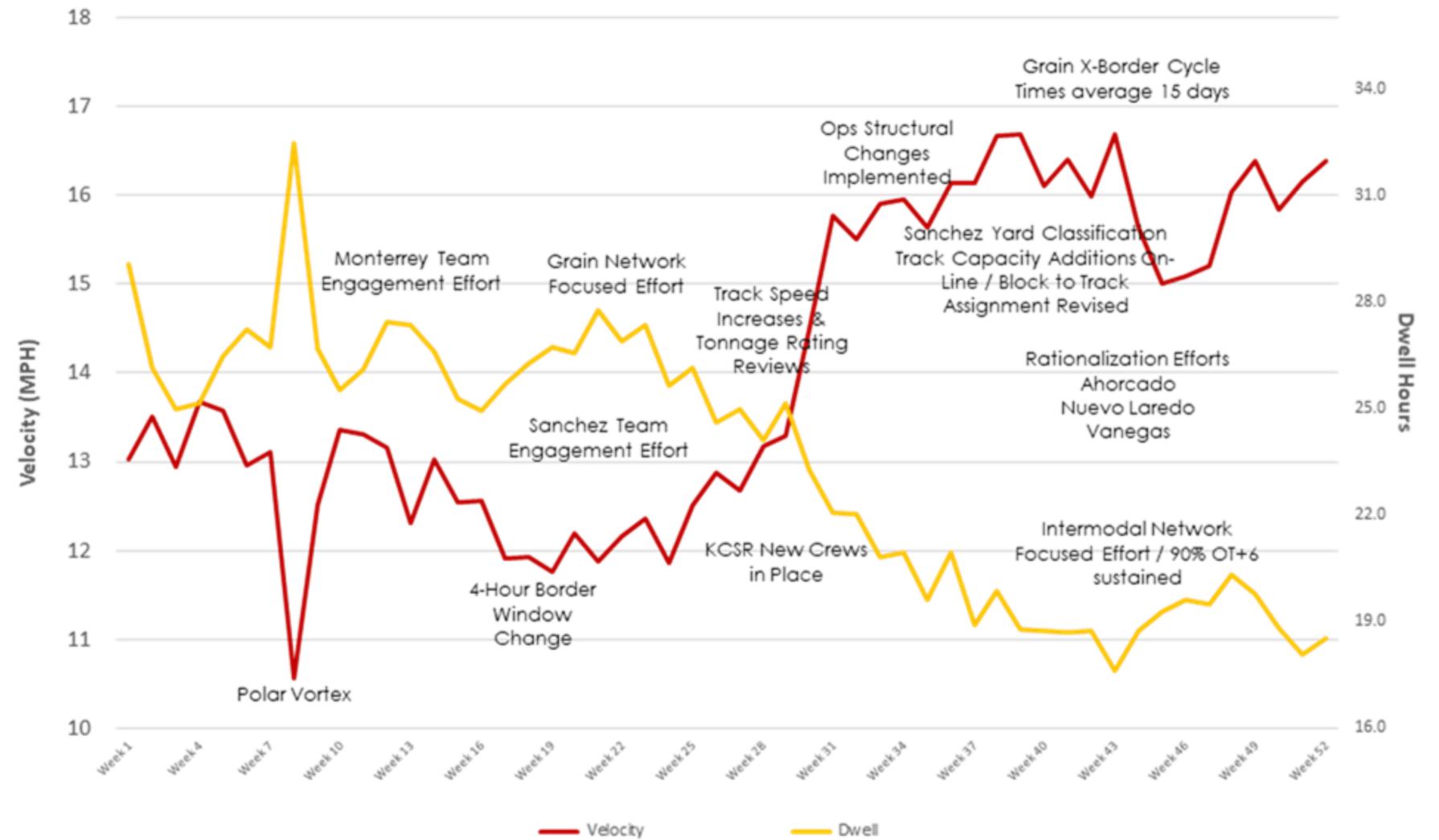


KCS Trust Period – Continuous Improvement



Network performance improved as impacts from initiatives and focused efforts took hold.

2021 Weekly Velocity and Dwell



CPKC – Intermodal

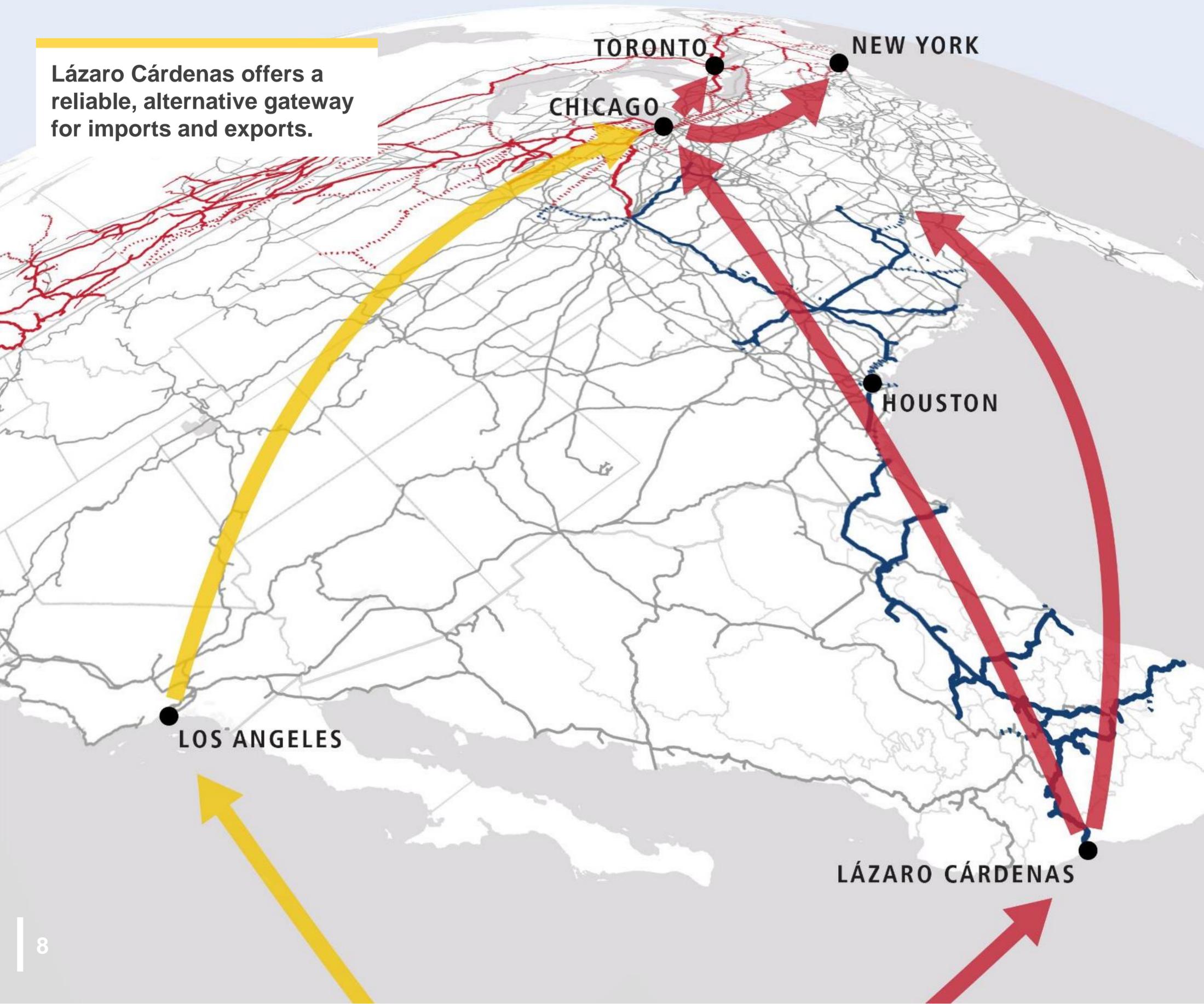


- CP
- - - - CP HAULAGE/TRACKAGE RIGHTS
- KCS
- - - - KCS HAULAGE/TRACKAGE RIGHTS/LEASED
- 📍 PORT
- 🚩 BORDER CROSSING

- Offer 2 to 3 day truck-like domestic intermodal service linking consumers and major economic centers in the north (Chicago, Toronto, Minneapolis) to Texas and Mexico markets.
- Access to 11 ports on the West, East and Gulf Coasts, rail-serving gateways for import/export cargos connecting Asia/Europe/South America to North America.
- Provide seamless connection, fastest transit time from ports to inland terminals covering major markets, including Chicago, Dallas, Kansas City, Minneapolis, Detroit, Toronto and Montreal.



Lázaro Cárdenas offers a reliable, alternative gateway for imports and exports.



CPKC – New Routes to Midwest

Lázaro Cárdenas:

- 2M+ TEU annual capacity.
- Less than 1M TEU handled in 2020.
- Substantial room for growth.
- 5-day rail transit to Chicago.
- Shortest route for imports and exports to Texas and Gulf markets.

CPKC – Automotive

- Offers new market access to 23 auto production facilities located throughout Mexico, U.S. and Canada.
- New head-to-head single-line competition for automotive shipments between Canada, U.S. Midwest and Mexico.
- Great reach to 200-million population in Canada, Mexico and Mid-U.S.

Chicago Compound

- Room to grow: planned new auto compound.
- Proximity to O'Hare.
- Serving Chicago (West and Northwest) and Wisconsin markets.



CPKC – EPC & Merchandise

- New single-line competition for shipments of energy, chemicals and plastics and merchandise moving between Canada, the U.S. and Mexico.
- Open new single-line haul routes for lumber from the north to Texas and Gulf markets.
- Single line-haul service unlocks even greater growth for steel between Canada and Gulf markets and Mexico.



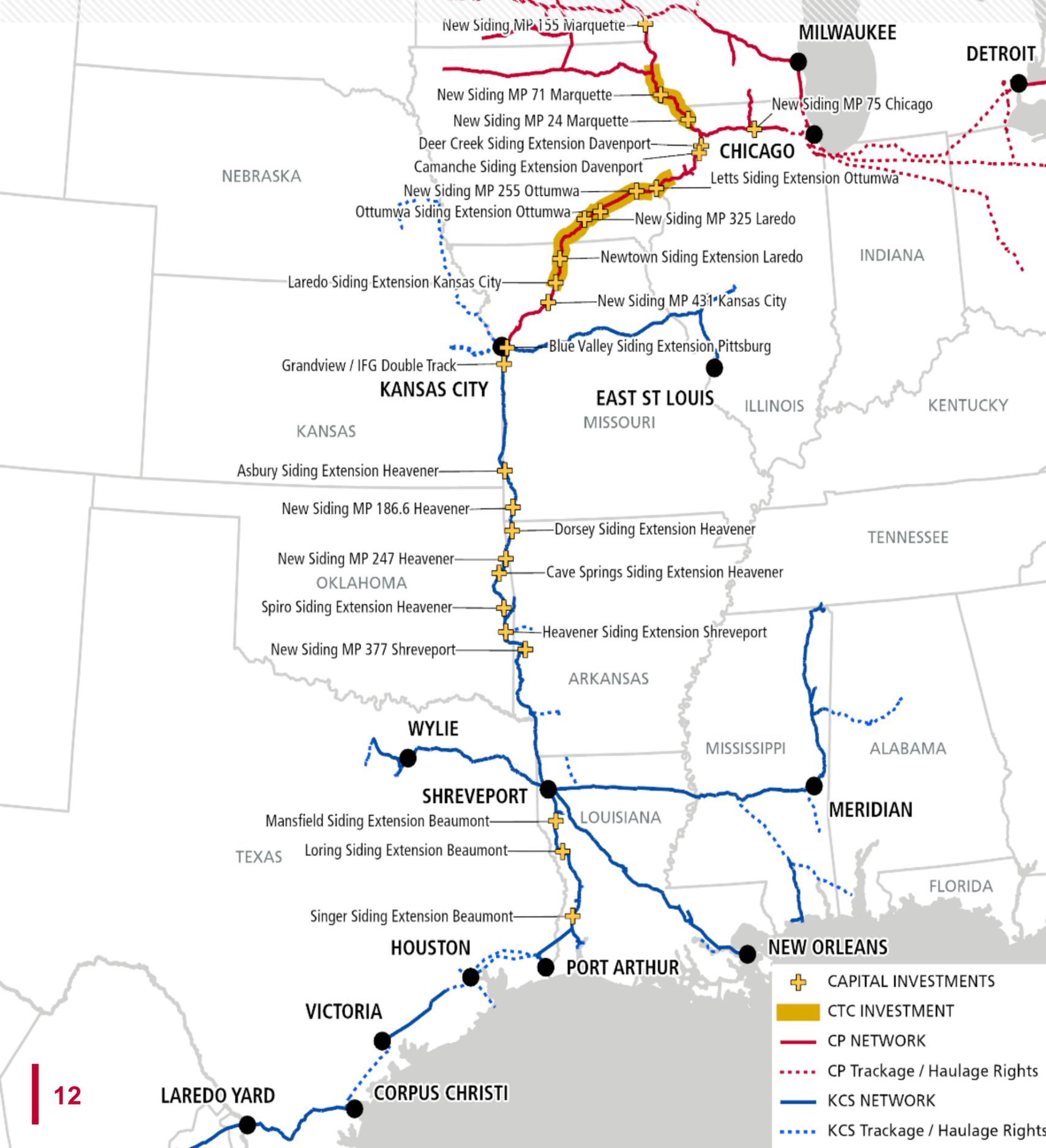
CPKC – Capital Improvements

\$275 MILLION INVESTMENT

- INCREASES SAFETY
- CREATES CAPACITY
- DRIVES EFFICIENCY AND FLUIDITY

Projects include:

- New and extended sidings
- Centralized Traffic Control
- Yard and terminal improvements



CHICAGO: Room to Grow



Bensenville

- Room to grow within existing footprint.
- Real estate agreement adds capacity.
- Enables development of state-of-the-art intermodal facility and automotive compound.

Schiller Park

- 75-acre site may be redeployed for other uses with Bensenville reconfiguration.
- Potential to repurpose / build to suit for growth opportunities.

Thank You

Q&A

