



CORPORATE PRESENTATION

May 2026



South Bow at a Glance

A strategic liquids pipelines franchise connecting resilient supply to the strongest demand markets in North America

OPERATIONAL HIGHLIGHTS

4,900 km Pipeline footprint

1.25 MMbbl/d Crude oil delivered safely and reliably

7.7 MMbbl Terminal storage capacity

FINANCIAL HIGHLIGHTS¹

208.6 million Shares outstanding

\$7.1 billion Market capitalization

\$12.4 billion Enterprise value²

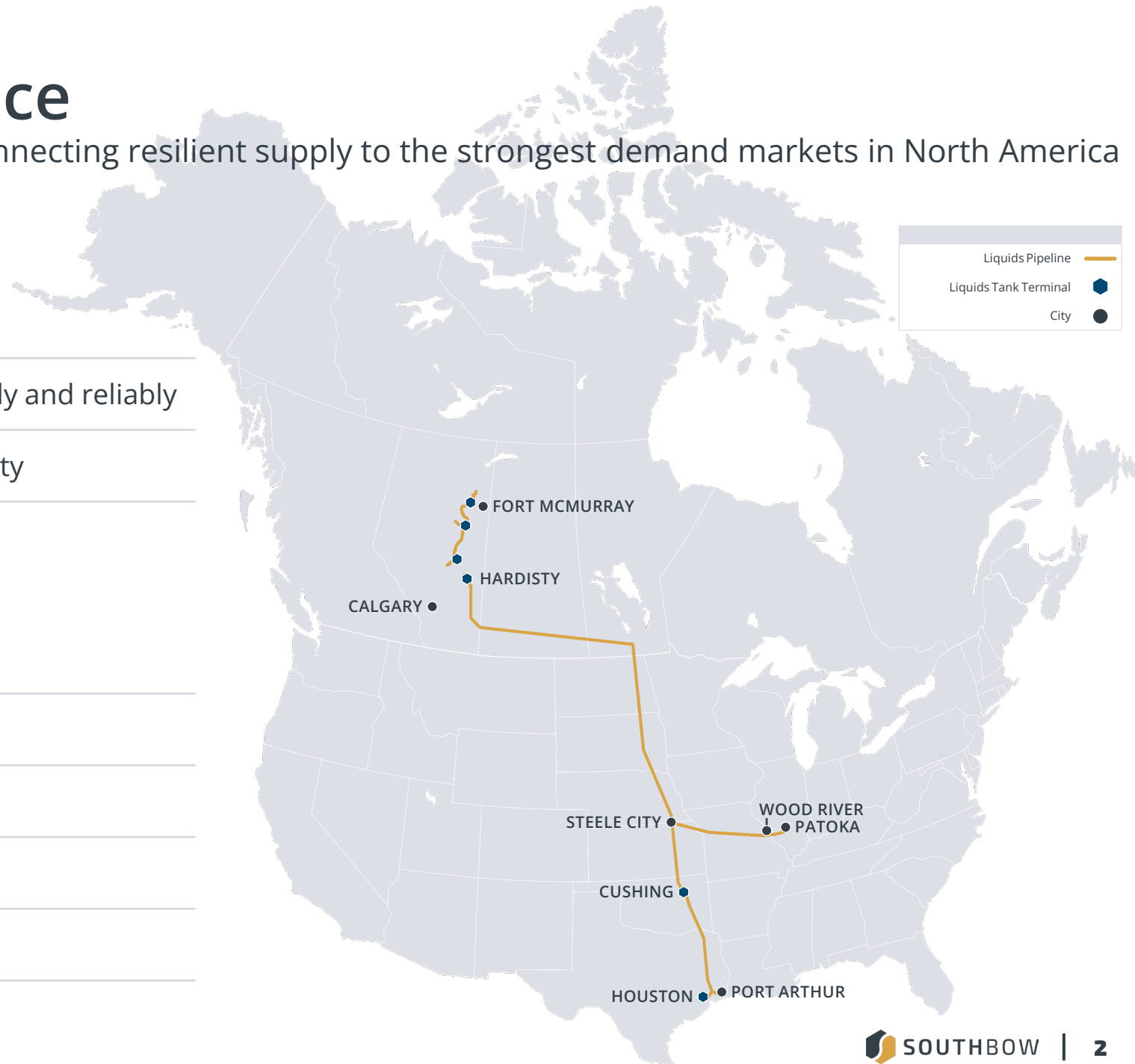
\$2.00 /share Annual base dividend³

~6.0 % Dividend yield

¹ As of April 30, 2026.

² Does not include 50% equity treatment of junior subordinated notes.

³ Dividends are subject to the approval of the Board of Directors.



Q1 2026 Highlights

Delivered strong financial and operational performance through a period of significant market volatility

FINANCIAL STABILITY

\$257 MM

Normalized EBITDA¹

Supported by highly contracted cash flows and strong marketing contributions

\$168 MM

Distributable Cash Flow¹

Delivered strong distributable cash flow to fund dividend and reduce net debt

4.7 x

Net Debt-to-normalized EBITDA Ratio^{1,2}

Maintained strong financial position, driven by strong and stable cash flows

STRONG OPERATIONAL PERFORMANCE

95 %

Keystone SOF³

High system availability enabled through optimizing operations

616 Mbbbl/d

Keystone Throughput

Strong system availability enabled movement of customer make-up barrels

PRAIRIE CONNECTOR

- Closed bids for the open season on March 30, 2026, soliciting commitments for long-term firm transportation service from Hardisty to U.S. delivery points⁴
 - 60-day period is underway to determine whether sufficient commercial support exists to advance the proposed Prairie Connector project
- South Bow will provide the results of the open season, and if advanced, potential next steps after the conclusion of the 60-day evaluation period

¹ Non-GAAP financial measure or ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

² Includes 50% equity treatment of South Bow's junior subordinated notes.

³ System operating factor (SOF) measures South Bow's ability to deliver crude oil at the planned maximum rate of the Keystone Pipeline.

⁴ Including Cushing, Oklahoma and destinations on the U.S. Gulf Coast.

South Bow Delivered on Its First-year Commitments

Demonstrating wide range of capabilities has been critical to South Bow's success

ORGANIZATIONAL CAPABILITIES

- Assembled a high-calibre board of directors and team
- Developed a bespoke operating model and substantially exited transition services

PROJECT EXECUTION

- Advanced the Blackrod Connection Project—South Bow's first major growth project
- Safely responded to Milepost 171 incident

CAPITAL MARKETS PERFORMANCE

- Achieved strong shareholder support for spinoff and executed a successful debt raise
- Outperformed peers and broader market with a total return of 38%¹

TOTAL RETURNS¹



¹ Source: Bloomberg. Total returns reflect South Bow's trading performance on the Toronto Stock Exchange, from September 25, 2024 to December 31, 2025, assuming reinvestment of dividends.

South Bow's 2026 Priorities

Focus is on maintaining safe operations, maturing and executing growth portfolio, and enhancing competitiveness

SAFE OPERATIONS

- Maintain safe operations and return Keystone Pipeline to baseline operations

GROWTH PORTFOLIO

- Mature and execute growth portfolio of organic and inorganic opportunities

BUSINESS COMPETITIVENESS

- Continue to optimize workflows and enhance competitiveness

FINANCIAL DISCIPLINE

- Adhere to capital allocation priorities to preserve shareholder returns

South Bow's Corridor Is Unrivalled

Assets are strategically positioned to effectively serve customers' needs

SOUTH BOW'S STRATEGIC ATTRIBUTES

- Connects North America's strongest supply and demand markets
- Offers competitive tolls and commercial structures
- Provides the most direct path to the U.S. Gulf Coast
- Enables optionality with flexible delivery connections
- Preserves product quality through batched system

Service Offering

Firm Service
Committed Contracts

Transit Time

~20 days
Delivery to U.S. Gulf Coast

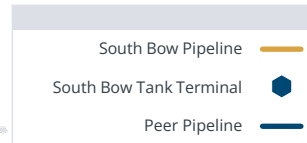
Product Quality

Shipper-specific
Crude Oil Batches

PEER PIPELINE¹
CANADIAN WEST COAST
~10 DAYS +
>20 DAYS TO ASIA

SOUTH BOW
U.S. GULF COAST
~20 DAYS

PEER PIPELINES¹
U.S. GULF COAST
~30 DAYS

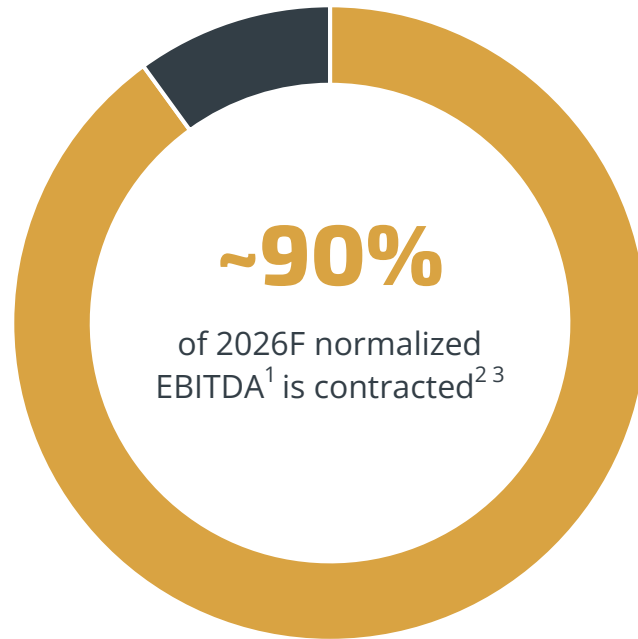


¹ Source: Company reports.

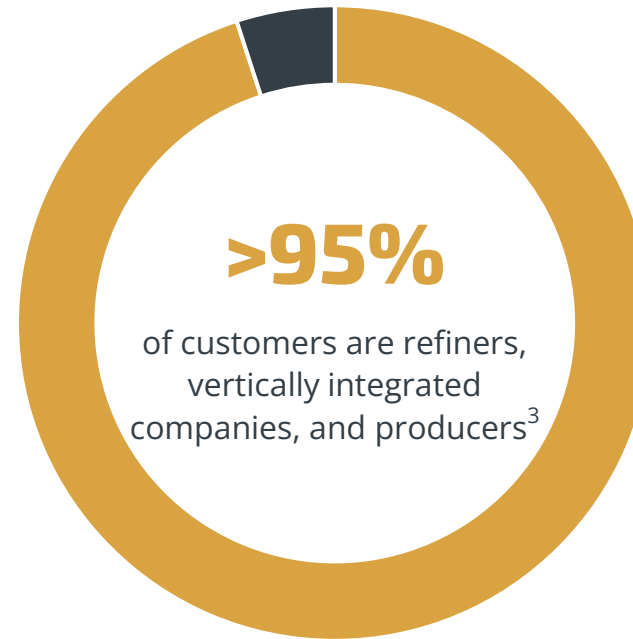
High-quality Contractual Framework

Stable, predictable cash flows underpinned by strong contract tenor and creditworthy counterparties

HIGHLY CONTRACTED CASH FLOWS



STRONG STRUCTURAL DEMAND FOR SERVICES



CREDITWORTHY CUSTOMER BASE



NORMALIZED EBITDA¹-WEIGHTED AVERAGE REMAINING CONTRACT TERM OF ~7 YEARS³

¹ Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

² South Bow is required by its regulators to make certain capacity available to uncommitted (spot) shippers on its Keystone and Marketlink assets.

³ As of December 31, 2025.

Canadian Heavy Crude Oil Supply Is Resilient

Canada is a global leader and North America's backbone in heavy crude oil supply

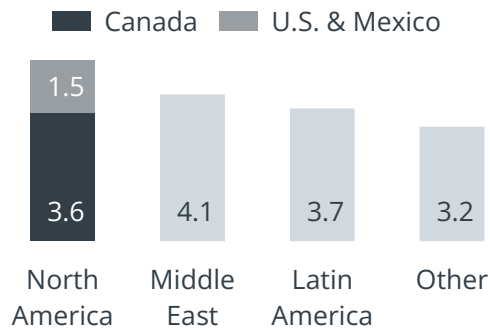
WCSB CRUDE OIL SUPPLY OUTLOOK¹

MMbbl/d



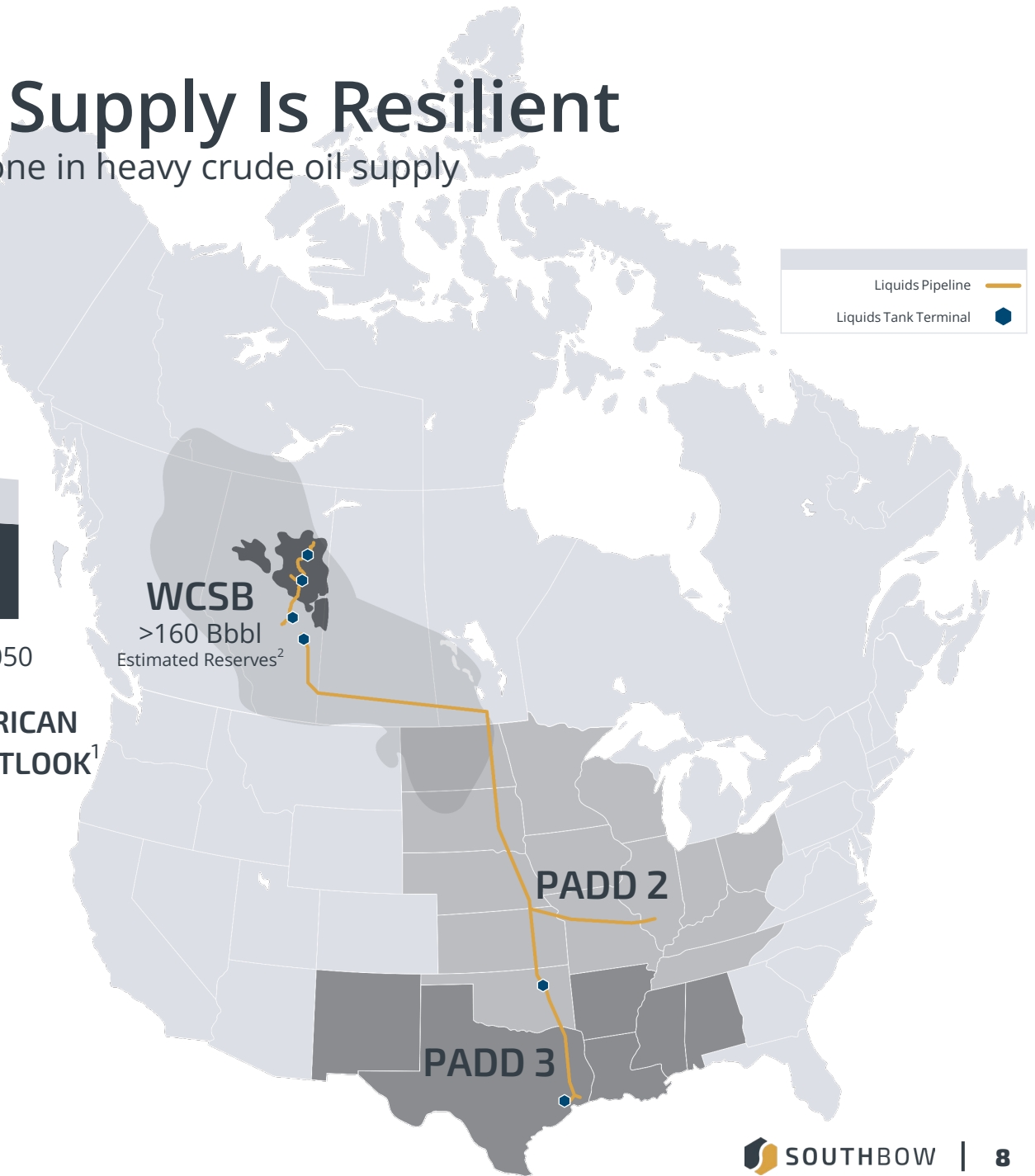
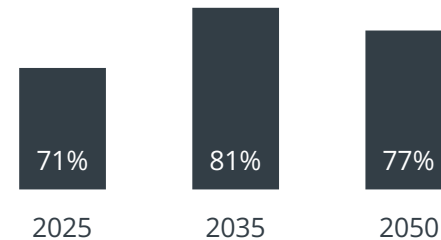
2025E GLOBAL HEAVY CRUDE OIL SUPPLY OUTLOOK¹

MMbbl/d



WCSB SHARE OF NORTH AMERICAN HEAVY CRUDE OIL SUPPLY OUTLOOK¹

%



¹ Source: Wood Mackenzie (2026).

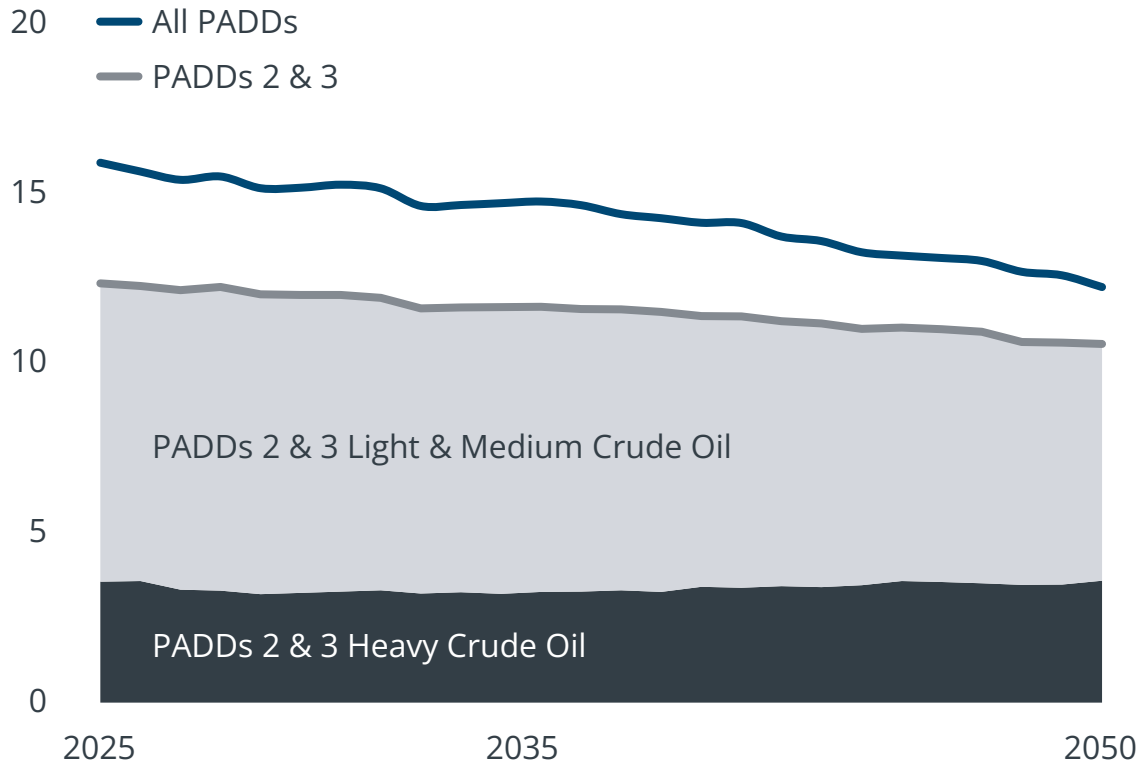
² Source: Alberta Energy Regulator (2025).

Demand for Canadian Heavy Crude Oil Is Enduring

Canadian heavy crude oil is secure and strongly positioned to capture additional U.S. refining market share

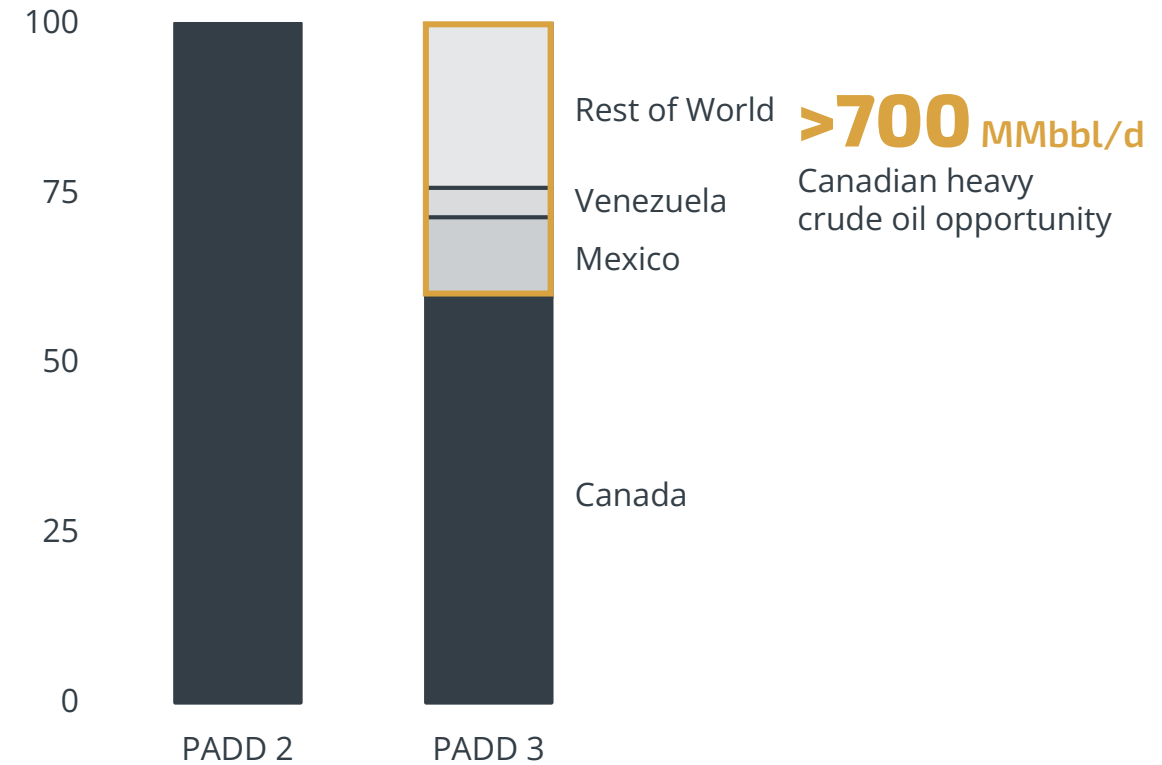
U.S. CRUDE OIL REFINING OUTLOOK¹

MMbbl/d



2025E PADDs 2 & 3 HEAVY CRUDE OIL SOURCES¹

%



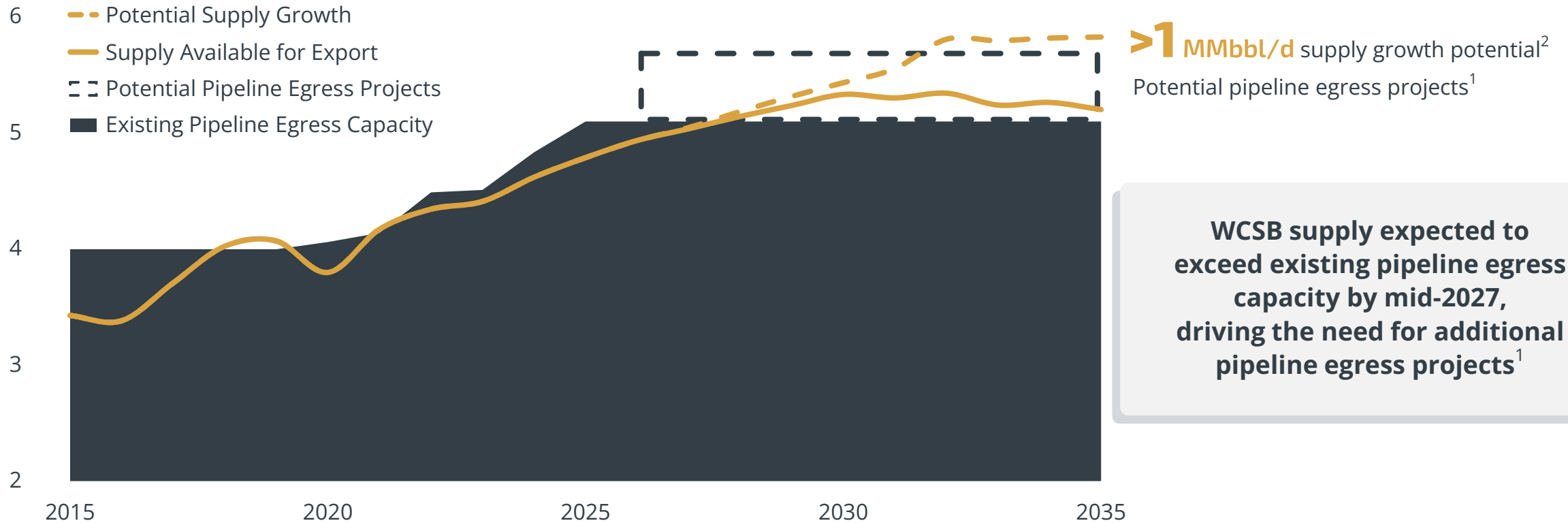
¹ Source: Wood Mackenzie (2026).

Increasing Demand for Western Canadian Egress

WCSB will require additional pipeline egress and South Bow is well-positioned to compete

WCSB CRUDE OIL SUPPLY AND PIPELINE CAPACITY OUTLOOK¹

MMbbl/d



WCSB supply expected to exceed existing pipeline egress capacity by mid-2027, driving the need for additional pipeline egress projects¹

¹ Source: Wood Mackenzie (2026).

² Source: South Bow's internal projections.

South Bow's Capital Allocation Priorities

Taking a disciplined approach to preserve optionality and maximize total shareholder return over the long term

1

PAY A SUSTAINABLE BASE DIVIDEND

- Pay a stable and sustainable base dividend with an attractive yield
- Maintain base dividend as the primary means of returning capital to shareholders

2

STRENGTHEN FINANCIAL POSITION

- Lower net debt-to-normalized EBITDA ratio^{1 2} to 4x over the medium term
- Maintain investment-grade outlook through financial discipline and low-risk contractual framework

3

INVEST IN STRATEGIC CORRIDOR AND GROW PER-SHARE METRICS

- Unlock value of pre-capitalized assets, delivering long-term normalized EBITDA¹ growth of 2% to 3% plus strategic growth upside
- Strengthen and expand strategic corridor, offering competitive connections, enhanced optionality, and value chain expansion to customers
- Grow per-share metrics through opportunistic share repurchases once leverage target is met

4

INCREASE RETURNS TO SHAREHOLDERS

- Consider sustainably growing the base dividend once payout ratio has been reduced

¹ Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

² Includes 50% equity treatment of junior subordinated notes.

South Bow Is a Differentiated Investment

Strong and sustainable dividend, combined with profitable growth, offers an attractive total return for shareholders

STRONG AND SUSTAINABLE BASE DIVIDEND

South Bow will pay a sustainable dividend with an attractive yield

IRREPLICABLE ASSETS WITH A COMPELLING GROWTH PROFILE

South Bow's growth will be focused on strengthening and expanding its strategic corridor to offer competitive delivery connections and enhanced optionality to customers

FINANCIAL STRENGTH AND INVESTMENT-GRADE DEBT CAPITAL STRUCTURE

South Bow has de-risked its deleveraging profile with its durable business model and stable, low-risk cash flows

STRATEGIC
FRANCHISE IN A
PREMIUM CORRIDOR

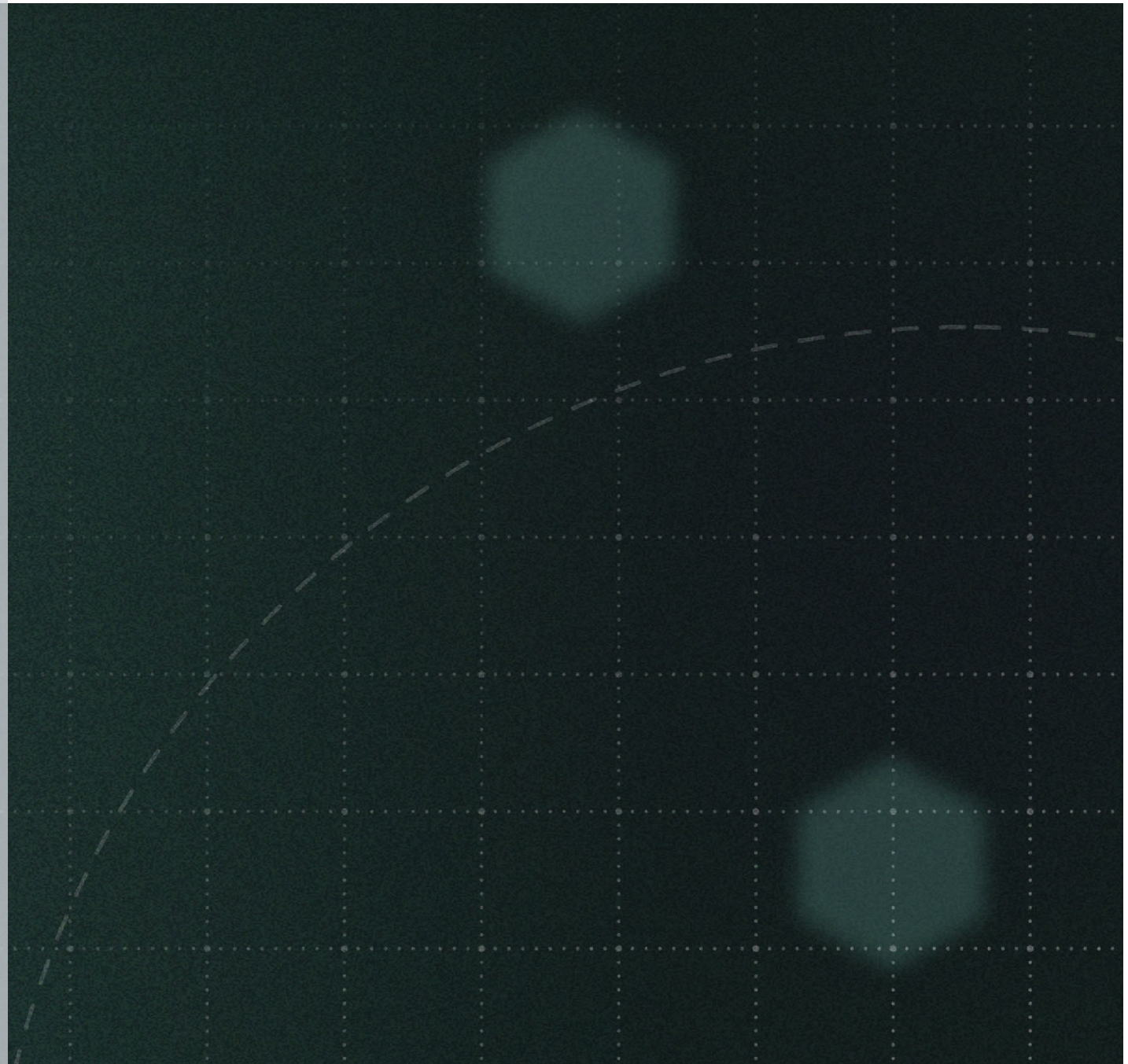
HIGH-QUALITY
CONTRACTUAL
FRAMEWORK

COMMERCIAL AND
OPERATIONAL
EXCELLENCE

ROBUST BUSINESS
AND MARKET
FUNDAMENTALS



Asset Overview

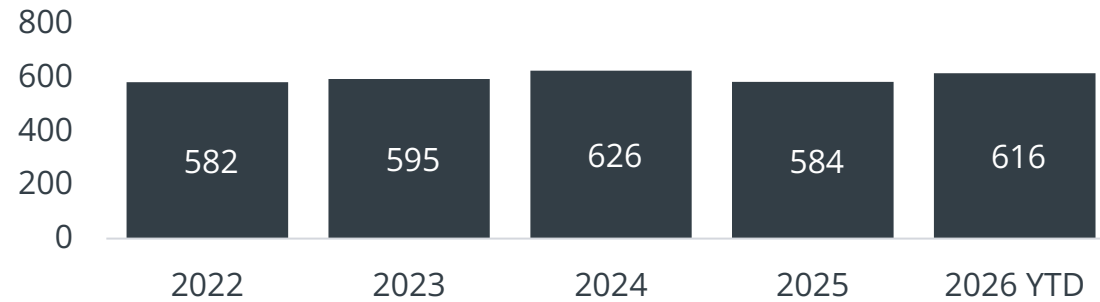


Keystone Pipeline System

Spanning 4,300 kilometres, system safely transports liquids across three Canadian provinces and eight U.S. states

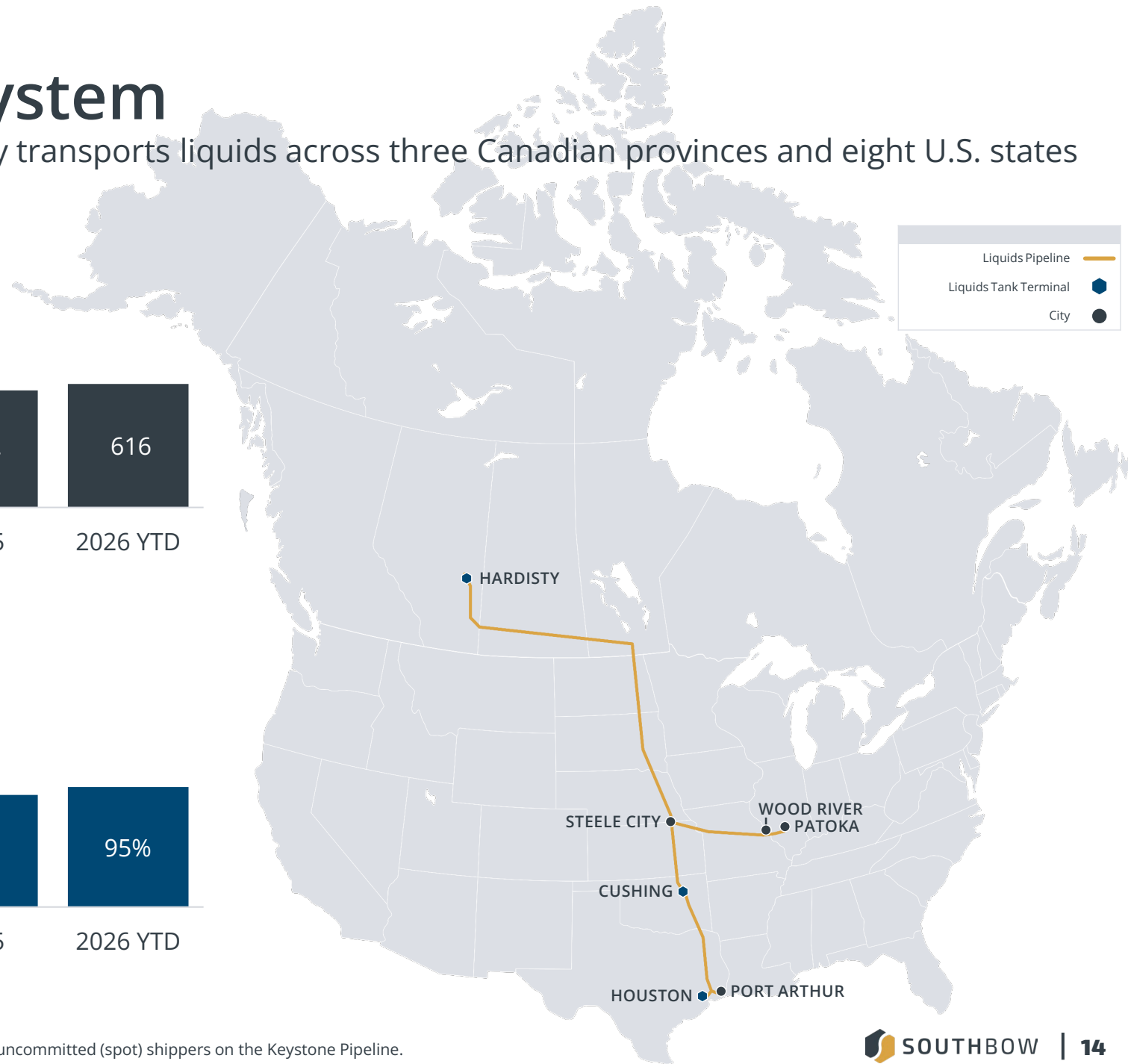
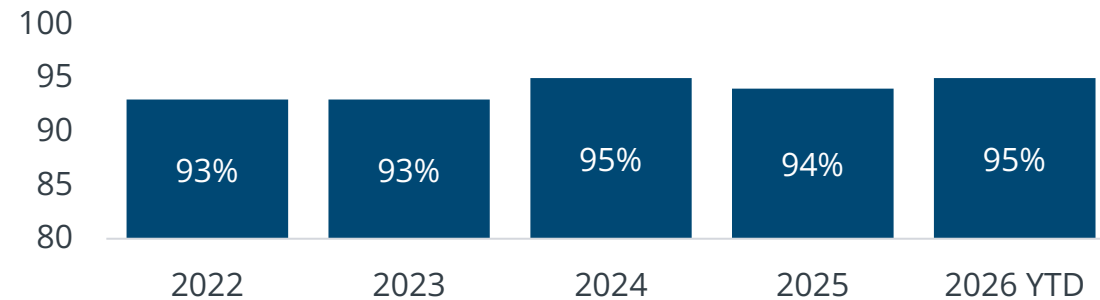
AVERAGE THROUGHPUT^{1 2}

Mbbl/d



SYSTEM OPERATING FACTOR¹

%



¹ As of March 31, 2026.

² The Canada Energy Regulator requires 6% of nominal capacity to be reserved for uncommitted (spot) shippers on the Keystone Pipeline.

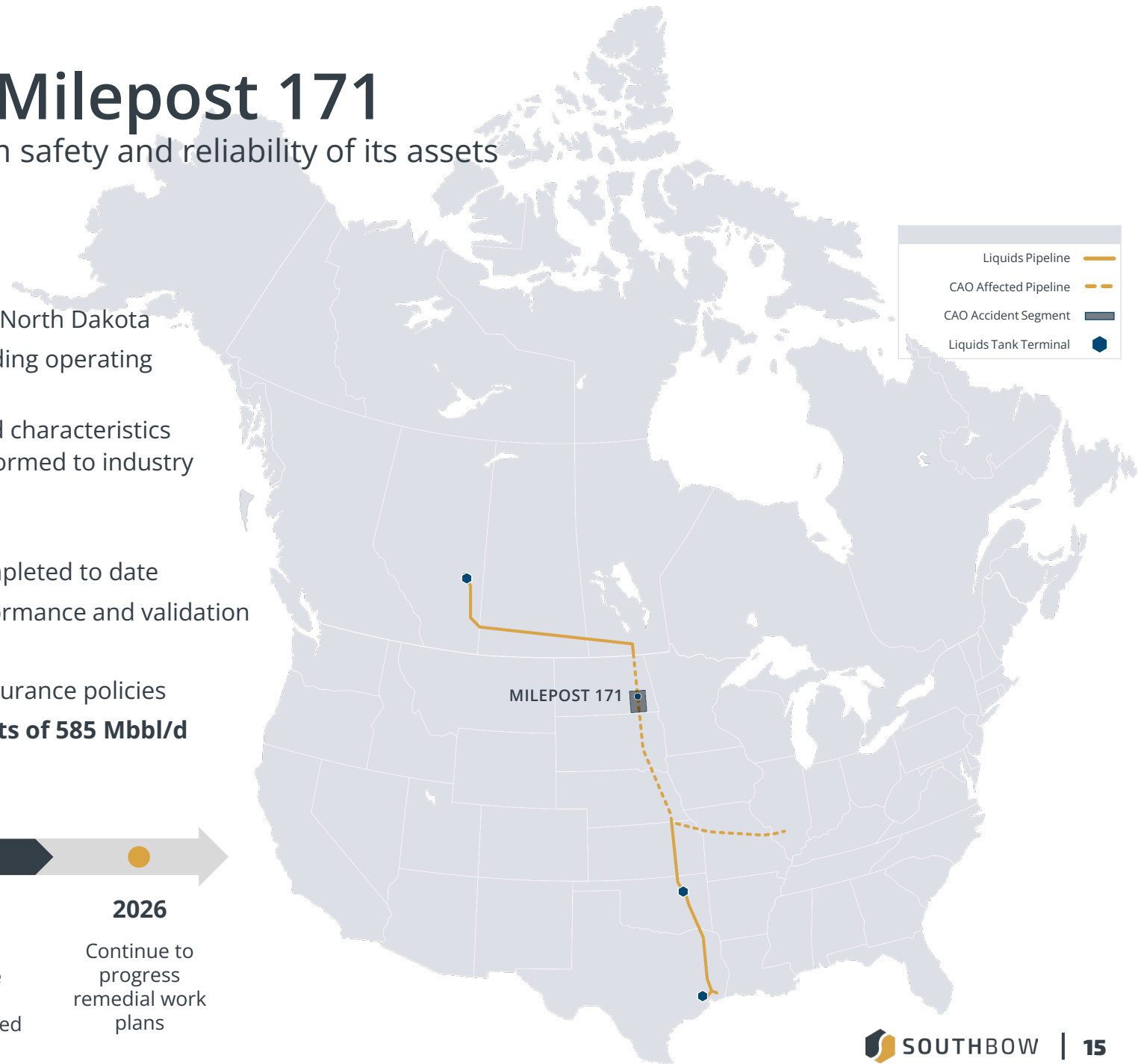
Keystone Pipeline – Milepost 171

South Bow is committed to the long-term safety and reliability of its assets

THINGS TO KNOW

- Incident occurred at Milepost 171 near Fort Ransom, North Dakota
- PHMSA issued a Corrective Action Order (CAO), including operating pressure restrictions
- Independent third-party root cause analysis indicated characteristics of the incident were unique and pipe and welds conformed to industry standards
- Remedial actions in progress:
 - 11 in-line inspections (ILI) and 76 integrity digs completed to date
 - Working closely with ILI providers to advance performance and validation
- Cleanup and reclamation of site complete
 - Costs largely expected to be recovered through insurance policies
- **South Bow is meeting its contractual commitments of 585 Mbbbl/d**

TIMELINE



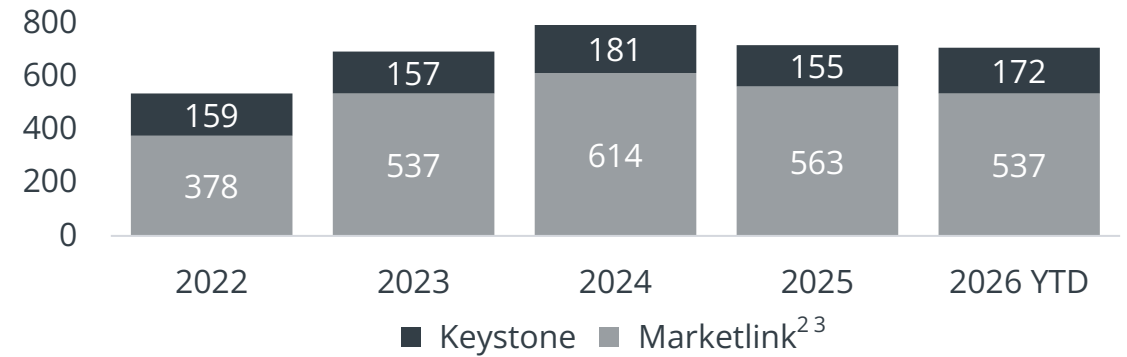
Keystone Pipeline – U.S. Gulf Coast Segment

Provides a connection to the growing refining and export demand markets in the U.S. Gulf Coast



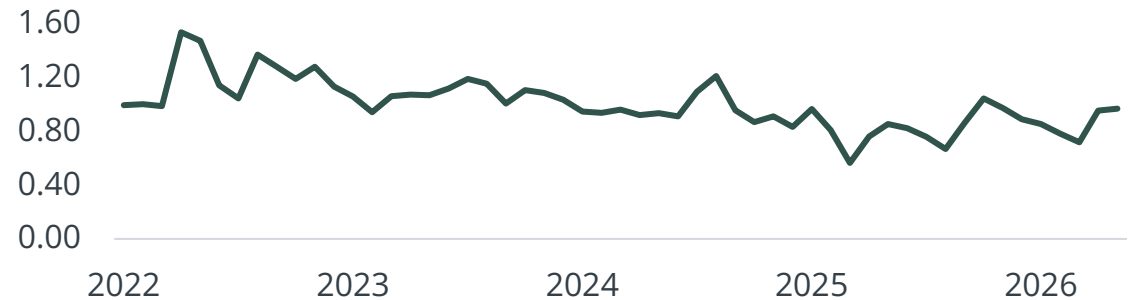
AVERAGE THROUGHPUT¹

Mbbl/d



WCS CUSHING–WCS U.S. GULF COAST DIFFERENTIAL⁴

U.S.\$/bbl



¹ As of March 31, 2026.

² Marketlink utilizes capacity through a transportation lease from Keystone Pipeline to deliver domestic crude oil from Cushing to the U.S. Gulf Coast.

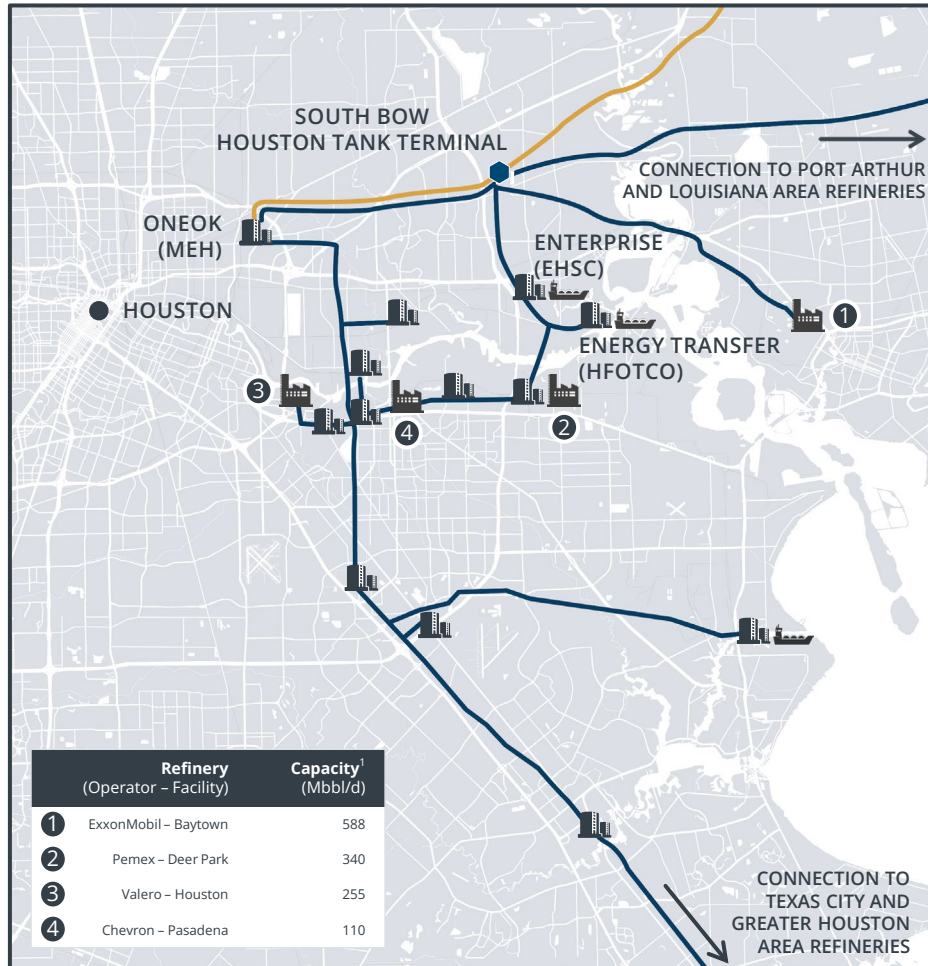
³ The Federal Energy Regulatory Commission requires 10% of capacity to be made available to uncommitted (spot) shippers on Marketlink.

⁴ Source: Argus Media (2026).

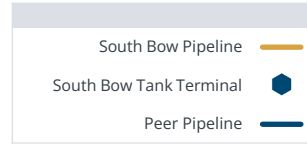
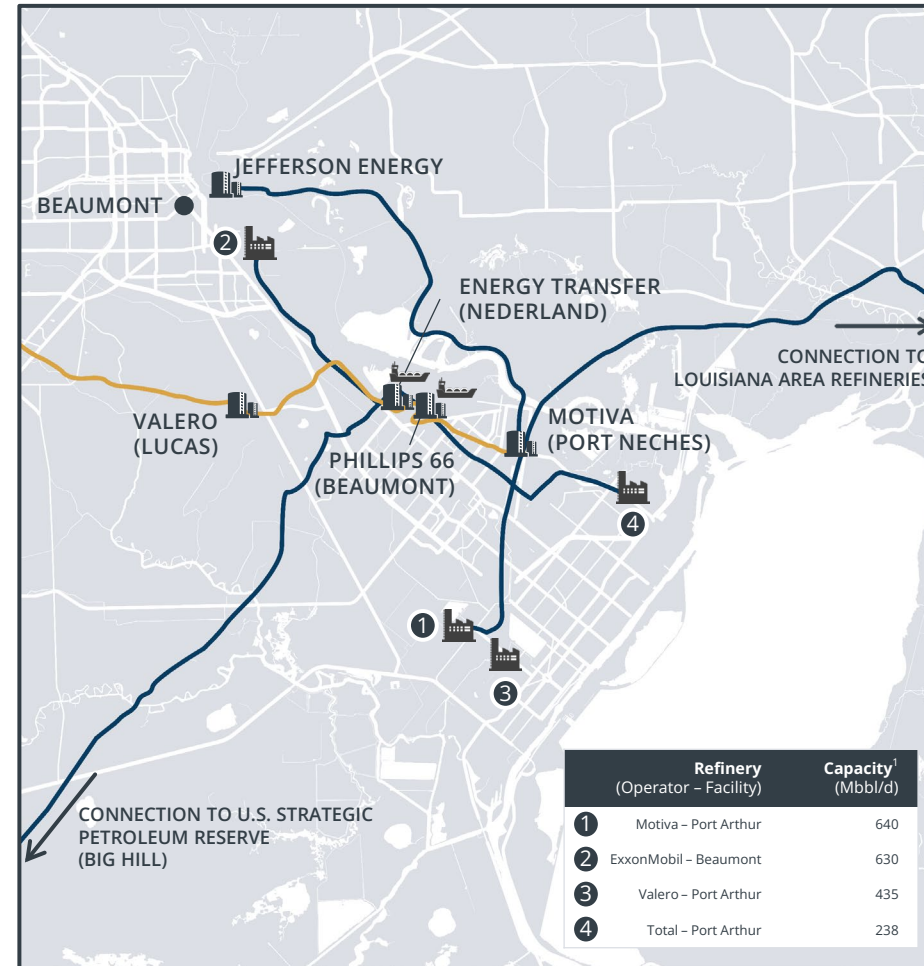
U.S. Gulf Coast Connectivity Potential

Enhancing connectivity to refining, terminalling, and export facilities to serve growing demand for heavy crude oil

HOUSTON, TEXAS



PORT ARTHUR, TEXAS



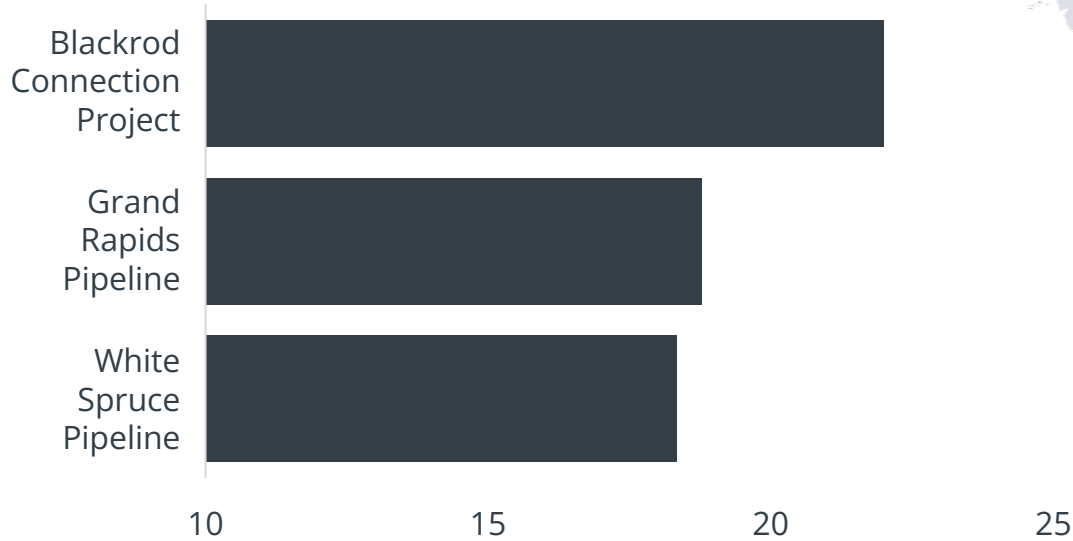
¹ Source: Company reports.

Intra-Alberta Pipeline Systems

South Bow is well-positioned to capitalize on potential oil sands supply growth

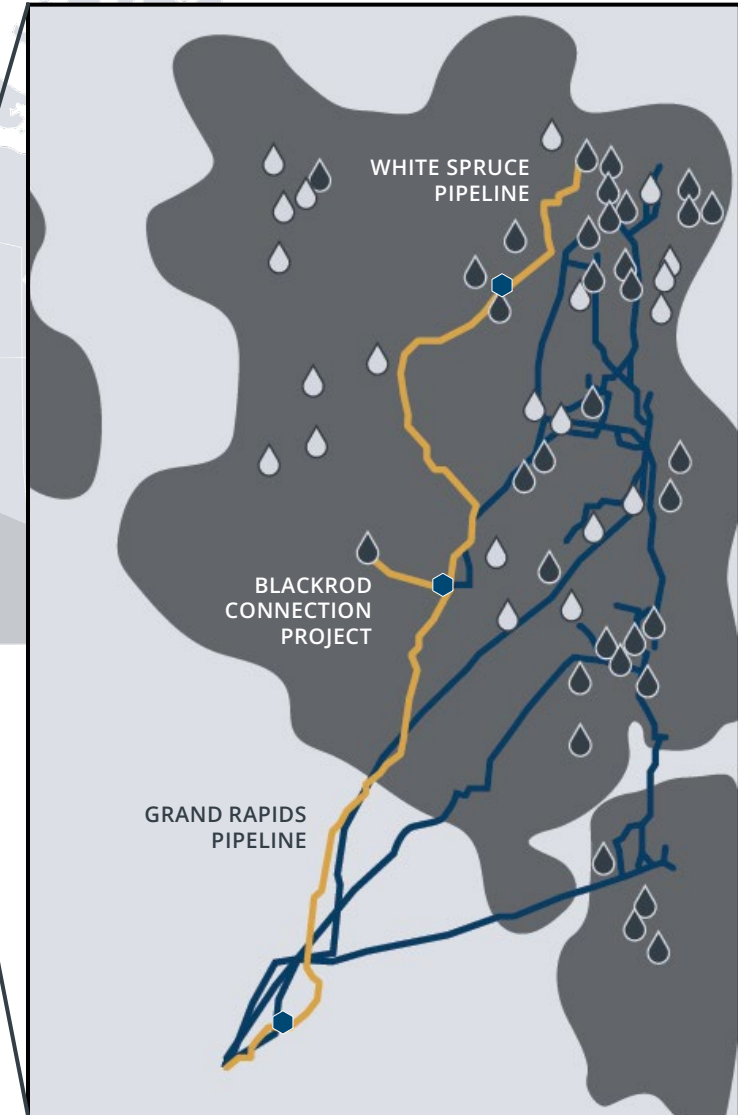
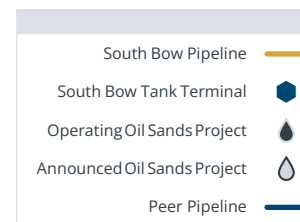
REMAINING CONTRACT TERM¹

years



ESTIMATED OIL SANDS RESERVES²

>160 billion barrels



¹ As of December 31, 2025.

² Source: Alberta Energy Regulator (2025).

Blackrod Connection Project

Demonstrated project execution excellence with South Bow's first major growth project

PROJECT OVERVIEW

Connects IPC's Blackrod SAGD project to South Bow's Grand Rapids Pipeline System

- 25-km crude oil and natural gas pipelines and associated facilities
- Placed into service on schedule, on budget, with a zero recordable case rate

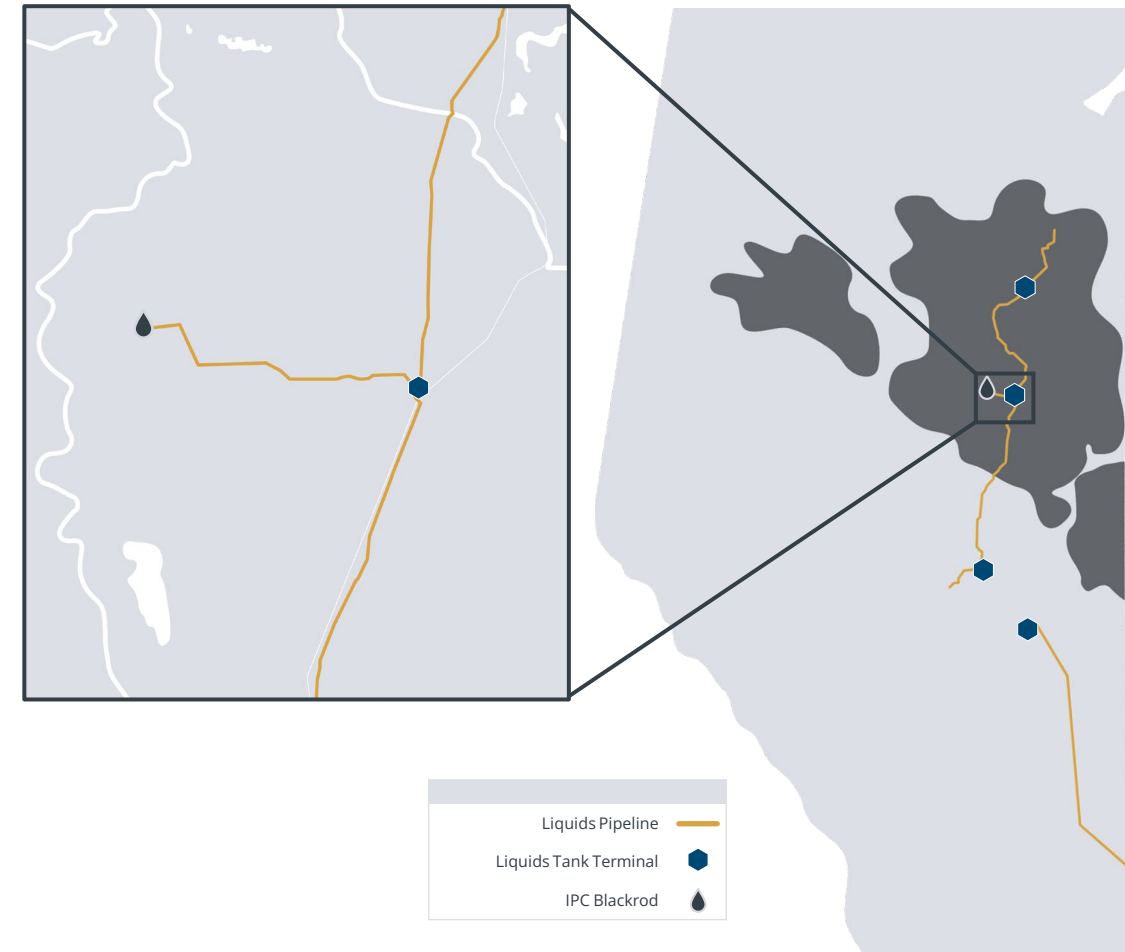
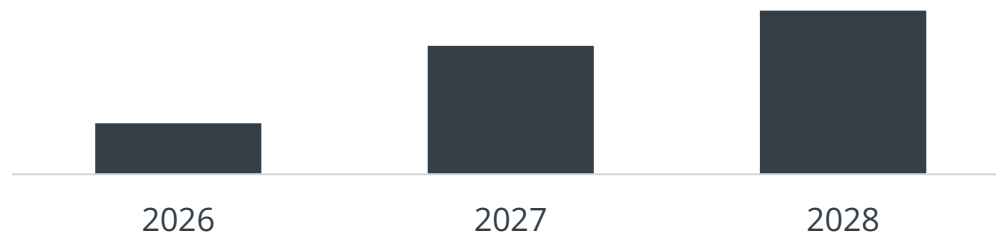
Commercial In-service

Q1 2026

Development Period¹

<24 months

NORMALIZED EBITDA²



¹ Development period represents the time from final investment decision to project commercial in-service.

² Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.



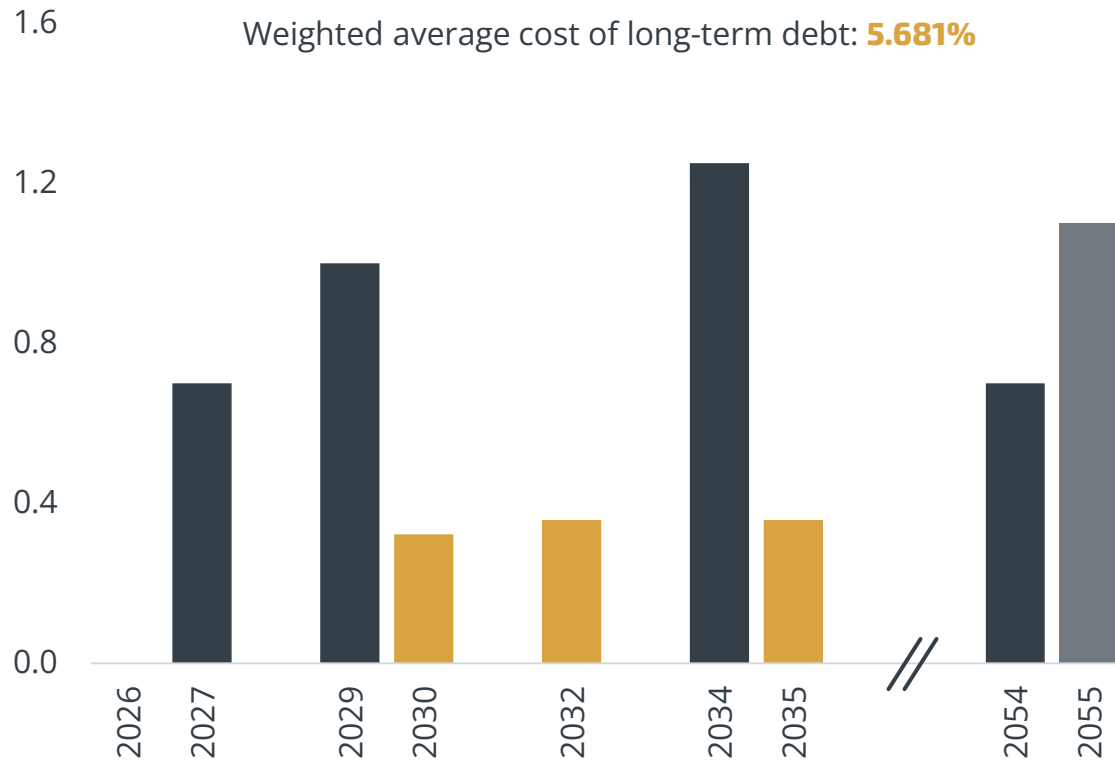
Financial Overview

Investment-grade Financial Position

Deleveraging profile de-risked by strong commercial underpinning, stable cash flows, and attractive growth outlook

DEBT MATURITIES^{1,2}

U.S.\$ billions



■ C\$ Senior Notes ■ U.S.\$ Senior Notes ■ U.S.\$ Junior Subordinated Notes

INVESTMENT-GRADE CREDIT RATINGS³

Moody's

Baa3

Stable

S&P

BBB-

Stable

Fitch

BBB-

Stable

PRIORITIZING DELEVERAGING

4.7 x

Q1 2026 net debt-to-normalized EBITDA ratio^{4,5}

- Line of sight to lowering net debt-to-normalized EBITDA ratio^{4,5} to 4x over the medium term

\$5.8 billion

Long-term debt balance^{1,2}

\$1.4 billion

Undrawn four-year senior unsecured revolving credit facility^{1,2}

¹ As at March 31, 2026.

² Assumes a foreign exchange rate of U.S.\$/C\$1.40.

³ Refer to "Advisory - Credit Ratings" of this presentation.

⁴ Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

⁵ Includes 50% equity treatment of junior subordinated notes.

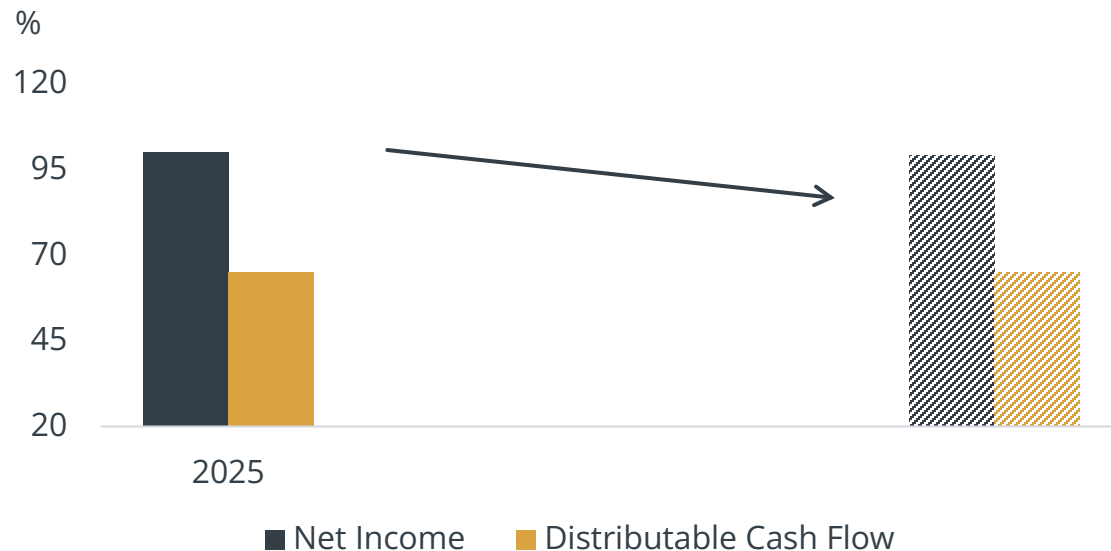
Sustainable Dividend

South Bow's stable cash flows underpin a sustainable base dividend with an attractive yield

DIVIDEND PHILOSOPHY

- Dividends will be the primary means of returning capital to shareholders
- Dividend stability and sustainability is of foremost importance
- South Bow will consider sustainably growing base dividend once payout ratio has been reduced

DIVIDEND PAYOUT RATIO¹



SOUTH BOW'S CURRENT DIVIDEND

\$0.50
/share

Quarterly dividend amount

May

7
2026

Dividend declaration date

June

30
2026

Dividend record date

July

15
2026

Dividend payment date

¹ Dividend payout ratio is a measure calculated by dividing dividends by net income or distributable cash flow and may not be comparable to measures presented by other issuers.

South Bow's 2026 Guidance

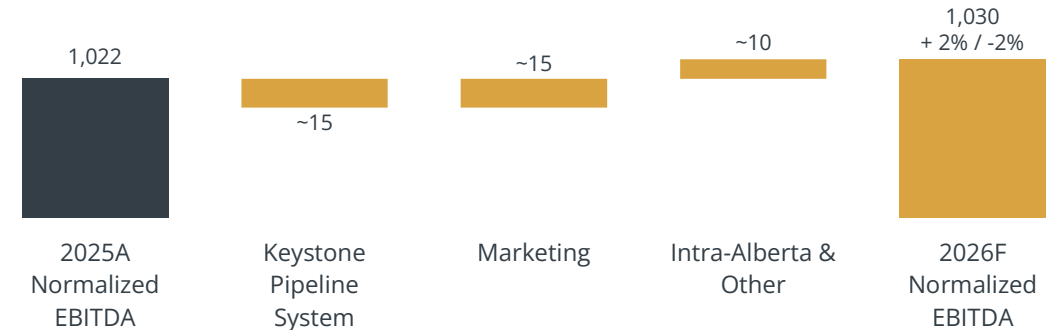
Financial outlook is underpinned by highly contracted and stable cash flows

2026 GUIDANCE^{1 2}

Normalized EBITDA ³	\$1,030 MM ± 2%
Financial charges ⁴	\$315 MM ± 2%
Effective tax rate	22% - 23%
Distributable cash flow ³	\$655 MM ± 2%
Capital expenditures	
Growth ^{5 6}	\$10 MM
Maintenance ⁵	\$25 MM ± \$10 MM

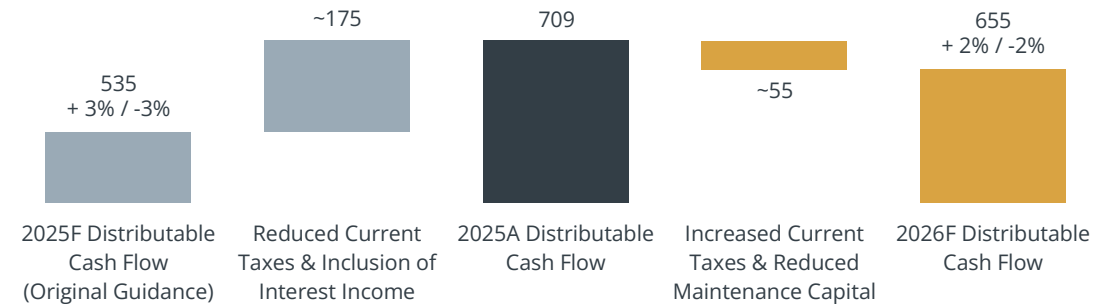
NORMALIZED EBITDA³

\$ millions



DISTRIBUTABLE CASH FLOW³

\$ millions



¹ See South Bow's November 13, 2025 news release "South Bow Reports Third-quarter 2025 Results, Provides 2026 Outlook, and Declares Dividend."

² Assumes average foreign exchange rate of C\$/U.S.\$1.39.

³ Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

⁴ Comprised of interest expense and interest income and other.

⁵ Supplementary financial measure that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

⁶ South Bow will update its outlook for growth capital expenditures once it sanctions its next development project.

2026 Expected Range of Outcomes

Financial outlook may be modestly impacted by changes in pressure restrictions and pricing differentials

Normalized EBITDA¹
\$1.03B
 + 2%

**Pressure Restrictions
Lifted over the
Course of 2026**

Normalized EBITDA ¹	<i>Minimal Impact</i>	Normalized EBITDA ¹	<i>Modest Increase</i>
Distributable Cash Flow ¹	<i>Minimal Impact</i>	Distributable Cash Flow ¹	<i>Modest Increase</i>
Variable Toll	<i>Reduced</i>	Variable Toll	<i>Reduced</i>

**Pressure Restrictions
Remain in Place
Throughout 2026**

Normalized EBITDA ¹	<i>Modest Decrease</i>	Normalized EBITDA ¹	<i>Minimal Impact</i>
Distributable Cash Flow ¹	<i>Modest Decrease</i>	Distributable Cash Flow ¹	<i>Minimal Impact</i>
Variable Toll	<i>Unchanged</i>	Variable Toll	<i>Unchanged</i>

Normalized EBITDA¹
\$1.03B

Normalized EBITDA¹
\$1.03B
 - 2%

Tighter Differentials

Wider Differentials

¹ Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.



Appendix

Q1 2026 Results

\$ millions, except where noted	Three Months Ended		
	December 31, 2025	March 31, 2026	March 31, 2025
FINANCIAL RESULTS			
Normalized EBITDA¹	252	257	266
Keystone Pipeline System	241	233	235
Marketing	(8)	9	16
Intra-Alberta & Other	19	15	15
Distributable cash flow¹	149	168	157
Net debt ^{1 2}	4,806	4,738	4,910
Net debt-to-normalized EBITDA (ratio)^{1 2}	4.7	4.7	4.6
OPERATIONAL RESULTS			
Keystone Pipeline System Operating Factor (%)	94	95	98
Keystone Pipeline throughput (Mbb/d)	594	616	613
U.S. Gulf Coast segment of Keystone Pipeline System throughput (Mbb/d) ³	680	709	726
Marketlink throughput (Mbb/d)	531	537	549

¹ Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

² Includes 50% equity treatment of junior subordinated notes.

³ Comprises throughput originating in Hardisty, Alberta, transported on the Keystone Pipeline, and throughput originating in Cushing, Oklahoma, transported on Marketlink for destination in the U.S. Gulf Coast.



Advisory Statements

Advisory Statements

FORWARD-LOOKING INFORMATION AND STATEMENTS

This presentation contains certain forward-looking statements and forward-looking information (collectively, forward-looking statements), including forward-looking statements within the meaning of the "safe harbor" provisions of applicable securities legislation, that are based on South Bow's current expectations, estimates, projections, and assumptions in light of its experience and its perception of historical trends. All statements other than statements of historical facts may constitute forward-looking statements. In some cases, forward-looking statements can be identified by terminology such as, "anticipate", "will", "expect", "estimate", "potential", "future", "outlook", "strategy", "maintain", "ongoing", "intend", and similar expressions suggesting future events or future performance.

In particular, this presentation contains forward-looking statements, including certain financial outlooks, pertaining to, without limitation, the following: the Blackrod Connection Project, including expected cash flows and normalized EBITDA associated with the project; expected dividends and the designation thereof; expectations regarding the advancement of the Prairie Connector project, including timing of the release of the results of the open season; South Bow's corporate vision and strategy, including its strategic and capital allocation priorities, its satisfaction thereof, and outlook; expected interest expense, financial charges, and effective tax rate; expected capital expenditures; expected dividends; that the pricing differentials and need for uncommitted capacity on South Bow's Keystone Pipeline have not materially changed; South Bow's financial guidance for 2026 and beyond, including 2026 normalized EBITDA and second-quarter 2026 normalized EBITDA, 2026 financial charges, 2026 distributable cash flow, and 2026 capital expenditures; that WCSB crude oil supply will grow modestly throughout 2026; the expectation that the Company will update its outlook for growth capital expenditures once it sanctions its next development project; that South Bow's maintenance capital expenditures in 2026 will generally be recoverable through its tolling arrangements; South Bow's expectation that its net debt-to-normalized EBITDA ratio will decrease modestly through 2026; South Bow's financial strength and flexibility; and expectations regarding the remedial actions of the MP-171 incident, including the incorporation of findings.

The forward-looking statements are based on certain assumptions that South Bow has made in respect thereof as of the date of this presentation regarding, among other things: oil and gas industry development activity levels and the geographic region of such activity; WCSB crude oil supply; that favourable market conditions exist and that South Bow has and will have available capital to fund its capital expenditures and other planned spending; prevailing commodity prices, interest rates, inflation levels, carbon prices, tax rates, and exchange rates; the ability of South Bow to maintain current credit ratings; the availability of capital to fund future capital requirements; future operating costs; asset integrity costs; that all required regulatory and environmental approvals can be obtained on the necessary terms in a timely manner; and prevailing regulatory, tax, and environmental laws and regulations.

Although South Bow believes the assumptions and other factors reflected in these forward-looking statements are reasonable as of the date hereof, there can be no assurance that these assumptions and factors will prove to be correct and, as such, forward-looking statements are not guarantees of future performance. Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual events or results to differ materially, including, but not limited to: the regulatory environment and related decisions and requirements; the impact of competitive entities and pricing; reliance on third parties to successfully operate and maintain certain assets; the strength and operations of the energy industry; weakness or volatility in commodity prices; non-performance or default by counterparties; actions taken by governmental or regulatory authorities; the impacts of ongoing geopolitical events; the ability of South Bow to acquire or develop and maintain necessary infrastructure; fluctuations in operating results; adverse general economic and market conditions; the ability to access various sources of debt and equity capital on acceptable terms; and adverse changes in credit. The foregoing list of assumptions and risk factors should not be construed as exhaustive. For additional information on the assumptions made, and the risks and uncertainties which could cause actual results to differ from the results implied by forward-looking statements, refer to South Bow's annual information form for the year ended Dec. 31, 2025, available under South Bow's SEDAR+ profile at www.sedarplus.ca and, from time to time, in South Bow's public disclosure documents, available on South Bow's website at www.southbow.com, under South Bow's SEDAR+ profile at www.sedarplus.ca, and in South Bow's filings with the SEC at www.sec.gov.

Advisory Statements

FORWARD-LOOKING INFORMATION AND STATEMENTS (CONTINUED)

The forward-looking information in this presentation also includes financial outlooks and other related forward-looking information. Management approved the financial outlooks contained in this presentation, including anticipated normalized EBITDA associated with the Blackrod Connection Project, 2026 normalized EBITDA and segment normalized EBITDA, second-quarter 2026 normalized EBITDA, 2026 financial charges, 2026 effective tax rate, 2026 distributable cash flow, 2026 growth and maintenance capital expenditures, and 2026 net debt-to-normalized EBITDA ratio as of the date of this presentation. This financial outlook information is based on, among other things, the various assumptions disclosed in this presentation, including those under "*Forward-looking information and statements*" as of the date hereof. The internal projections, expectations, or beliefs are based on the 2026 budget, which is subject to change in light of ongoing results, prevailing economic conditions, commodity prices, and industry conditions and regulations. The purpose of these financial outlooks is to inform readers about Management's expectations for the Company's financial and operational results in 2026, and such information may not be appropriate for other purposes.

South Bow's future shareholder distributions, including but not limited to the payment of dividends, if any, and the level thereof, is uncertain. Any decision to pay dividends on South Bow's shares (including the actual amount, the declaration date, the record date, and the payment date in connection therewith and any special dividends) will be subject to the discretion of the Board and may depend on a variety of factors, including, without limitation, South Bow's business performance, financial condition, financial requirements, growth plans, expected capital requirements, and other conditions existing at such future time, including, without limitation, contractual restrictions and satisfaction of the solvency tests imposed on South Bow under applicable corporate law. Further, the actual amount, the declaration date, the record date, and the payment date of any dividend are subject to the discretion of the Board. There can be no assurance that South Bow will pay dividends in the future.

The forward-looking statements contained in this presentation speak only as of the date hereof. South Bow does not undertake any obligation to publicly update or revise any forward-looking statements or information contained herein, except as required by applicable laws. All forward-looking statements contained in this presentation are expressly qualified by this cautionary statement.

BASIS OF PREPARATION

All financial figures and information have been presented in U.S. dollars (which includes references to "dollars" and "\$"), except where another currency has been indicated.

ADVISORY – CREDIT RATINGS

Credit ratings are intended to provide investors with an independent measure of credit quality of an issue of securities. Credit ratings are not recommendations to purchase, hold, or sell securities and do not address the market price or suitability of a specific security for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by the rating agency in the future if, in its judgment, circumstances so warrant.

THIRD-PARTY INFORMATION

This presentation contains statistical data, market research, and industry forecasts that were obtained from third-party sources, industry publications, and publicly available information. South Bow believes that the market and industry data presented throughout this presentation is accurate and, with respect to data prepared by the Company or on the Company's behalf, that the estimates and assumptions are reasonable; however, there can be no assurance as to the accuracy or completeness thereof. The accuracy and completeness of the market and industry data presented throughout this presentation is not guaranteed and South Bow makes no representation as to the accuracy of such information. Although South Bow believes it to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this presentation or analyzed or verified the underlying studies or surveys relied upon or referred to by such sources or ascertained the underlying economic and other assumptions relied upon by such sources and make no representation as to the accuracy of such data. Actual outcomes may vary materially from those forecast in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process, and other limitations and uncertainties inherent in any statistical survey.

Advisory Statements

SPECIFIED FINANCIAL MEASURES

In this presentation, South Bow references certain non-GAAP financial measures and non-GAAP ratios that do not have standardized meanings under GAAP and may not be comparable to similar measures presented by other entities. These non-GAAP financial measures and non-GAAP ratios include adjustments to the composition of the most directly comparable GAAP measures. Management considers these non-GAAP financial measures and non-GAAP ratios to be important in evaluating and understanding the operational performance and liquidity of South Bow. These non-GAAP financial measures and non-GAAP ratios should not be considered in isolation or as a substitute for financial information or measures of performance presented in accordance with GAAP. South Bow's non-GAAP financial measures used in this presentation include: normalized EBITDA; segment normalized EBITDA; distributable cash flow; and net debt. South Bow's non-GAAP ratios used in this presentation include: net debt-to-normalized EBITDA ratio. These non-GAAP financial measures and non-GAAP ratios are further described in "Financial Reconciliations" of this presentation, with a reconciliation to their most directly comparable GAAP measure.

For reconciliations of these non-GAAP financial measures and non-GAAP ratios to the nearest GAAP measures, refer to "Financial Reconciliations" of this presentation, and South Bow's MD&A for the applicable period, which sections are incorporated by reference herein. Refer to the "Specified Financial Measures" section of the MD&A as at and for the three months ended March 31, 2026 (the Q1 2026 MD&A) for more information about the non-GAAP financial measures and non-GAAP ratios used, and which section of the MD&A is incorporated by reference herein. The Q1 2026 MD&A can be found on South Bow's website at www.southbow.com, under South Bow's SEDAR+ profile at www.sedarplus.ca, and in South Bow's filings with the SEC at www.sec.gov.



Financial Reconciliations

Non-GAAP Reconciliations

NORMALIZED EBITDA

Normalized EBITDA and segment normalized EBITDA are used as measures of earnings from ongoing operations. Management uses these measures to monitor and evaluate the financial performance of the Company's operations and to identify and evaluate trends. These measures are useful for investors as they allow for a more accurate comparison of financial performance of the Company across periods for ongoing operations. Normalized EBITDA and segment normalized EBITDA represent income (loss) before income taxes, adjusted for the normalizing items, in addition to excluding charges for depreciation and amortization, interest expense, interest income and other, and other income.

Normalized EBITDA and segment normalized EBITDA guidance are forward-looking non-GAAP financial measures. South Bow does not provide a reconciliation of such forward-looking measures to the most directly comparable financial measure calculated and presented in accordance with GAAP due to unknown variables and the uncertainty related to future results. These unknown variables may be inherently difficult to determine without unreasonable efforts. Guidance for normalized EBITDA and segment normalized EBITDA are calculated in the same manner as described above for historical normalized EBITDA and segment normalized EBITDA, as applicable.

\$ millions	Three Months Ended		
	December 31, 2025	March 31, 2026	March 31, 2025
Income before income taxes	153	100	114
Adjusted for specific items:			
Depreciation and amortization	58	64	62
Interest expense	83	84	83
Interest income and other	(18)	(11)	(6)
Risk management instruments	(11)	32	6
Keystone variable toll disputes	5	(18)	-
Separation costs	1	1	3
Business development costs	-	5	-
Tariff charges	-	-	1
Keystone XL costs and other	(19)	-	3
Normalized EBITDA	252	257	266

Non-GAAP Reconciliations

DISTRIBUTABLE CASH FLOW

Distributable cash flow is used to assess the cash generated through business operations that can be used for South Bow's capital allocation decisions, helping investors understand the Company's cash-generating capabilities and its potential for returning value to shareholders. Distributable cash flow is based on income (loss) before income taxes, adjusted for depreciation and amortization, the normalizing items discussed above, and further adjusted for specific items, including income and distributions from the Company's equity investments, maintenance capital expenditures, which are capitalized and generally recoverable through South Bow's tolling arrangements, and current income taxes.

Distributable cash flow guidance is a forward-looking non-GAAP financial measure. South Bow does not provide a reconciliation of such forward-looking measure to the most directly comparable financial measure calculated and presented in accordance with GAAP due to unknown variables and the uncertainty related to future results. These unknown variables may be inherently difficult to determine without unreasonable efforts.

In the second quarter of 2025, South Bow modified the definition of distributable cash flow to no longer adjust income (loss) before income taxes for interest income and other. Management believes that this modified definition of distributable cash flow more accurately reflects the amount of cash generated through business operations that can be used for South Bow's capital allocation decisions. Comparative measures have been restated to reflect these changes.

\$ millions	Three Months Ended		
	December 31, 2025	March 31, 2026	March 31, 2025
Income before income taxes	153	100	114
Adjusted for specific items:			
Depreciation and amortization	58	64	62
Income from equity investments	(14)	(13)	(13)
Distributions from equity investments	23	18	19
Maintenance capital expenditures ^{1 2}	(19)	(4)	(13)
Current income tax expense	(23)	(12)	(22)
Normalizing items, net of tax ³	(29)	15	10
Distributable cash flow	149	168	157

¹ Supplementary financial measure. See "Specified Financial Measures" of the Q1 2026 MD&A, which information is incorporated by reference into this presentation.

² Maintenance capital expenditures are generally recoverable through South Bow's tolling arrangements.

³ Normalizing items per normalized EBITDA reconciliation, net of tax.

Non-GAAP Reconciliations

NET DEBT AND NET DEBT-TO-NORMALIZED EBITDA RATIO

Net debt is used as a key leverage measure to assess and monitor South Bow's financing structure, providing an overview of the Company's long-term debt obligations, net of cash and cash equivalents. Management believes this measure is useful for investors as it offers insights into the Company's financial health and its ability to manage and service its debt obligations. Net debt is defined as the sum of total long-term debt with 50% equity treatment of the Company's junior subordinated notes, operating lease liabilities, and dividends payable, less cash and cash equivalents.

Net debt-to-normalized EBITDA ratio is used to monitor South Bow's leverage position relative to its normalized EBITDA for the trailing four quarters. This ratio provides investors with insight into the Company's ability to service its long-term debt obligations relative to its operational performance. A lower ratio indicates stronger financial health and greater capacity to meet its debt obligations.

<i>\$ millions, except ratios</i>	December 31, 2025	March 31, 2026	March 31, 2025
Senior unsecured notes	4,682	4,665	4,632
Junior subordinated notes	1,086	1,086	1,087
Total long-term debt	5,768	5,751	5,719
Adjusted for:			
Hybrid treatment for junior subordinated notes ¹	(543)	(543)	(544)
Operating lease liabilities	26	25	21
Dividends payable	104	104	104
Cash and cash equivalents	(549)	(599)	(390)
Net debt	4,806	4,738	4,910
Normalized EBITDA for trailing four quarters	1,022	1,013	1,059
Net debt-to-normalized EBITDA (ratio)	4.7	4.7	4.6

¹ Includes 50% equity treatment of junior subordinated notes.



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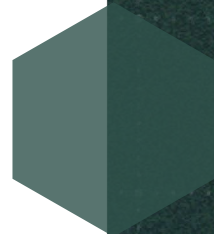
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SOUTHBOW

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