SOUTHBOW

CORPORATE PRESENTATION

August 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 HIGHLIGHTS[1]

208.6 million	Shares outstanding
$7.7 billion	Market capitalization
$12.9 billion	Enterprise value[2]
$2.00 /share	Annual base dividend[3]
~5.5 %	Dividend yield

[1] As of July 31, 2026.
[2] Does not include 50% equity treatment of junior subordinated notes.
[3] Dividends are subject to the approval of the Board of Directors.

Q2 2026 Highlights

Delivered strong financial and operational performance while advancing strategic growth initiatives

FINANCIAL STABILITY

$280 MM
Normalized EBITDA[1]

Strong demand on the U.S. Gulf Coast segment of the Keystone Pipeline System

$175 MM
Distributable Cash Flow[1]

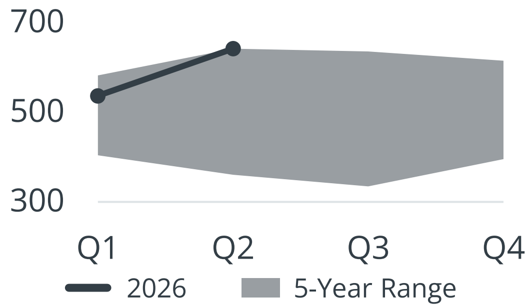
Generated strong distributable cash flow, improving leverage and funding dividend

4.4 x
Net Debt-to-normalized EBITDA Ratio[1 2]

Strengthened financial position, reducing leverage from 4.7x at March 31, 2026

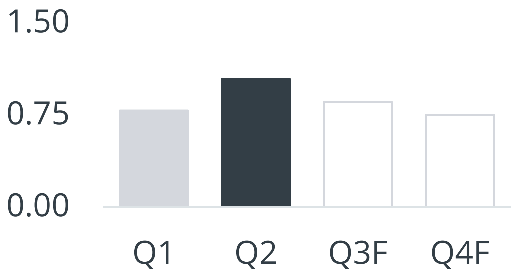
HISTORICAL MARKETLINK THROUGHPUT

Mbbl/d



2026 WCS CUSHING–WCS U.S. GULF COAST DIFFERENTIAL[3]

$/bbl



GROWTH INITIATIVES

- Secured 20-year binding commitments for 465,000 bbl/d of firm transportation service from Hardisty to U.S. delivery points
- Continue to advance the proposed Prairie Connector project and the joint development of the Liberty Bridge Pipeline project
  - **Prairie Connector** – Proposed crude oil pipeline extending from Hardisty to the Canada-U.S. border
  - **Liberty Bridge** – Proposed joint development of a crude oil pipeline extending from Guernsey to Cushing
- Refer to *"Proposed Growth Initiatives"* in this presentation

[1] Non-GAAP financial measure or ratio that may not be comparable to measures presented by other entities. Refer to *"Advisory Statements"* in this presentation.
[2] Includes 50% equity treatment of South Bow's junior subordinated notes.
[3] Source: Argus Media (2026).

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 RETURNS[1]

[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

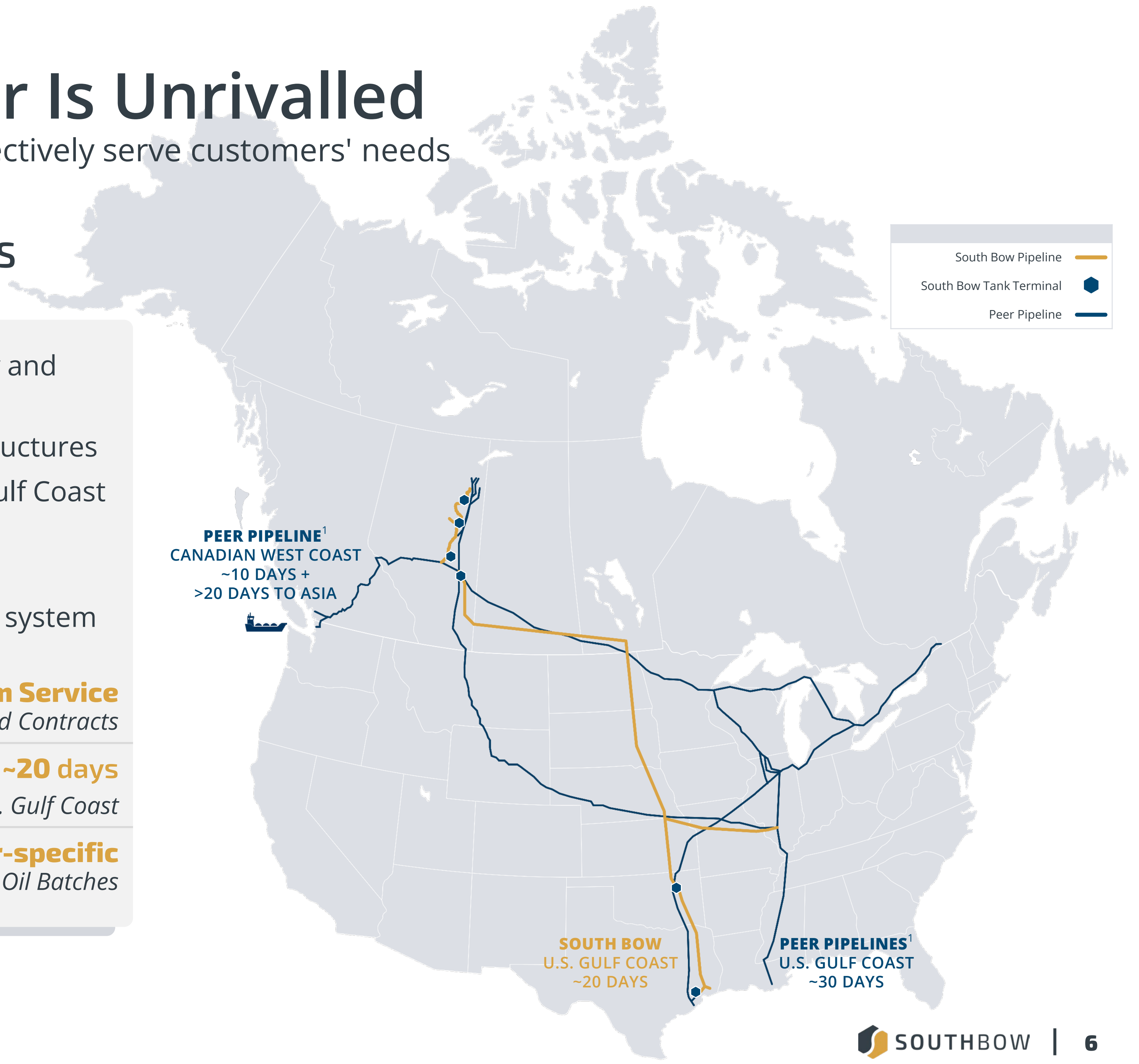
South Bow's Corridor Is Unrivalled

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*

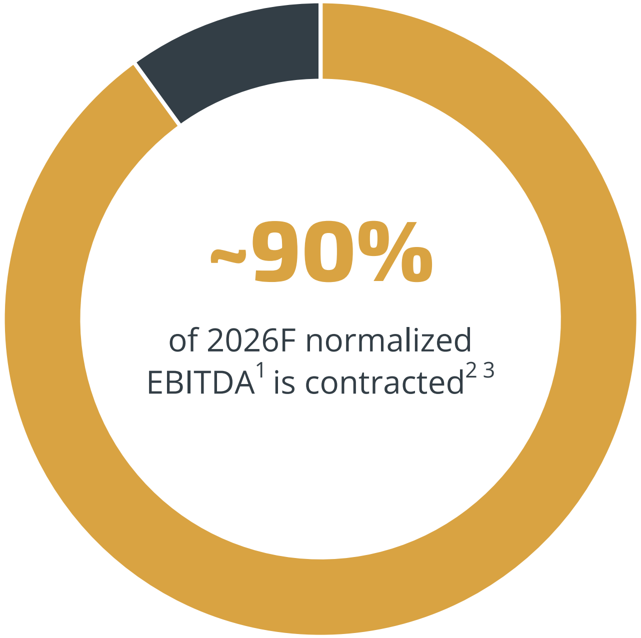


[1] Source: Company reports.

High-quality Contractual Framework

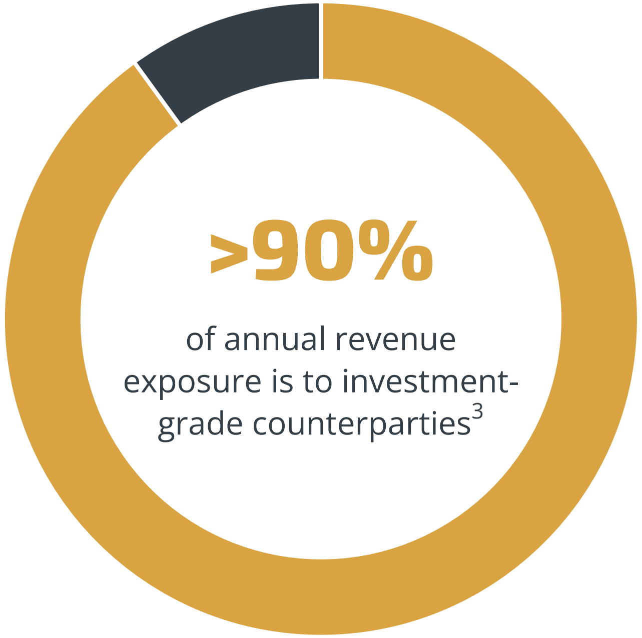
Stable, predictable cash flows underpinned by strong contract tenor and creditworthy counterparties

HIGHLY CONTRACTED CASH FLOWS



STRONG STRUCTURAL DEMAND FOR SERVICES

CREDITWORTHY CUSTOMER BASE



NORMALIZED EBITDA[1]-WEIGHTED AVERAGE REMAINING CONTRACT TERM OF ~7 YEARS[3]

[1] Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to *"Advisory Statements"* in 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

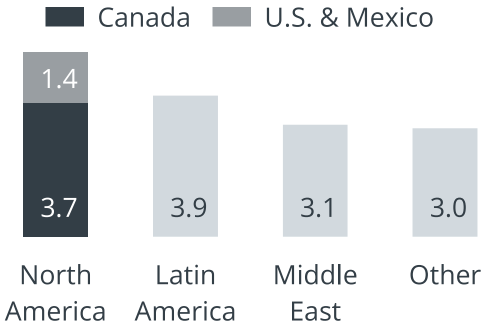
Canada is a global leader and North America's backbone in heavy crude oil supply

WCSB CRUDE OIL SUPPLY OUTLOOK[1]

MMbbl/d

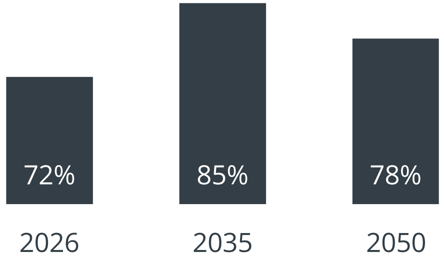
2026E GLOBAL HEAVY CRUDE OIL SUPPLY OUTLOOK[1]

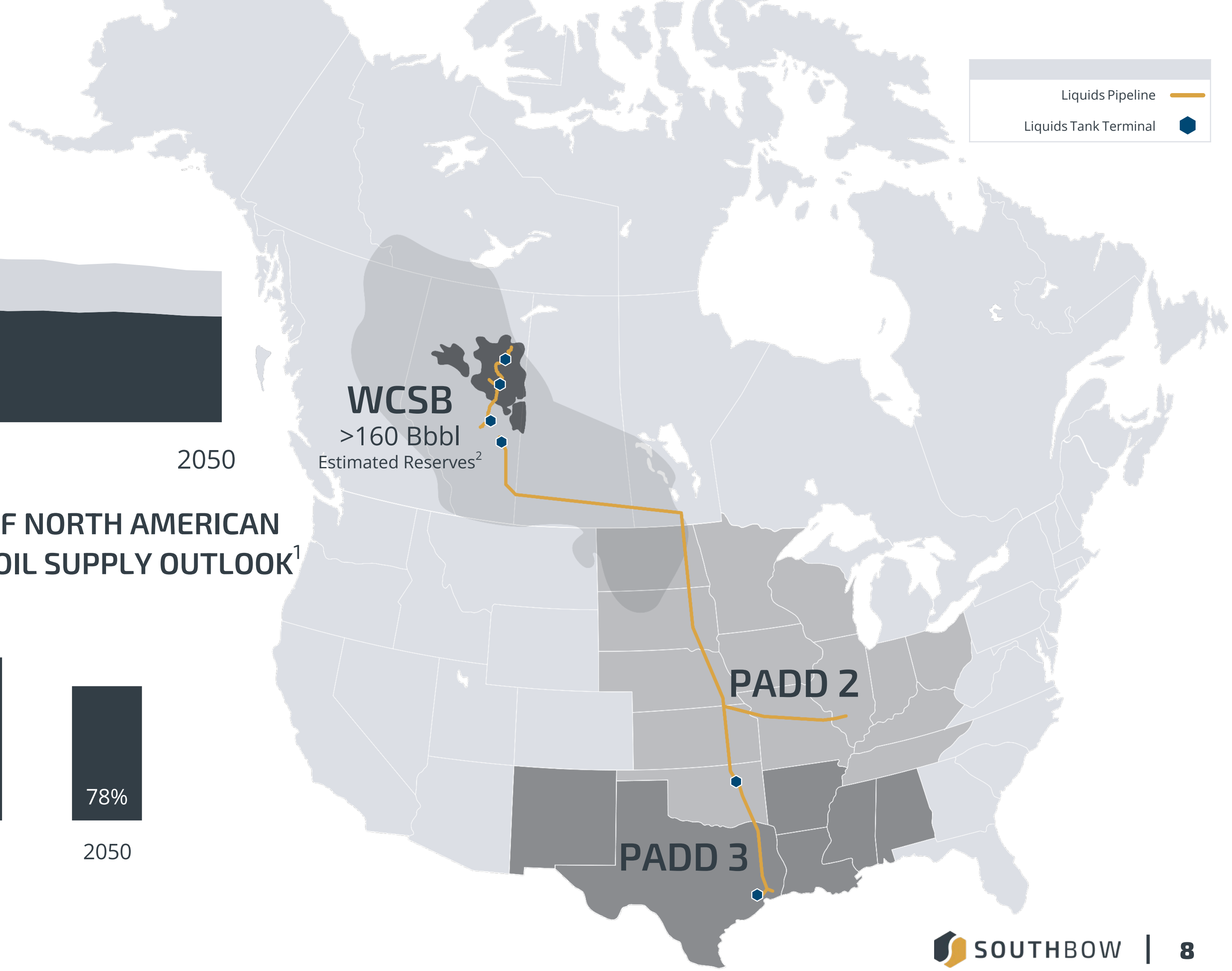
MMbbl/d



WCSB SHARE OF NORTH AMERICAN HEAVY CRUDE OIL SUPPLY OUTLOOK[1]

%



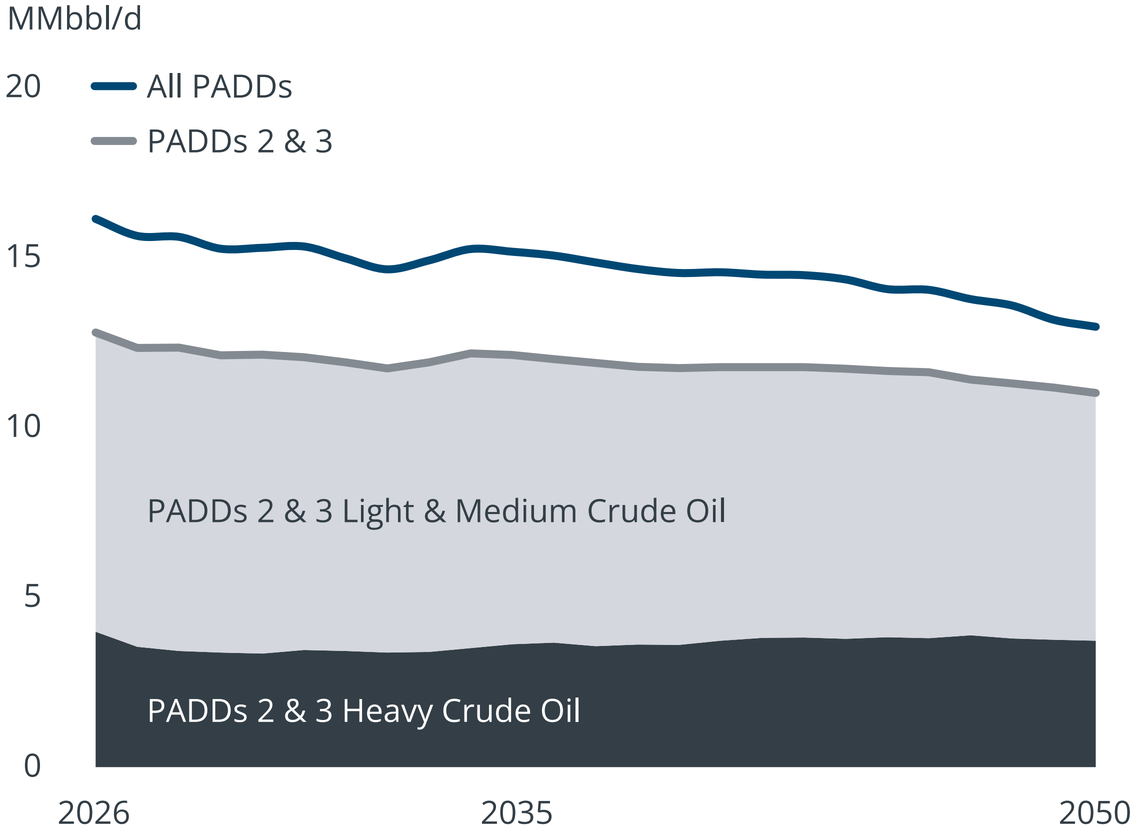


[1] Source: Wood Mackenzie (2026).
[2] Source: Alberta Energy Regulator (2025).

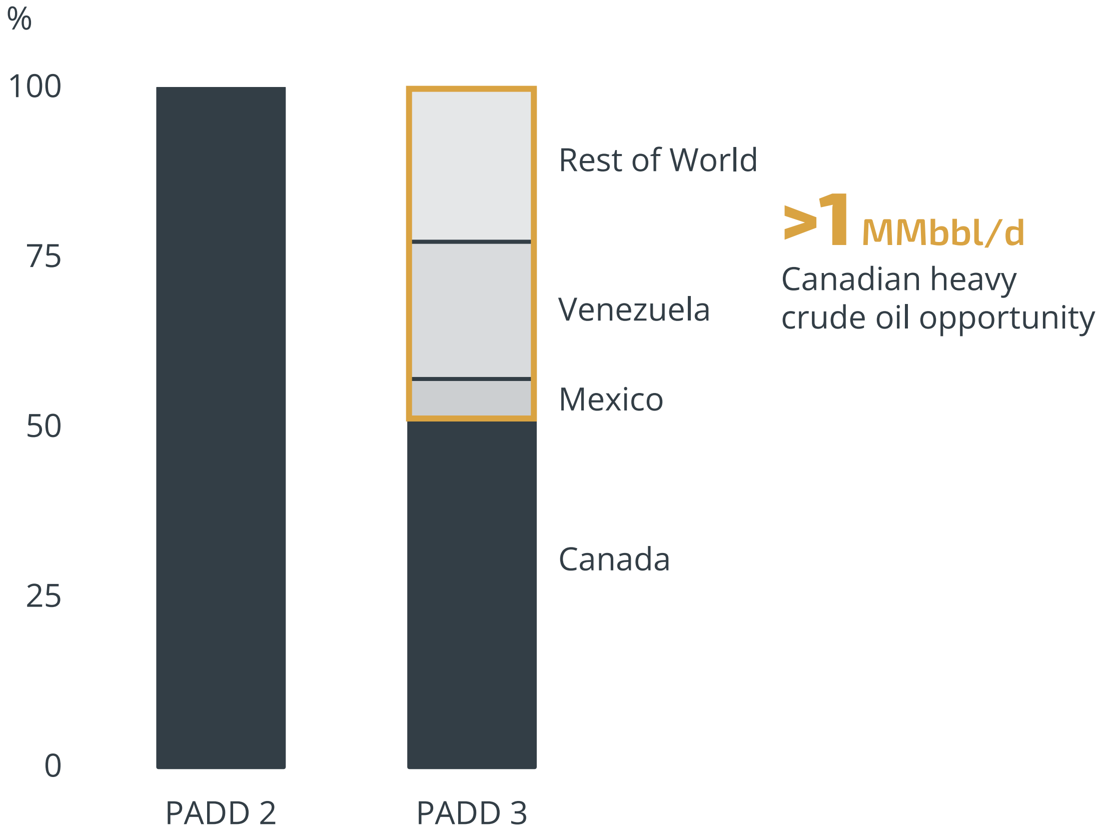
Demand for Canadian Heavy Crude Oil Is Enduring

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

U.S. CRUDE OIL REFINING OUTLOOK[1]



2026E PADDs 2 & 3 HEAVY CRUDE OIL SOURCES[1]

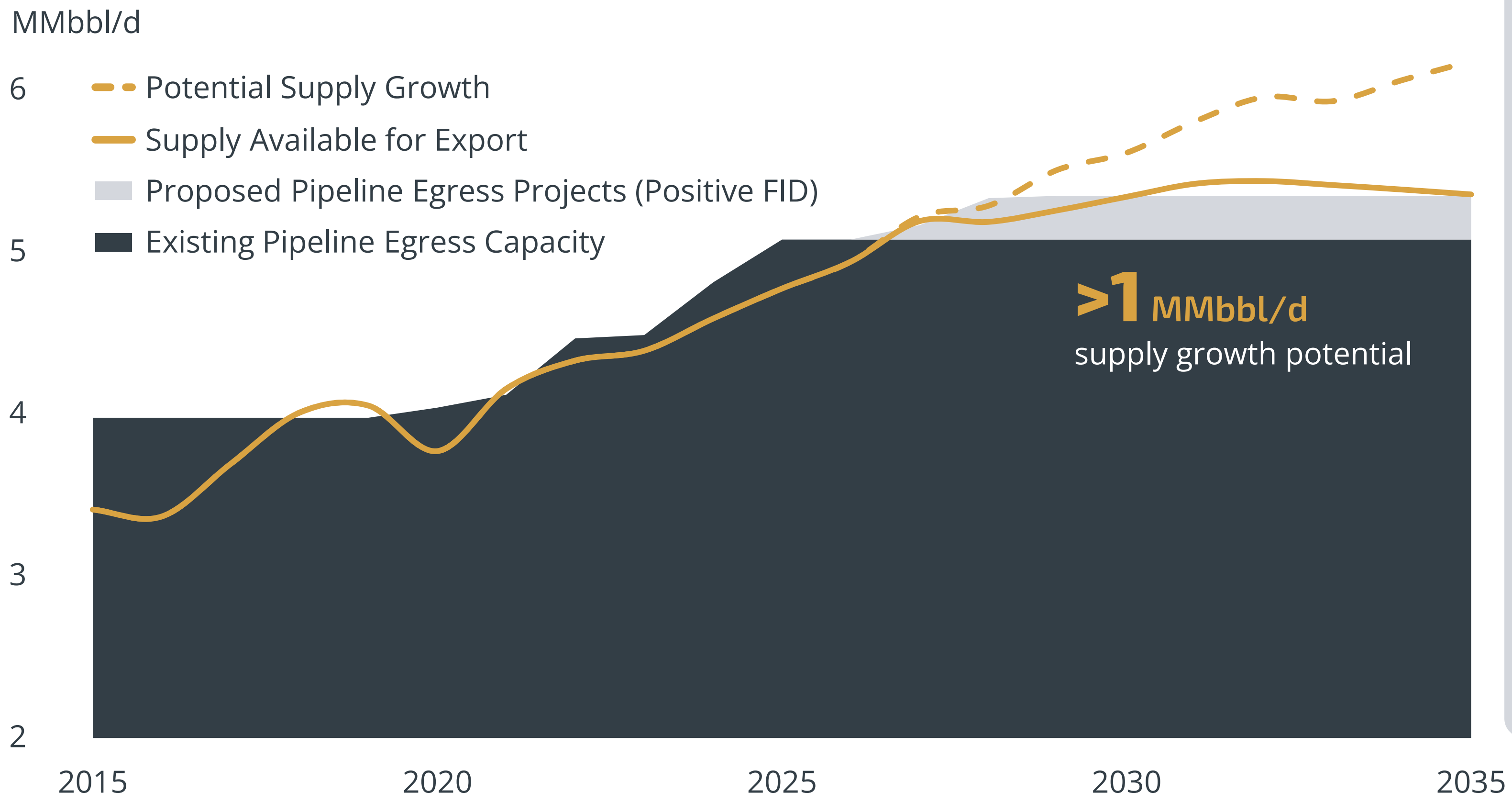


[1] Source: Wood Mackenzie (2026).

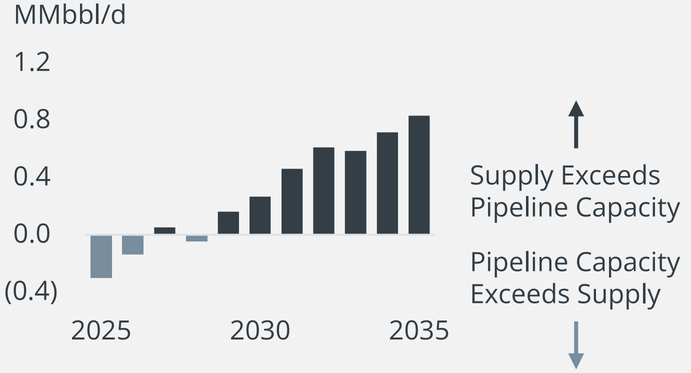
Increasing Demand for Western Canadian Egress

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

WCSB CRUDE OIL SUPPLY AND PIPELINE CAPACITY OUTLOOK[1,2]



SUPPLY-EGRESS BALANCE OUTLOOK[1,2]



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

[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 EBITDA[1] 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"* in 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

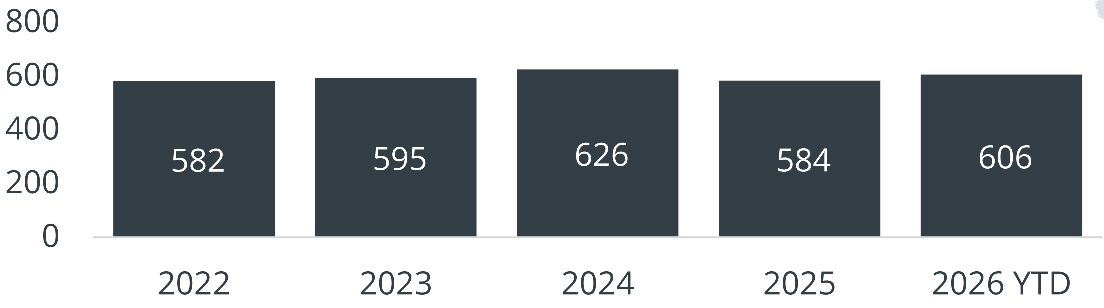
ASSET OVERVIEW

Keystone Pipeline System

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

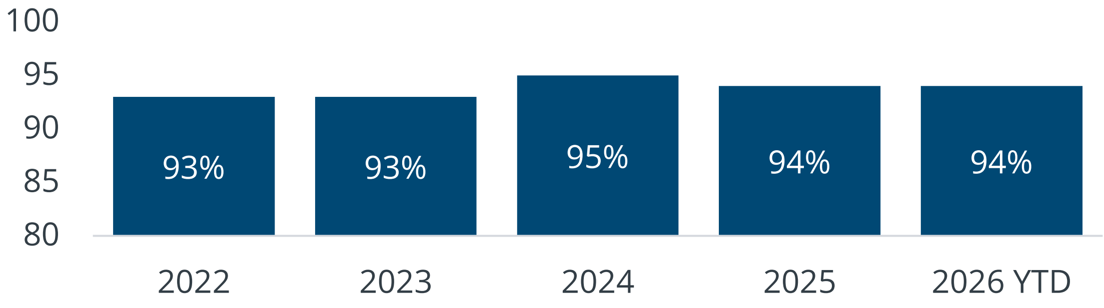
AVERAGE THROUGHPUT[1 2]

Mbbl/d



SYSTEM OPERATING FACTOR[1]

%



[1] As of June 30, 2026.
[2] The Canada Energy Regulator requires 6% of nominal capacity to be reserved for uncommitted (spot) shippers on the Keystone Pipeline.

Keystone Pipeline System – Milepost 171

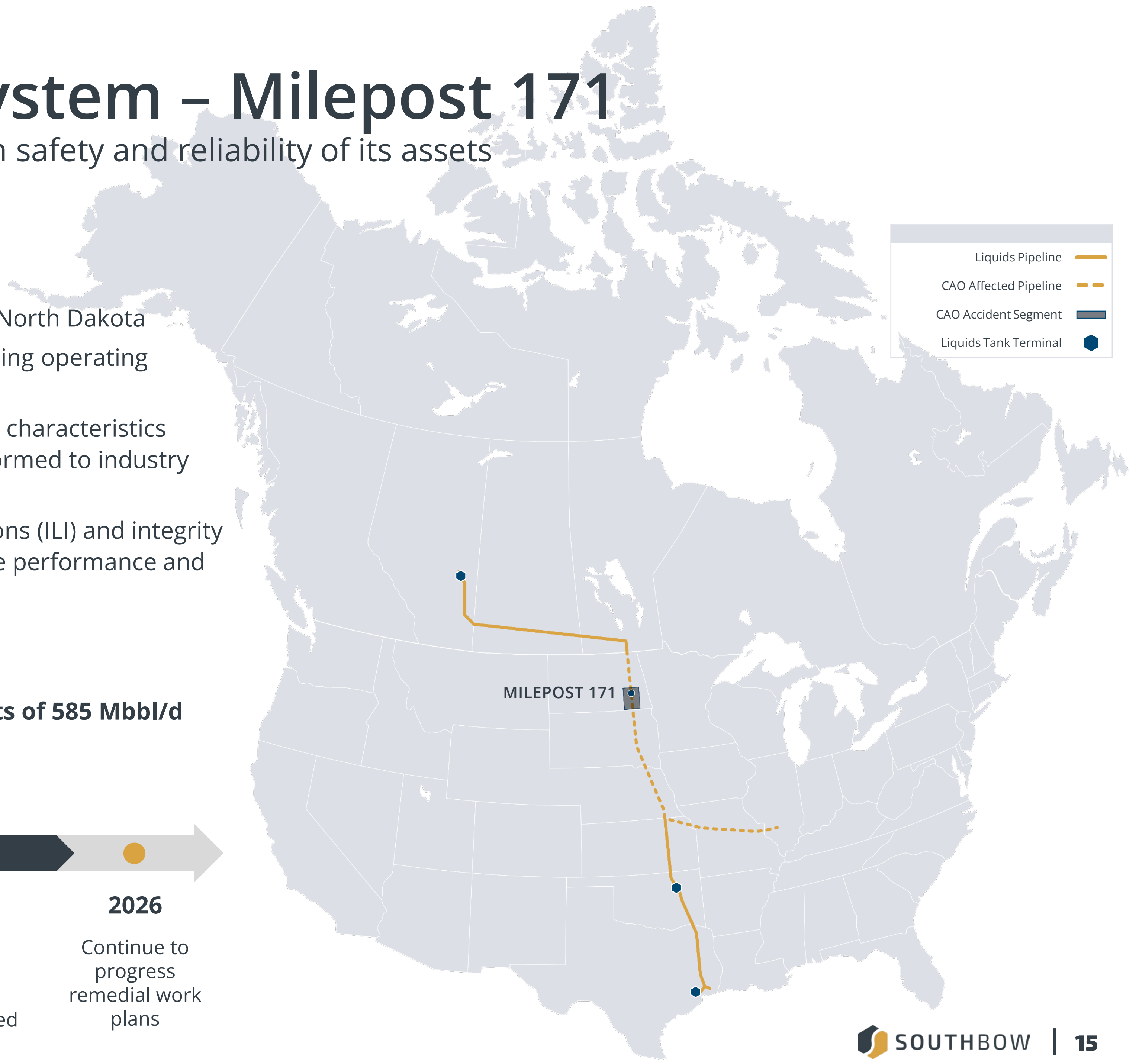
South Bow is committed to the long-term safety and reliability of its assets

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
- Advancing remedial actions, including in-line inspections (ILI) and integrity digs, and working closely with ILI providers to advance performance and validation
- Cleanup and reclamation of site complete
  - Costs largely recovered through insurance policies
- **South Bow is meeting its contractual commitments of 585 Mbbl/d**

TIMELINE

April 8, 2025	April 11, 2025	April 15, 2025	Q1 2026	2026
Emergency response initiated	Corrective Action Order issued	Keystone Pipeline safely restarted	Root cause analysis findings shared	Continue to progress remedial work plans

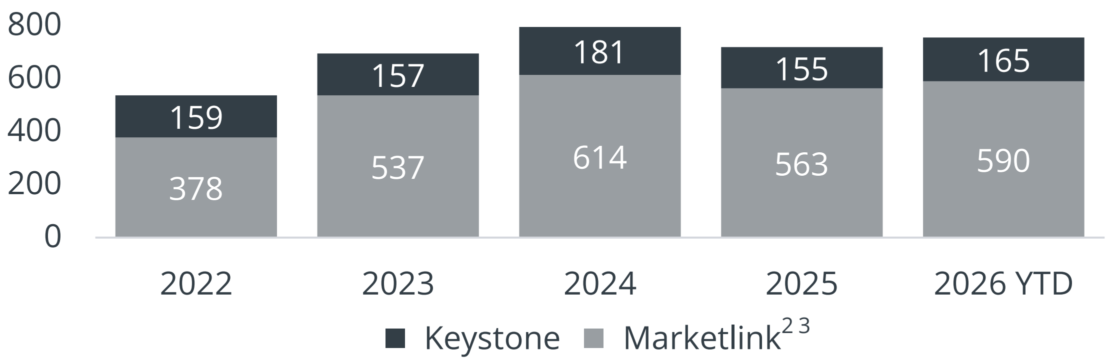


Keystone Pipeline System – U.S. Gulf Coast Segment

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

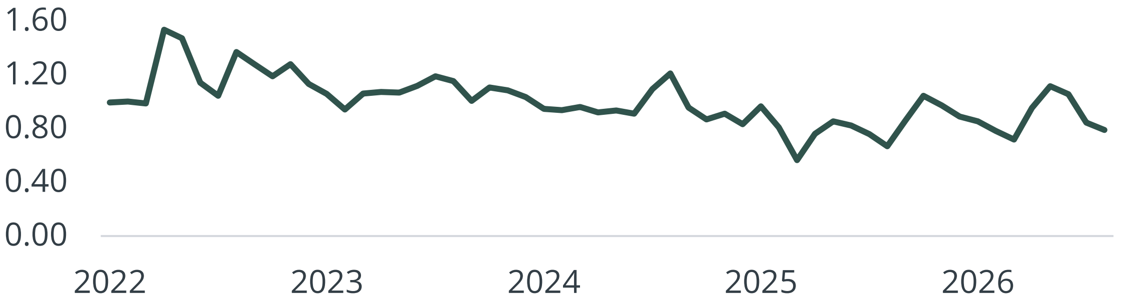
AVERAGE THROUGHPUT[1]

Mbbl/d



WCS CUSHING–WCS U.S. GULF COAST DIFFERENTIAL[4]

U.S.$/bbl



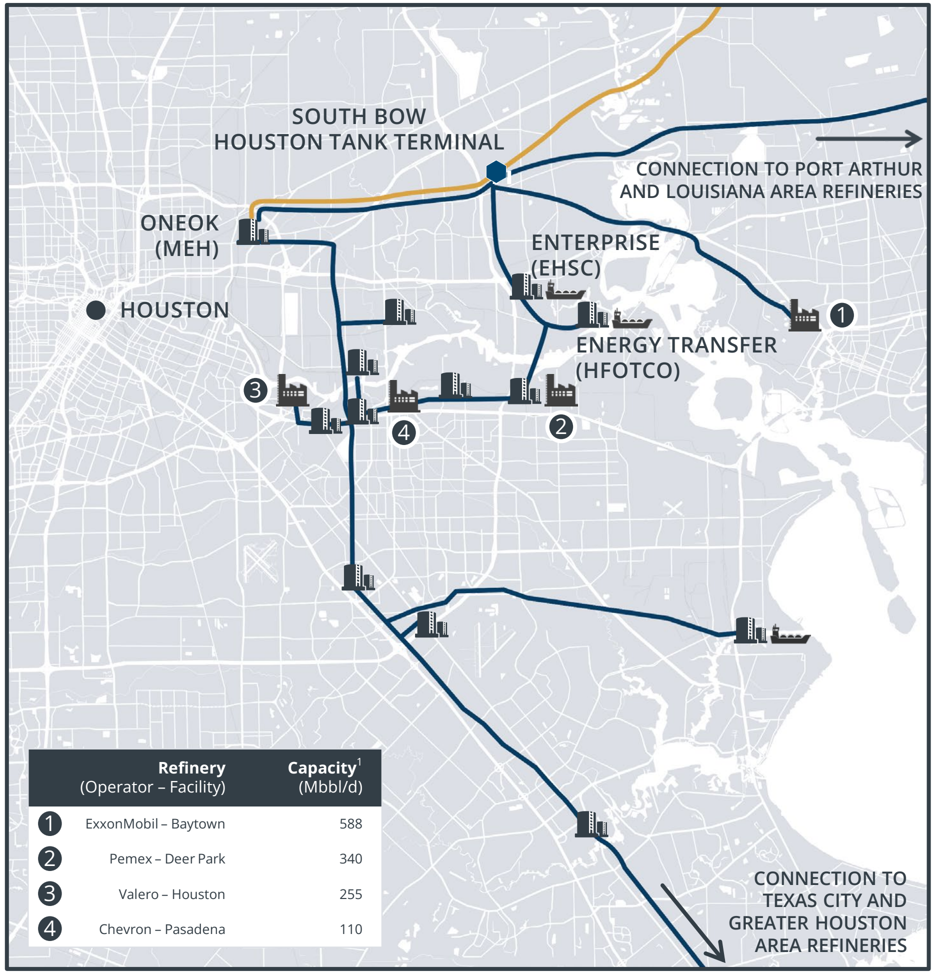
[1] As of June 30, 2026.
[2] Marketlink utilizes capacity through a transportation lease from Keystone Pipeline to deliver domestic crude oil from Cushing to the U.S. Gulf Coast.
[3] The Federal Energy Regulatory Commission requires 10% of capacity to be made available to uncommitted (spot) shippers 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

South Bow Pipeline
South Bow Tank Terminal
Peer Pipeline

HOUSTON, TEXAS



	Refinery (Operator – Facility)	Capacity[1] (Mbbl/d)
1	ExxonMobil – Baytown	588
2	Pemex – Deer Park	340
3	Valero – Houston	255
4	Chevron – Pasadena	110

PORT ARTHUR, TEXAS

	Refinery (Operator – Facility)	Capacity[1] (Mbbl/d)
1	Motiva – Port Arthur	640
2	ExxonMobil – Beaumont	630
3	Valero – Port Arthur	435
4	Total – Port Arthur	238

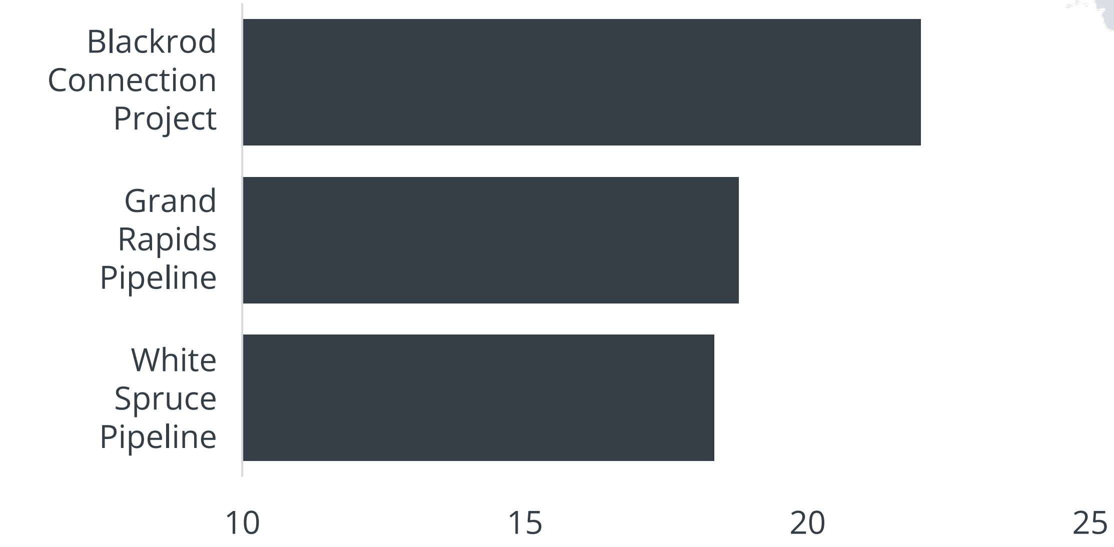
[1] Source: Company reports.

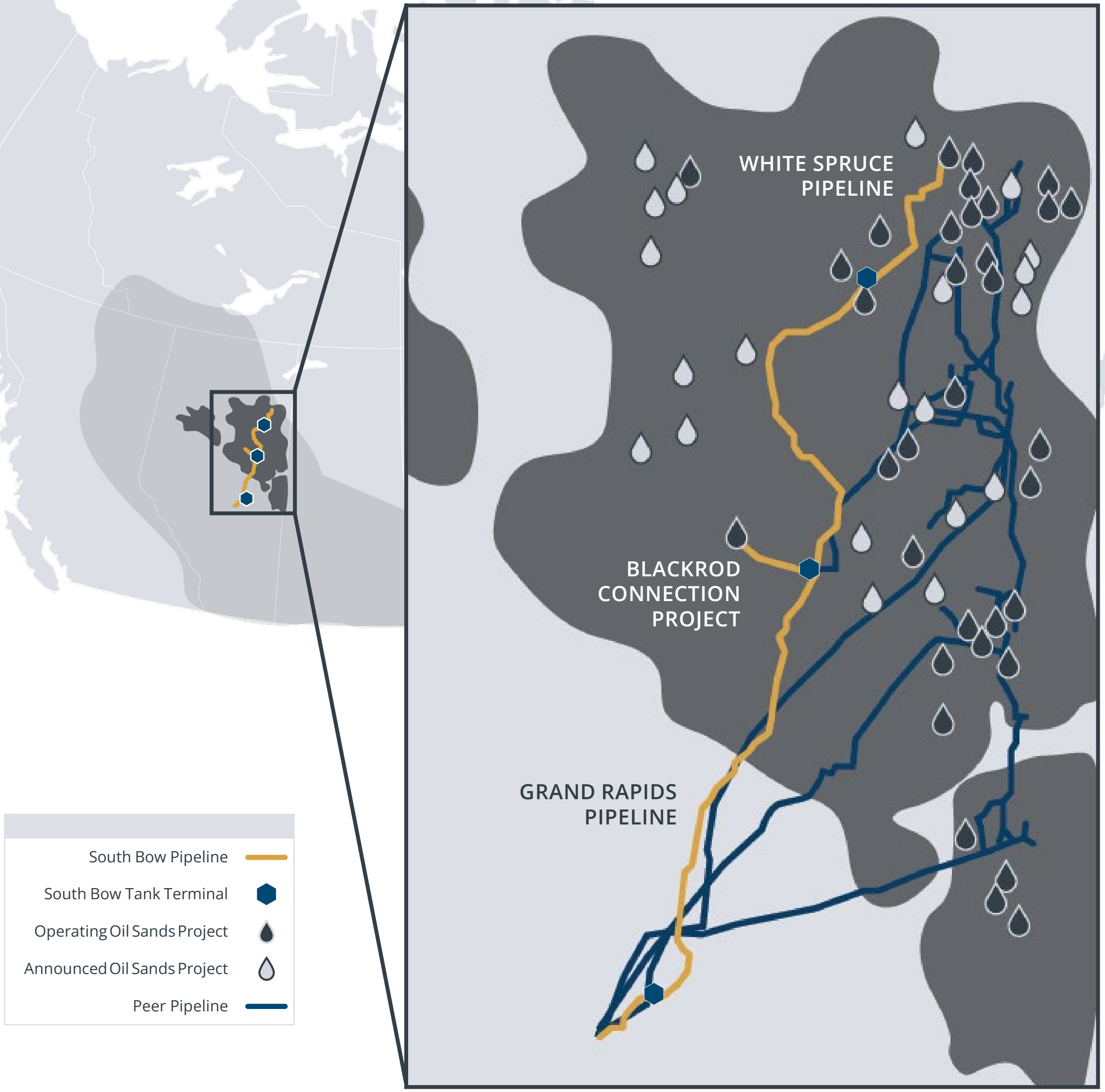
Intra-Alberta Pipeline Systems

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

REMAINING CONTRACT TERM[1]

years





ESTIMATED OIL SANDS RESERVES[2]

>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

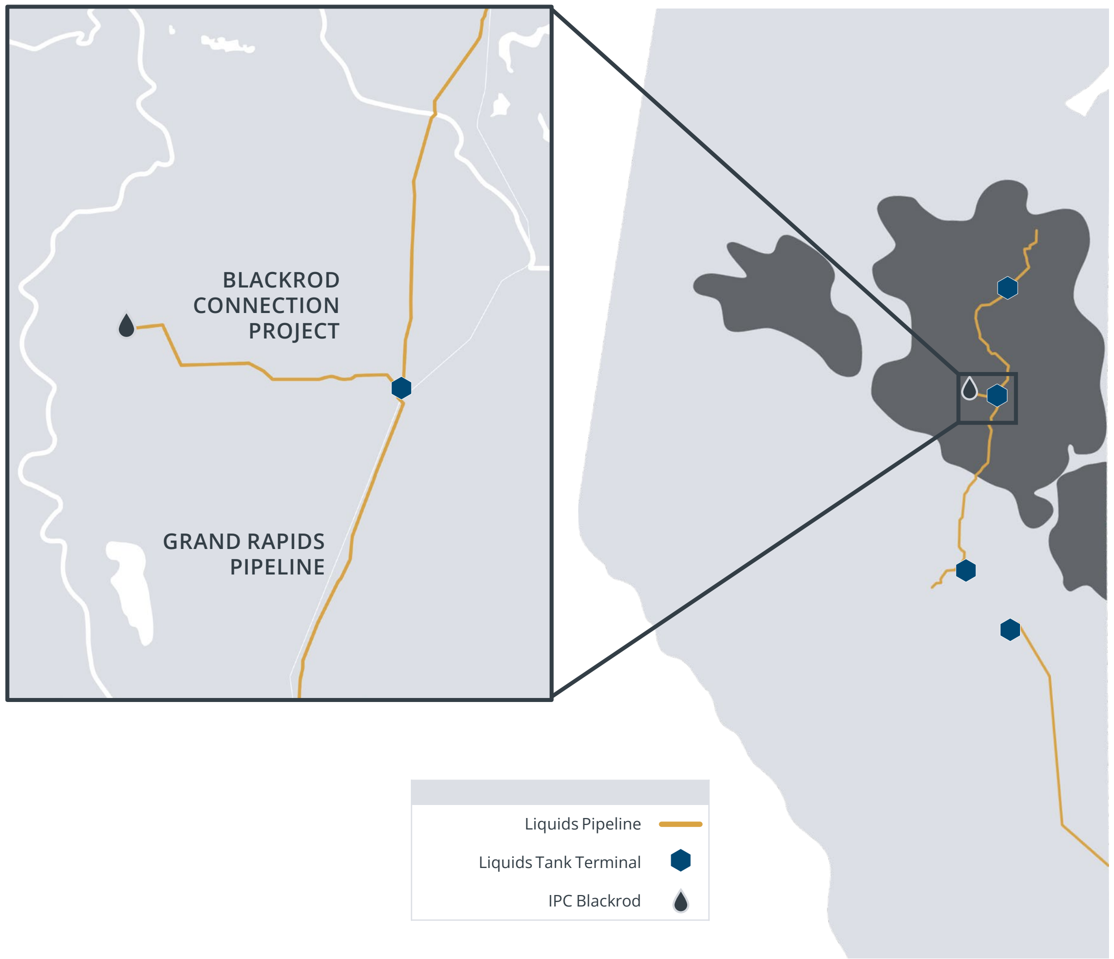
PROJECT OVERVIEW

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 Period[1]	**<24** months

NORMALIZED EBITDA OUTLOOK[2]



[1] Development period represents the time from final investment decision to 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"* in this presentation.

Proposed Growth Initiatives

Advancing toward FID while strictly adhering to risk preferences and capital allocation priorities

COMMERCIAL SUPPORT[1]

Secured 20-year binding commitments for firm transportation service from Hardisty to U.S. delivery points

Committed Capacity	**465 Mbbl/d** *Nine Customers*
Service Offering	**Firm Service** *Committed Contracts*

TIMELINE

Q1 2026	2026 – 2027	Mid-2027
Open season	Continue stakeholder engagement, finalize cost estimates, determine required financing, secure permit durability	Targeted FID

PRE-FID ACTIVITIES

Final investment decision (FID) on the proposed Prairie Connector project and the jointly proposed Liberty Bridge Pipeline project with Bridger will be subject to the satisfaction of pre-FID activities, which include:

- Continuing stakeholder engagement
- Advancing execution plans
- Finalizing cost estimates
- Determining financing requirements
- Securing regulatory certainty and permit durability

PRE-FID SPENDING AND RISK MANAGEMENT

South Bow expects to incur ~$65MM of pre-FID costs[2] associated with the development of the proposed Prairie Connector project and the jointly proposed Liberty Bridge Pipeline project in 2026

[1] See South Bow's May 29, 2026 news release *"South Bow Announces Successful Open Season"*.
[2] Subject to development cost-sharing agreements with open season customers.

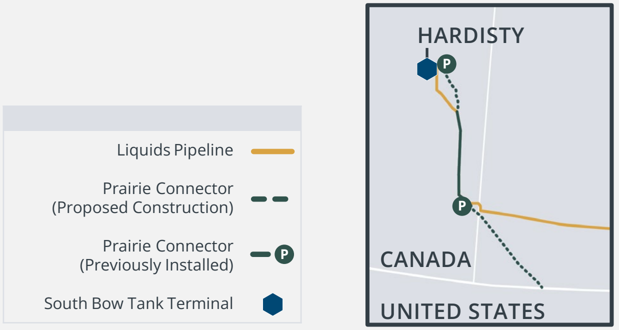
Proposed Growth Initiatives

Advancing toward FID while strictly adhering to risk preferences and capital allocation priorities

PRAIRIE CONNECTOR PROJECT

Proposed 530-km, 36-inch crude oil pipeline extending from Hardisty to the Canada-U.S. border, where it would connect to Bridger's downstream facilities

- Leverages existing infrastructure and permitted corridor, including ~150 km of pipeline and two pump stations previously installed and preserved



LIBERTY BRIDGE PIPELINE PROJECT

Proposed joint development of a crude oil pipeline extending from Guernsey to Cushing, where it would connect to South Bow's Keystone Pipeline System and other downstream facilities

- Development efforts are supported by a route that follows an existing corridor on privately held lands

BRIDGER PIPELINE

SOUTHBOW

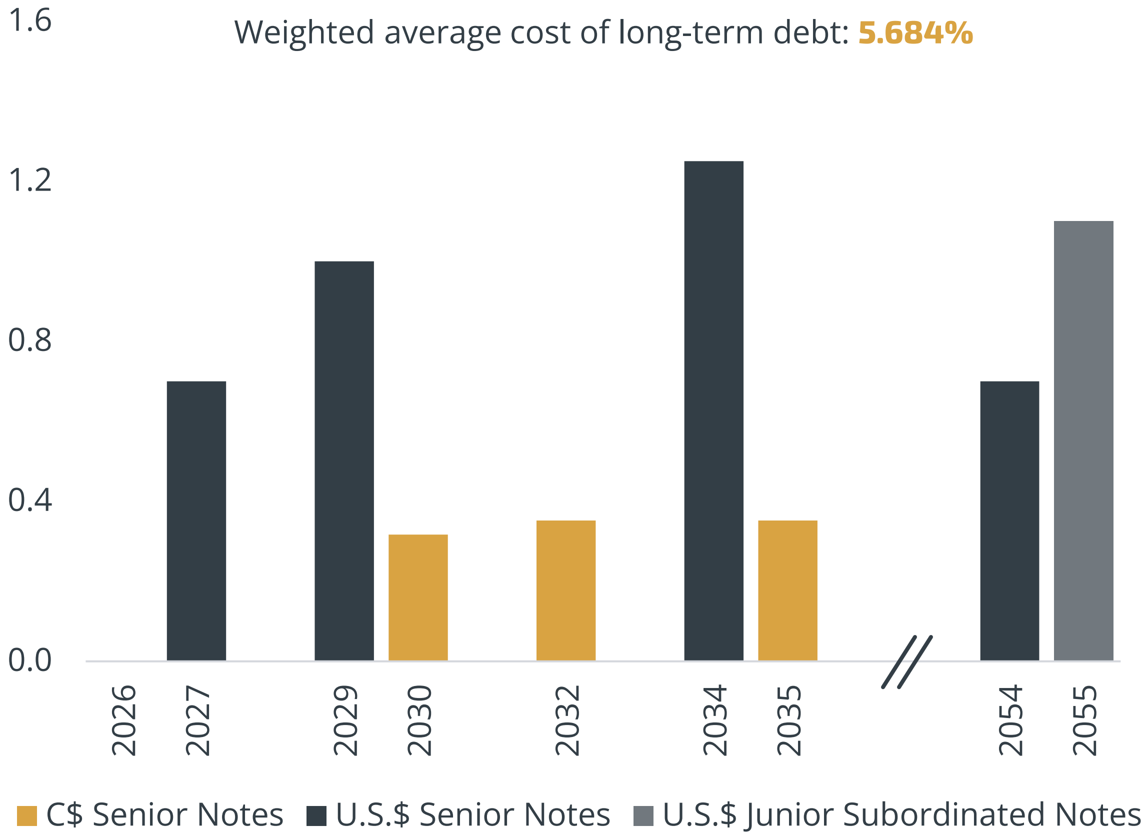
FINANCIAL OVERVIEW

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



INVESTMENT-GRADE CREDIT RATINGS[3]

Moody's	S&P	Fitch
Baa3	**BBB-**	**BBB-**
Stable	Stable	Stable

PRIORITIZING DELEVERAGING

4.4 x — Q2 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

$5.7 billion — Long-term debt balance[1,2]

$1.4 billion — Undrawn four-year senior unsecured revolving credit facility[1,2]

1 As at June 30, 2026.
2 Assumes a foreign exchange rate of U.S.$/C$1.4205.
3 Refer to *"Advisory – Credit Ratings"* in 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"* in this presentation.
5 Includes 50% equity treatment of junior subordinated notes.

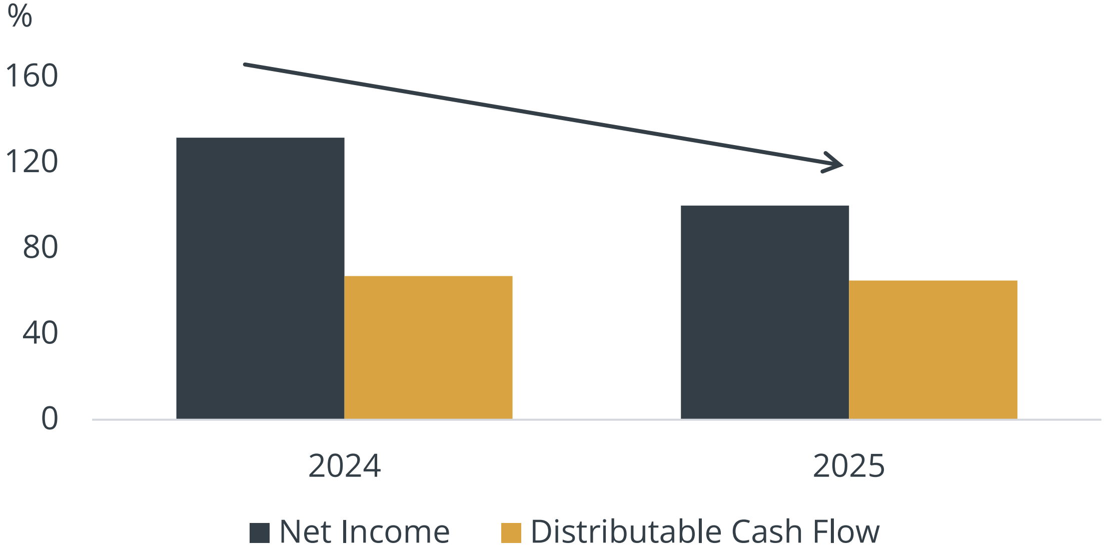
Sustainable Dividend

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, considering of its broader capital allocation framework

DIVIDEND PAYOUT RATIO[1]



SOUTH BOW'S CURRENT DIVIDEND

$0.50 /share	Quarterly dividend amount
August **5** 2026	Dividend declaration date
September **29** 2026	Dividend record date
October **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

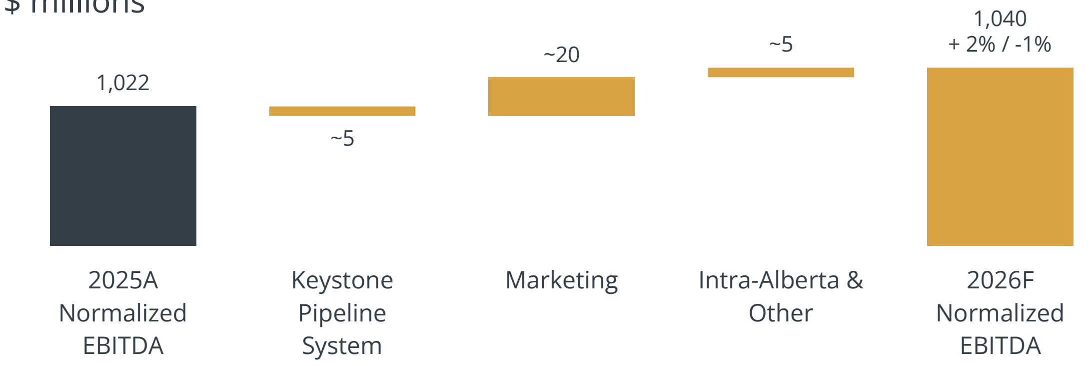
Financial outlook is underpinned by highly contracted and stable cash flows

2026 GUIDANCE[1 2]

Normalized EBITDA[3]	**$1,040 MM +2% / -1%**
Financial charges[4]	**$315 MM ± 2%**
Effective tax rate	**22% - 23%**
Distributable cash flow[3]	**$665 MM ± 2%**
Capital expenditures	
Growth[5]	**$80 MM ± $10 MM**
Maintenance[5]	**$25 MM ± $10 MM**

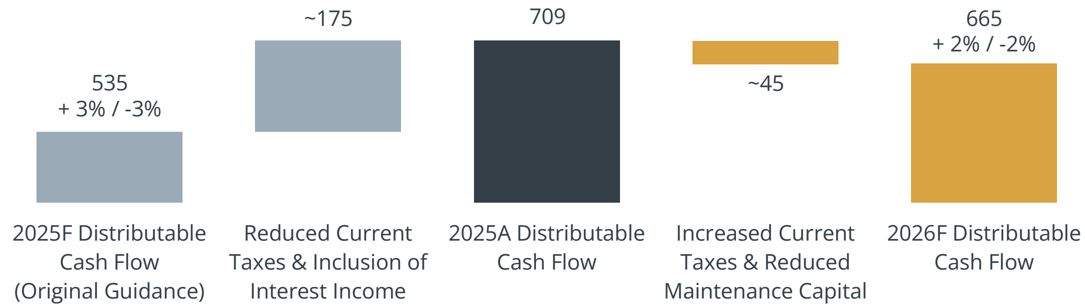
NORMALIZED EBITDA[3]

$ millions



DISTRIBUTABLE CASH FLOW[3]

$ millions



[1] See South Bow's August 5, 2026 news release *"South Bow Reports Second-quarter 2026 Results 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"* in 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"* in this presentation.

2026 Expected Range of Outcomes

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

Normalized EBITDA[1 2]
$1.04B
+ 2%

Pressure Restrictions Lifted over the Course of 2026

Tighter Differentials

Normalized EBITDA[1]	*Minimal Impact*
Distributable Cash Flow[1]	*Minimal Impact*
Variable Toll	*Reduced*

Wider Differentials

Normalized EBITDA[1]	*Modest Increase*
Distributable Cash Flow[1]	*Modest Increase*
Variable Toll	*Reduced*

Pressure Restrictions Remain in Place Throughout 2026

Tighter Differentials

Normalized EBITDA[1]	*Modest Decrease*
Distributable Cash Flow[1]	*Modest Decrease*
Variable Toll	*Unchanged*

Normalized EBITDA[1 2]
$1.04B

Wider Differentials

Normalized EBITDA[1]	*Minimal Impact*
Distributable Cash Flow[1]	*Minimal Impact*
Variable Toll	*Unchanged*

Normalized EBITDA[1 2]
$1.04B
- 1%

[1] Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to *"Advisory Statements"* in this presentation.
[2] See South Bow's August 5, 2026 news release *"South Bow Reports Second-quarter 2026 Results and Declares Dividend".*

APPENDIX

Q2 2026 Results

$ millions, except where noted	Three Months Ended			Six Months Ended	
	March 31, 2026	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
FINANCIAL RESULTS					
Normalized EBITDA[1]	257	**280**	250	**537**	516
Keystone Pipeline System	233	**259**	234	**492**	469
Marketing	9	**2**	(1)	**11**	15
Intra-Alberta & Other	15	**19**	17	**34**	32
Distributable cash flow[1]	168	**175**	167	**343**	324
Net debt[1,2]	4,738	**4,594**	4,903	**4,594**	4,903
Net debt-to-normalized EBITDA (ratio)[1,2]	4.7	**4.4**	4.6	**4.4**	4.6
OPERATIONAL RESULTS					
Keystone Pipeline System Operating Factor (%)	95	**93**	93	**94**	95
Keystone Pipeline throughput (Mbbl/d)	616	**596**	544	**606**	578
U.S. Gulf Coast segment of Keystone Pipeline System throughput (Mbbl/d)[3]	709	**800**	760	**755**	744
Marketlink throughput (Mbbl/d)	537	**642**	625	**590**	588

[1] Non-GAAP financial measure or non-GAAP ratio that may not be comparable to measures presented by other entities. Refer to *"Advisory Statements"* in 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: expectations regarding the remedial actions of the Milepost 171 incident, including the continued incorporation of findings into the Company's ongoing integrity management programs; expected dividends and the designation thereof; the Company's continued advancement of its growth strategy and its focuses; expectations regarding the advancement of the Prairie Connector project, including continued focus on obtaining regulatory certainty, anticipated timing of a FID, and the Company's share of estimated total pre-FID development costs in 2026; expected pipelines and facilities associated with the Prairie Connector project; the Company's continued evaluation of select inorganic growth opportunities that would strengthen the competitiveness of its base business and provide portfolio diversification; expectations regarding the advancement of the Liberty Bridge Pipeline project; expected pipelines and facilities associated with the Liberty Bridge Pipeline project; that South Bow's strategically positioned infrastructure continues to play an important role in connecting growing Western Canadian crude oil supply to key refining and export markets; South Bow's updated financial guidance for 2026 and beyond, including 2026 normalized EBITDA and third-quarter 2026 normalized EBITDA, 2026 financial charges, 2026 effective tax rate, 2026 distributable cash flow, 2026 growth and maintenance capital expenditures, 2026 net debt-to-normalized EBITDA ratio, and the Company's share of the total amount of pre-FID development costs anticipated to be incurred in 2026; that WCSB crude oil supply will grow modestly through 2026 and expectations regarding uncommitted capacity on the Keystone Pipeline as a result thereof; expectations regarding demand for capacity on the U.S. Gulf Coast segment of the Keystone Pipeline System; South Bow's expectation that its net debt-to-normalized EBITDA ratio will decline modestly through 2026; that South Bow's maintenance capital expenditures in 2026 will generally be recoverable through its tolling arrangements; South Bow's corporate vision and strategy, including its strategic and capital allocation priorities, its satisfaction thereof, and outlook; and South Bow's financial strength and flexibility.

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; the timely and effective implementation of the plan to remediate the material weakness in the Company's internal controls; 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; the remediation of the material weakness in the Company's internal controls and the timing thereof; the identification of additional material weaknesses or deficiencies in the Company's internal controls; 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 December 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 2026 normalized EBITDA and segment normalized EBITDA, third-quarter 2026 normalized EBITDA, 2026 financial charges, 2026 effective tax rate, 2026 distributable cash flow, 2026 growth and maintenance capital expenditures, 2026 net debt-to-normalized EBITDA ratio, and the Company's share of the total amount of pre-FID development costs anticipated to be incurred in 2026, 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" in* 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"* in 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 and six months ended June 30, 2026 (the Q2 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 Q2 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.

	Three Months Ended			Six Months Ended	
$ millions	March 31, 2026	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Income before income taxes	100	**174**	126	**274**	240
Adjusted for specific items:					
Depreciation and amortization	64	**65**	63	**129**	125
Interest expense	84	**84**	81	**168**	164
Interest income and other	(11)	**(5)**	(8)	**(16)**	(14)
Risk management instruments	32	**(37)**	(15)	**(5)**	(9)
Keystone variable toll disputes	(18)	**–**	–	**(18)**	–
Separation costs	1	**–**	3	**1**	6
Business development projects	5	**–**	–	**5**	–
Tariff charges	–	**–**	–	**–**	1
Keystone XL costs and other	–	**(1)**	–	**(1)**	3
Normalized EBITDA	257	**280**	250	**537**	516

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 in the Q2 2026 MD&A, 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.

	Three Months Ended			Six Months Ended	
$ millions	March 31, 2026	**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Income before income taxes	100	**174**	126	**274**	240
Adjusted for specific items:					
Depreciation and amortization	64	**65**	63	**129**	125
Income from equity investments	(13)	**(14)**	(13)	**(27)**	(26)
Distributions from equity investments	18	**3**	18	**21**	37
Maintenance capital expenditures[1 2]	(4)	**(4)**	(8)	**(8)**	(21)
Current income tax expense	(12)	**(19)**	(10)	**(31)**	(32)
Normalizing items, net of tax[3]	15	**(30)**	(9)	**(15)**	1
Distributable cash flow	168	**175**	167	**343**	324

[1] Supplementary financial measure. See *"Specified Financial Measures"* of the Q2 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.

$ millions, except ratios	March 31, 2026	**June 30, 2026**	June 30, 2025
Senior unsecured notes	4,665	**4,648**	4,688
Junior subordinated notes	1,086	**1,086**	1,086
Total long-term debt	5,751	**5,734**	5,774
Adjusted for:			
Hybrid treatment for junior subordinated notes[1]	(543)	**(543)**	(543)
Operating lease liabilities	25	**25**	20
Dividends payable	104	**104**	104
Cash and cash equivalents	(599)	**(726)**	(452)
Net debt	4,738	**4,594**	4,903
Normalized EBITDA for trailing four quarters[2]	1,013	**1,043**	1,068
Net debt-to-normalized EBITDA (ratio)	4.7	**4.4**	4.6

[1] Includes 50% equity treatment of junior subordinated notes.
[2] Calculated as the normalized EBITDA for the trailing four quarters from the applicable period end.

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