



Investor Day

NOVEMBER 19, 2025

Agenda

CONVERSATION WITH MANAGEMENT

Bevin Wirzba	President & Chief Executive Officer
Van Dafoe	Senior Vice-President & Chief Financial Officer
Richard Prior	Senior Vice-President & Chief Operating Officer

Q&A SESSION

BREAKOUT SESSIONS

Asset Integrity & Safe Operations

Gary Salsman	Vice President, Safety & Operations
Mark Yeomans	Vice President, Engineering & Pipeline Integrity

Growth Outlook

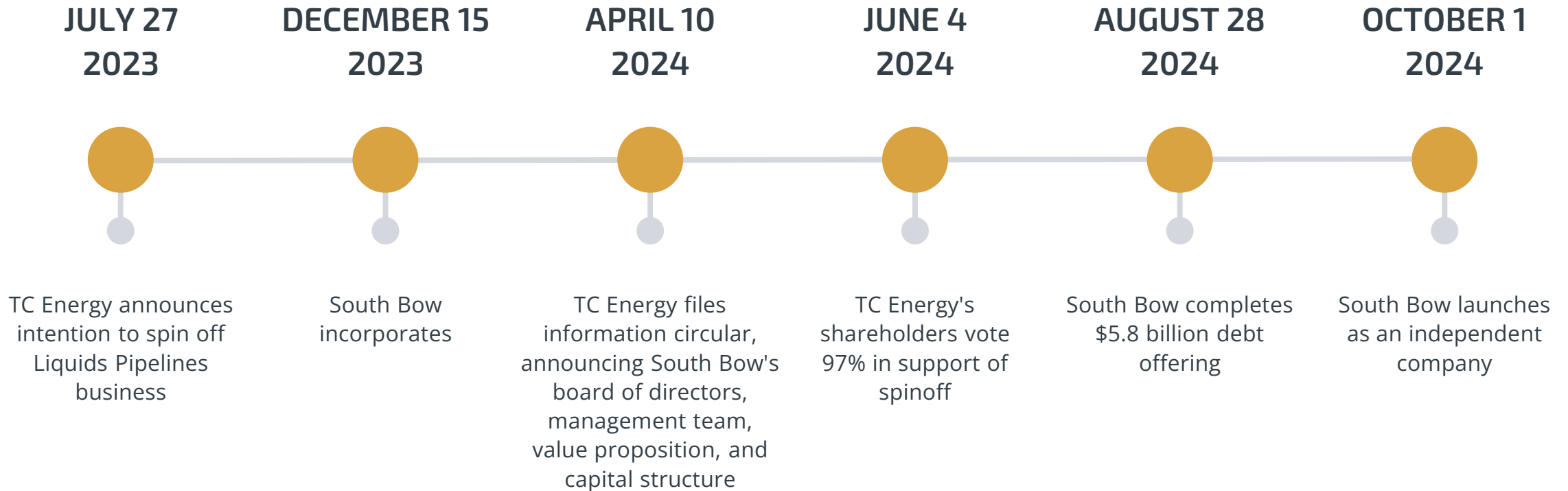
Richard Prior	Senior Vice-President & Chief Operating Officer
Blaine Trout	Vice President, Business Development & Commercial



Introduction

Establishing South Bow as an Independent Company

South Bow delivered on all milestones to successfully execute the spinoff transaction



South Bow at a Glance

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

4,900 km
pipeline
footprint

1.25 MMbbl/d
crude oil delivered
safely and reliably

90 %
2025F normalized
EBITDA¹ contracted

4.7 x
2025F net debt-to-
normalized EBITDA^{1 2}

\$2 /share
annual
dividend

31 %
total return
since inception³

\$11 billion
enterprise
value⁴

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

⁴ As of October 31, 2025.



South Bow Has 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 31%¹

TOTAL RETURNS¹



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

South Bow's Values in Action

Values-based culture is guiding strategic decision-making and long-term value creation

**WE ARE
SAFE**



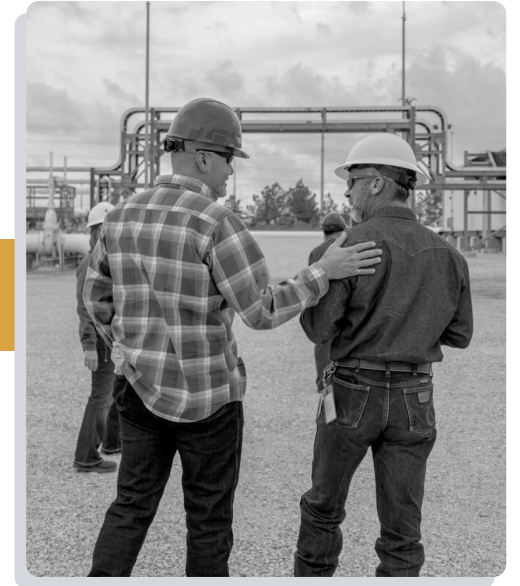
**WE DO THE
RIGHT THING**



**WE TAKE PRIDE
IN WHAT WE DO**



**WE WIN
AS A TEAM**



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



Strategic Overview

Operational and Portfolio Attributes

Building a resilient energy infrastructure company with a scalable, competitive, and diversified portfolio

	INITIAL STATE	TARGETED STATE
OPERATIONAL		
Safety	Focus on Lagging Indicators	Focus on Leading Indicators
Asset Integrity	Second-quartile	Industry-leading
System Availability	High Availability	High Availability
Cost Structure	Competitive	Industry-leading
PORTFOLIO		
Risk Profile	Low	Low
Number of Revenue Streams	3	Multiple
Geographic Split	~30% Canada / ~70% U.S.	Canada- and U.S.-focused
Marketing Segment Contribution	Low	Low

Financial and Capital Markets Attributes

Building a resilient energy infrastructure company with financial strength, scale, and attractive shareholder returns

	INITIAL STATE	TARGETED STATE
FINANCIAL		
Net Debt-to-normalized EBITDA Ratio ^{1 2}	5x	4x
Normalized EBITDA ¹ Growth Rate	2% to 3%	2% to 3% + Strategic Growth Upside
Dividend Payout Ratio – Net Income ³	~125%	<100%
Dividend Payout Ratio – Distributable Cash Flow ³	~75%	~65%
Build Multiple ⁴	6x to 8x	6x to 8x
CAPITAL MARKETS		
Enterprise Value	\$10B	>\$30B
Total Return Proposition	Double-digit Return	Double-digit Return

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 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.

⁴ Build multiple is a measure calculated by dividing expected capital expenditures by expected annualized normalized EBITDA, and may not be comparable to measures presented by other issuers.

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Capital Allocation Overview

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 Can Self-fund Its Base Value Proposition

South Bow can deliver on its capital allocation priorities without the need for outside capital

2025 FUNDING MODEL

\$ billions

1.2

0.9

0.6

0.3

0.0

Normalized
EBITDA¹

Distributable
Cash Flow¹

Debt Reduction

Growth Capital

Dividend

Inflows

Outflows

2026 FUNDING MODEL

\$ billions

1.2

0.9

0.6

0.3

0.0

Normalized
EBITDA¹

Distributable
Cash Flow¹

Debt Reduction &
Growth Capital

Dividend

Inflows

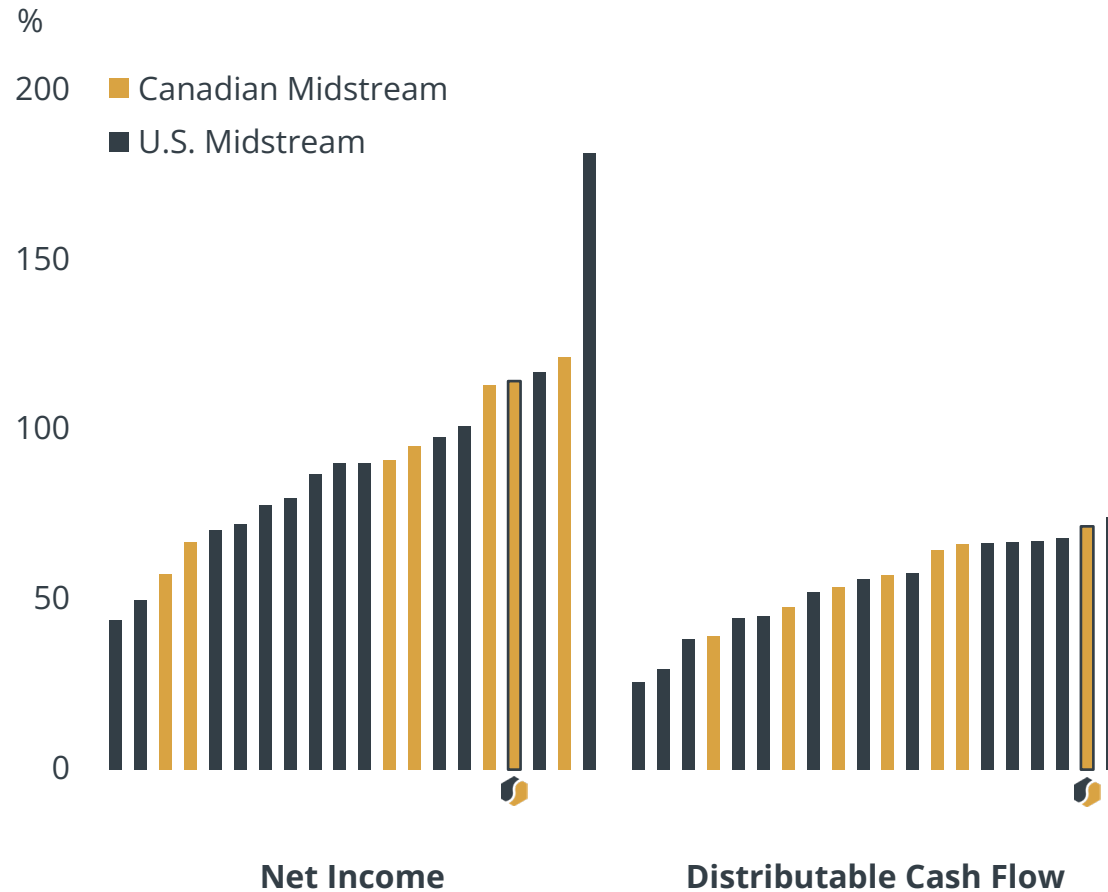
Outflows

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.

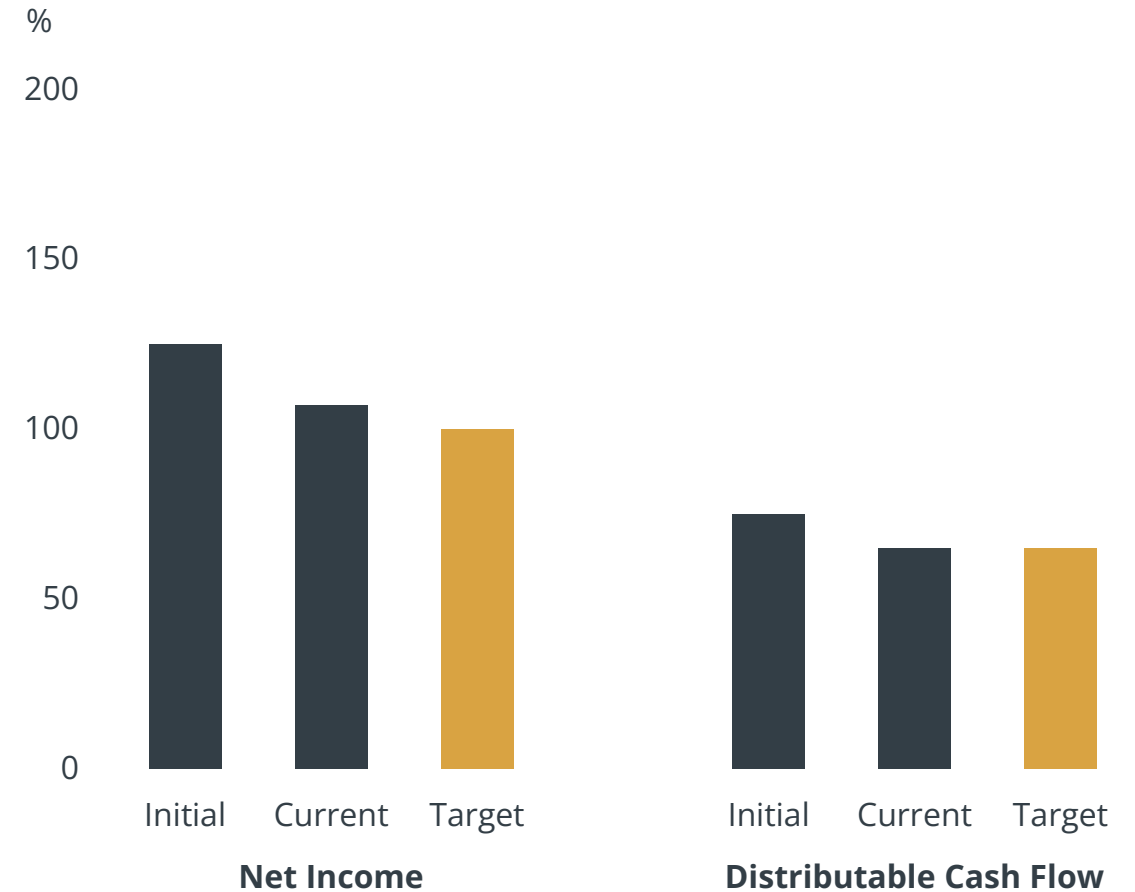
South Bow Pays a Sustainable Dividend

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

2026E DIVIDEND PAYOUT RATIO^{1 2 3}



SOUTH BOW'S DIVIDEND PAYOUT RATIO³



¹ Source: RBC Capital Markets; FactSet Research Systems Inc. (October 31, 2025).

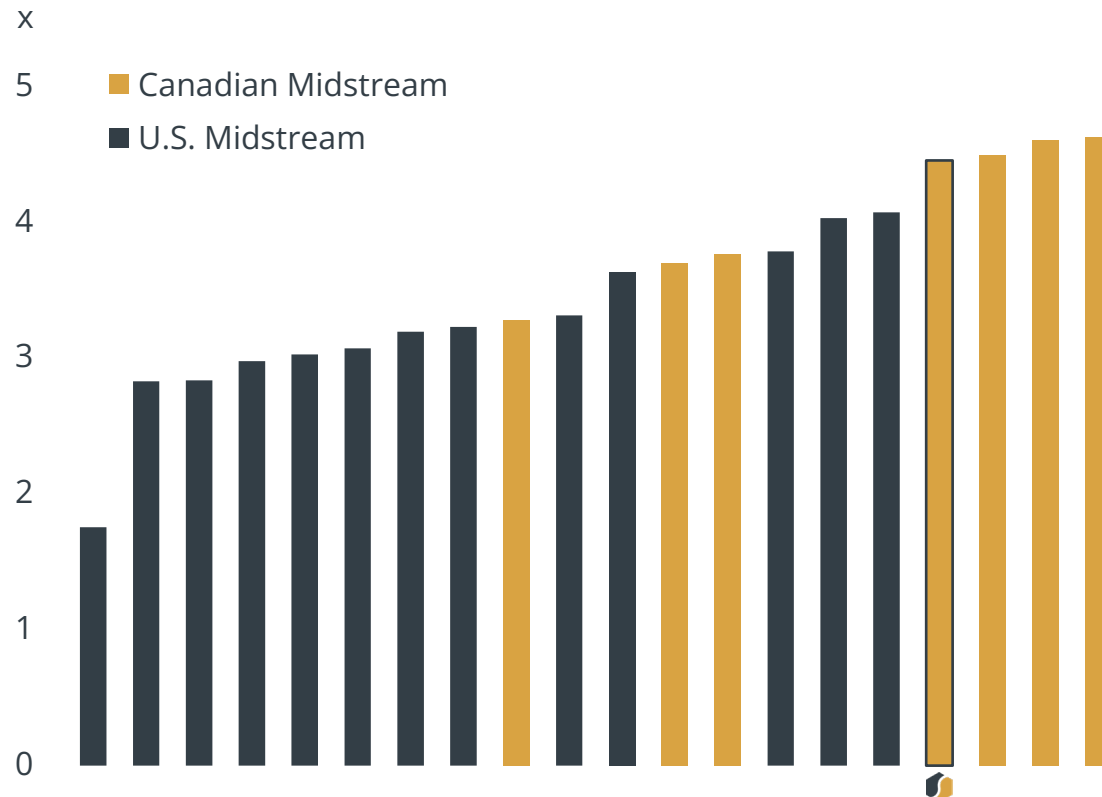
² Assumes a foreign exchange rate of C\$/U.S.\$1.40.

³ 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.

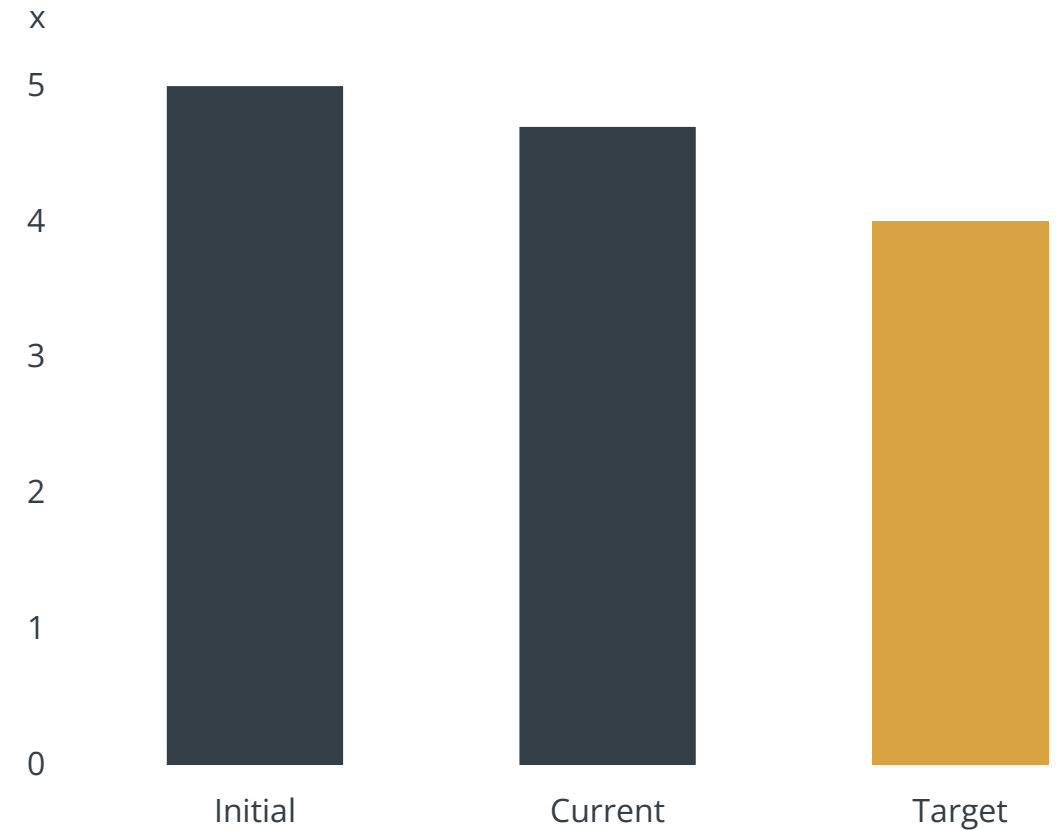
South Bow Is Strengthening Its Financial Position

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

2026E NET DEBT-TO-2026E EBITDA^{1 2 3}



SOUTH BOW'S NET DEBT-TO-NORMALIZED EBITDA^{3 4}



¹ Source: RBC Capital Markets; FactSet Research Systems Inc. (October 31, 2025).

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

³ Includes 50% equity treatment of junior subordinated notes.

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Asset Integrity Overview

South Bow Is Prioritizing the Integrity of Its Assets

South Bow's goal is to be an industry leader in asset integrity

APPROACH TO ASSET INTEGRITY

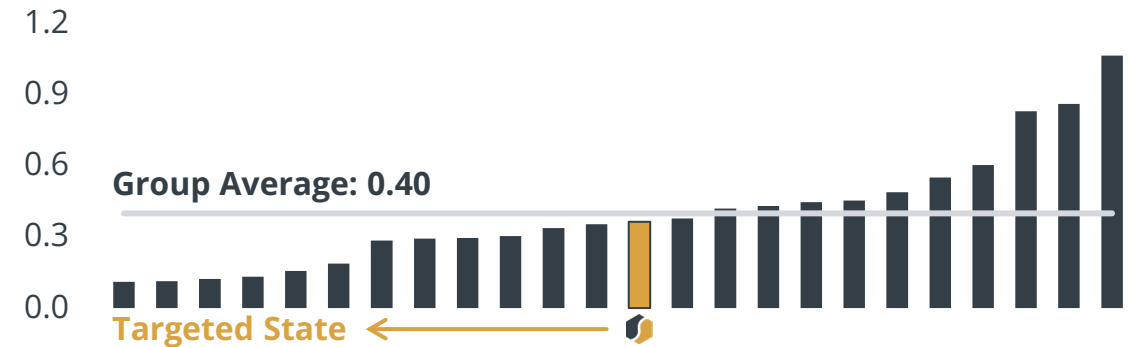
Take a proactive approach to integrity and risk management

Apply industry best practices, and measure and benchmark performance

Partner with industry to advance tool performance and technology

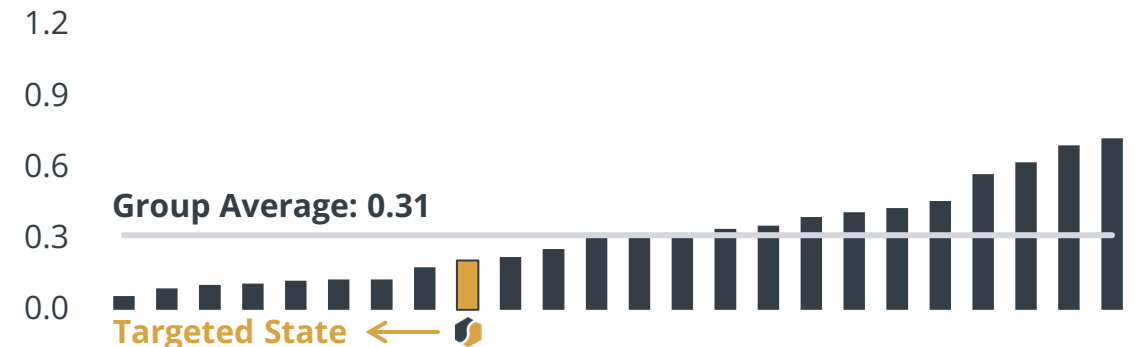
ACCIDENTS PER THOUSAND MILES¹²

10-year average



ACCIDENTS PER THOUSAND MILES¹²

5-year average



¹ Source: Pipeline and Hazardous Materials Safety Administration *National Pipeline Performance Measures* (October 31, 2025).

² Represents accidents impacting people or the environment for operators with over 1,600 miles of pipeline.

Initial Findings from Milepost 171

South Bow is incorporating findings into its remedial work plan and integrity programs

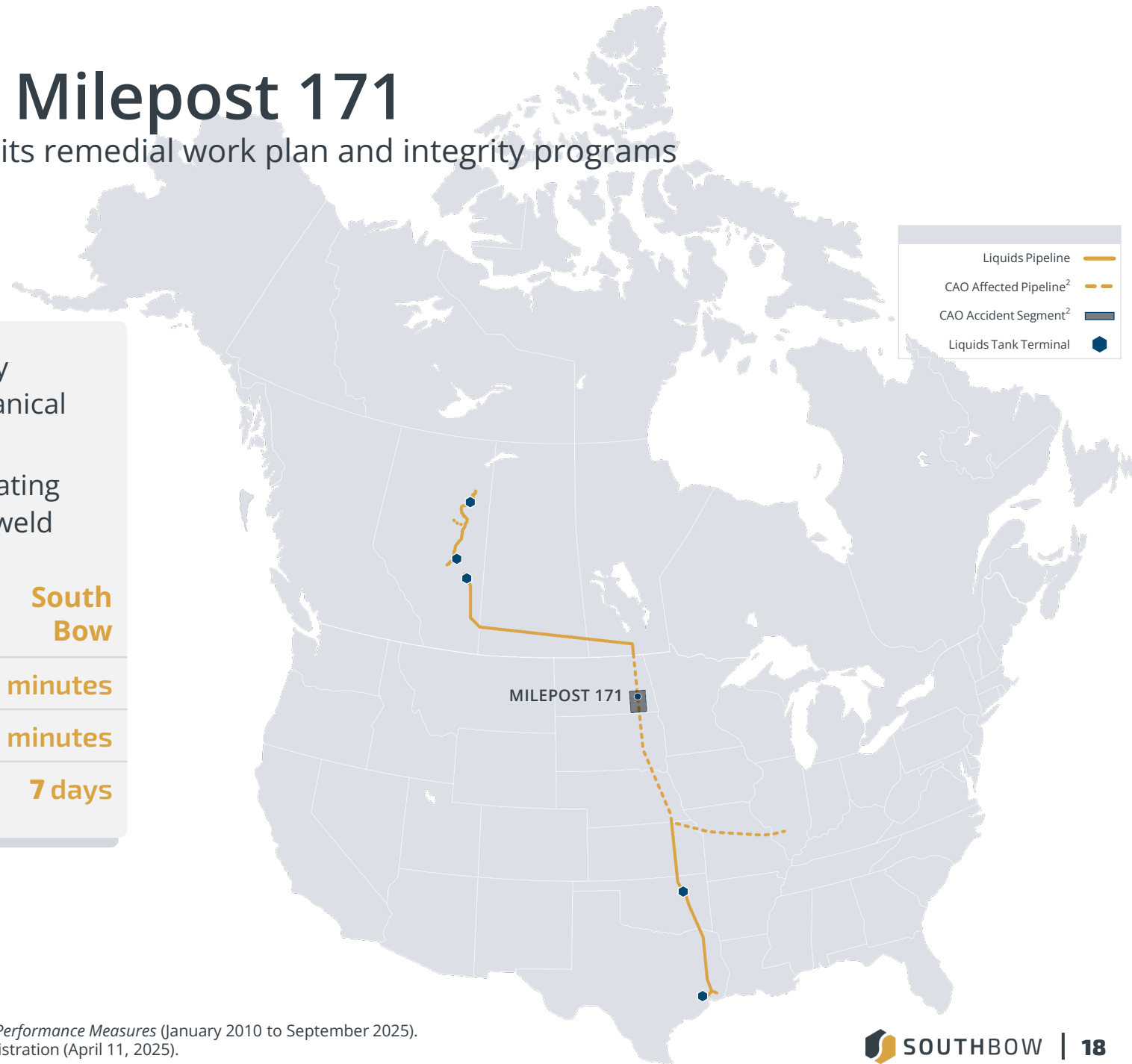
INITIAL FINDINGS

- Both pipe and welds conformed to industry standards for design, materials, and mechanical properties
- Failure resulted from a fatigue crack originating along the pipe's manufactured long-seam weld

	Industry Average ¹	South Bow
System Shutdown	~8 minutes	~2 minutes
System Isolation	~71 minutes	~8.5 minutes
System Restart		7 days

¹ Source: Pipeline and Hazardous Materials Safety Administration *National Pipeline Performance Measures* (January 2010 to September 2025).

² Corrective Action Order issued by Pipeline and Hazardous Materials Safety Administration (April 11, 2025).



South Bow's Response to Milepost 171

South Bow's comprehensive integrity program will ensure the long-term safety and integrity of its assets

MILEPOST 171 REMEDIAL ACTIONS

To improve the probability of feature detection:

- Conducting additional in-line inspection tool runs and integrity digs
- Addressing tool limitations
- Advancing and implementing new technology
- Evaluating frequency of investigation program



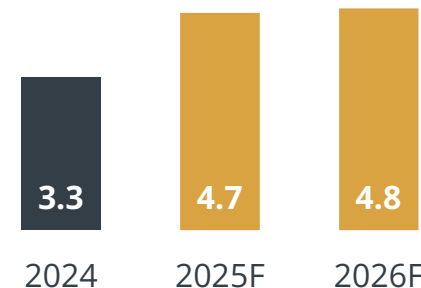
MILEPOST 171 REMEDIAL WORK¹

	Completed
In-line Inspections	6
Integrity Digs	37

COMPREHENSIVE INTEGRITY PROGRAM²

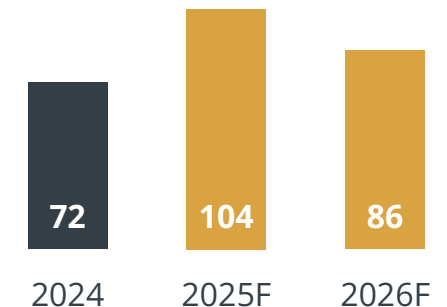
In-line Inspections

thousands of kilometres inspected



Integrity Digs

number



¹ As of November 13, 2025.

² Includes Milepost 171 remedial work.

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Market Outlook

Canadian Heavy Crude Oil Supply Is Resilient

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

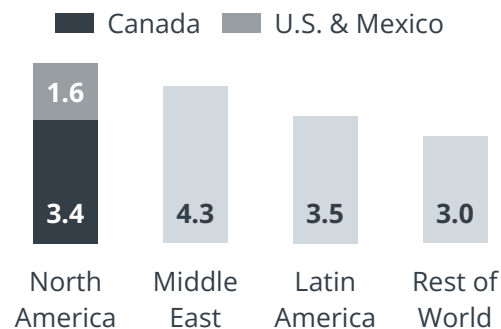
WCSB CRUDE OIL SUPPLY OUTLOOK¹

MMbbl/d



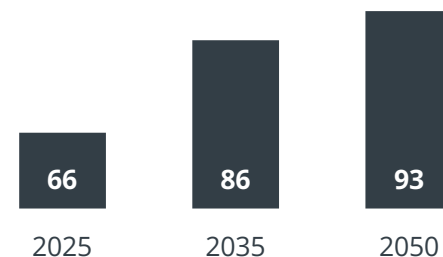
2025E GLOBAL HEAVY CRUDE OIL SUPPLY OUTLOOK²

MMbbl/d



WCSB SHARE OF NORTH AMERICAN HEAVY CRUDE OIL SUPPLY OUTLOOK¹

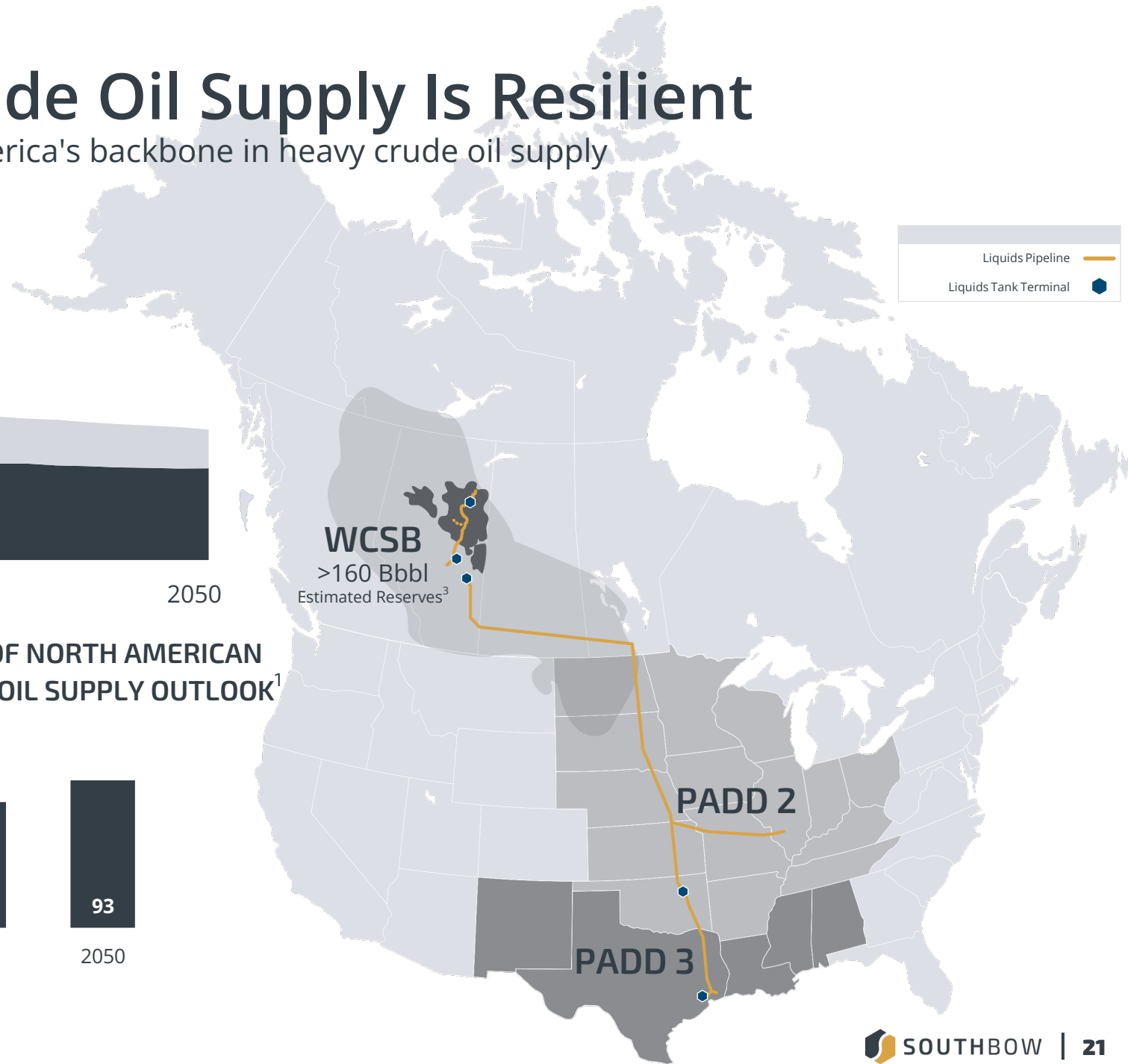
%



¹ Source: Wood Mackenzie North America Crude Market Service Outlook 2025.

² Source: Wood Mackenzie Global Crude Trade Strategic Planning Outlook 2025.

³ Source: Alberta Energy Regulator (October 31, 2025).

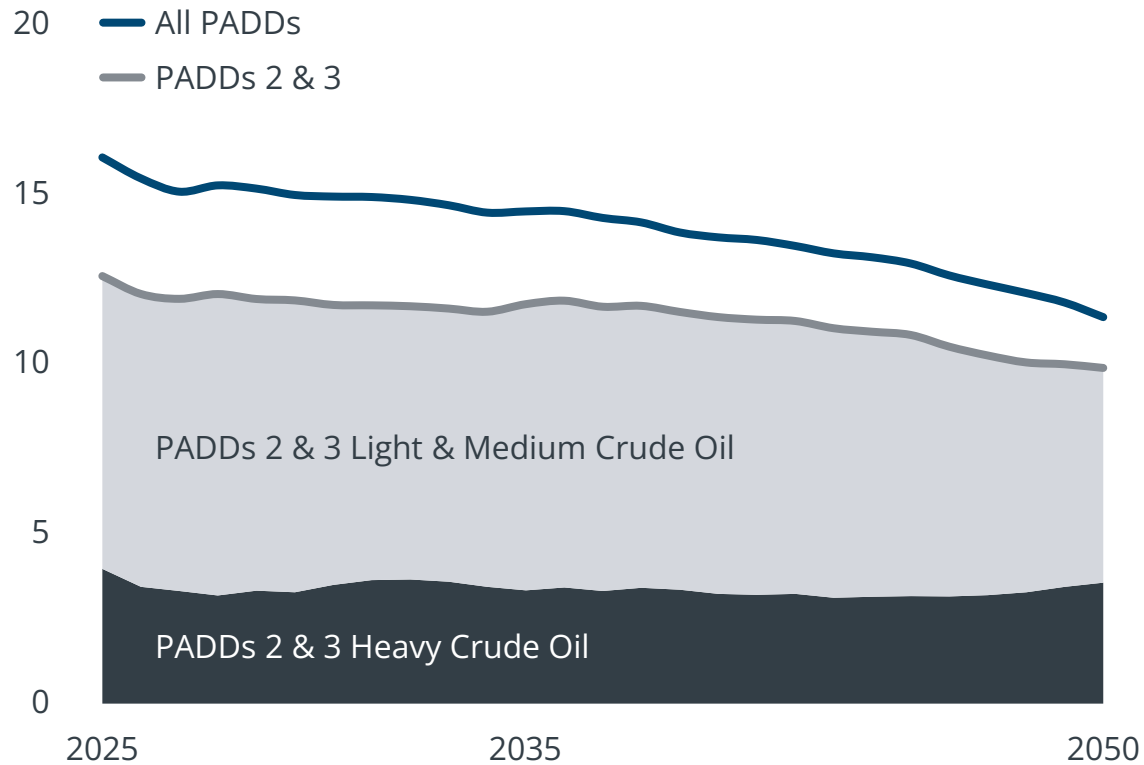


Demand for Canadian Heavy Crude Oil Is Enduring

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

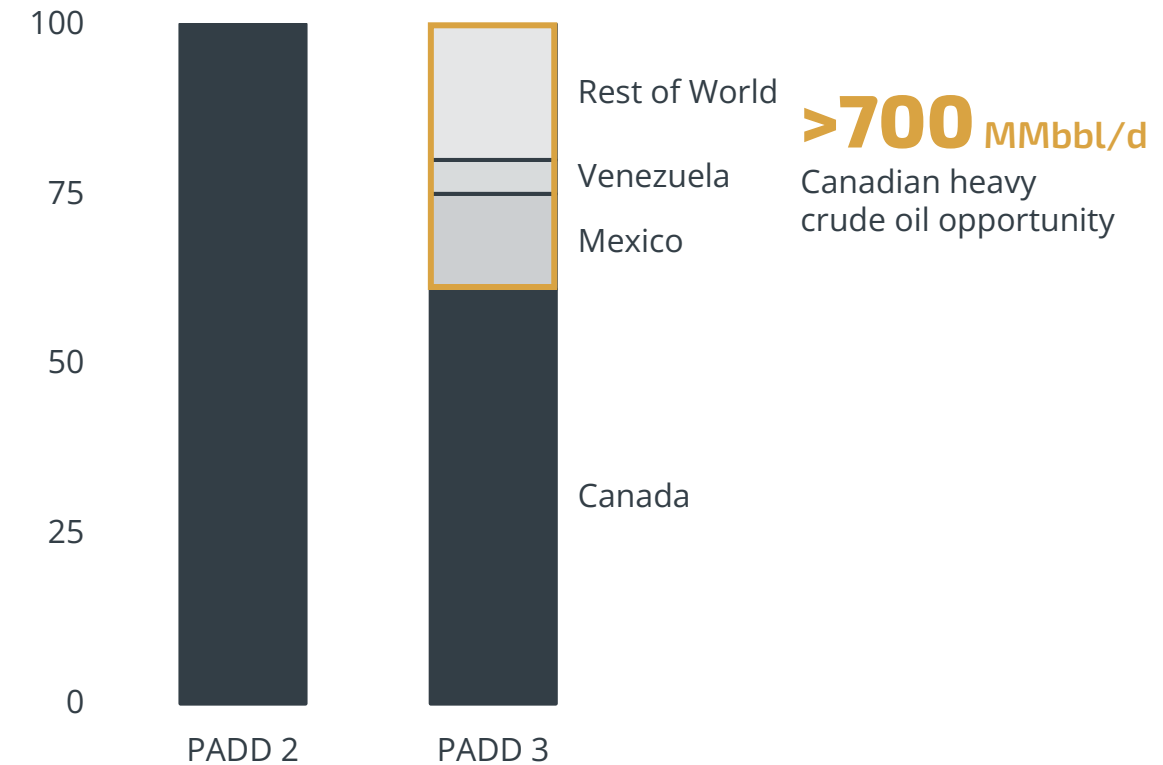
U.S. CRUDE OIL REFINING OUTLOOK¹

MMbbl/d



2025E PADDs 2 & 3 HEAVY CRUDE OIL SOURCES²

%



¹ Source: Wood Mackenzie North America Crude Market Service Outlook 2025.

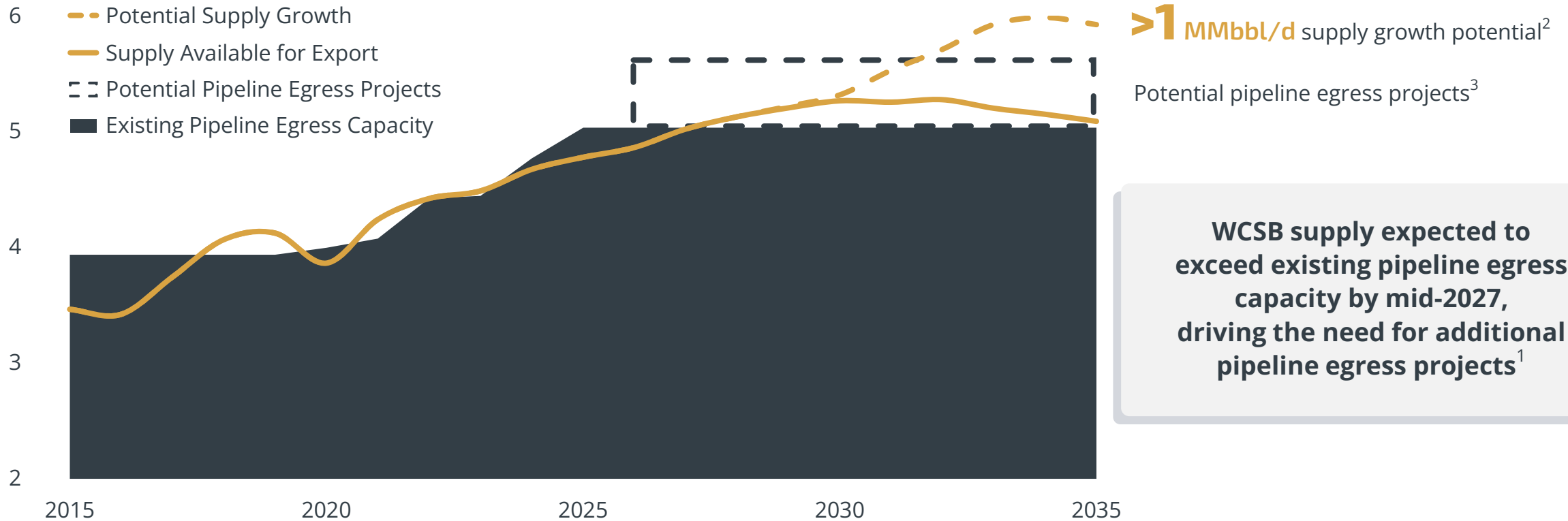
² Source: Wood Mackenzie Global Crude Trade Strategic Planning Outlook 2025.

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



¹ Source: Wood Mackenzie North America Crude Market Service Outlook 2025.

² Source: South Bow's internal projections.

³ Potential pipeline egress projects as of November 13, 2025.

South Bow's Corridor Is Unrivalled and Preferred

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.



Growth Outlook

South Bow Is Maturing and Executing Its Growth Portfolio

South Bow is evaluating several opportunities to deliver on its strategic portfolio objectives

SCREENING / MATURING

Organic & Inorganic Opportunities

~20

opportunities

65 % | 35 %

Canada

U.S.

Organic Opportunities

~\$4 B

potential capital investment
(\$1MM to \$2B)

6x to 8x

build multiple¹

SANCTIONED

Blackrod Connection Project

\$180MM
capital investment

6x
build multiple¹

BLACKROD CONNECTION PROJECT



¹ Build multiple is a measure calculated by dividing expected capital expenditures by expected annualized normalized EBITDA, and may not be comparable to measures presented by other issuers.

Blackrod Connection Project

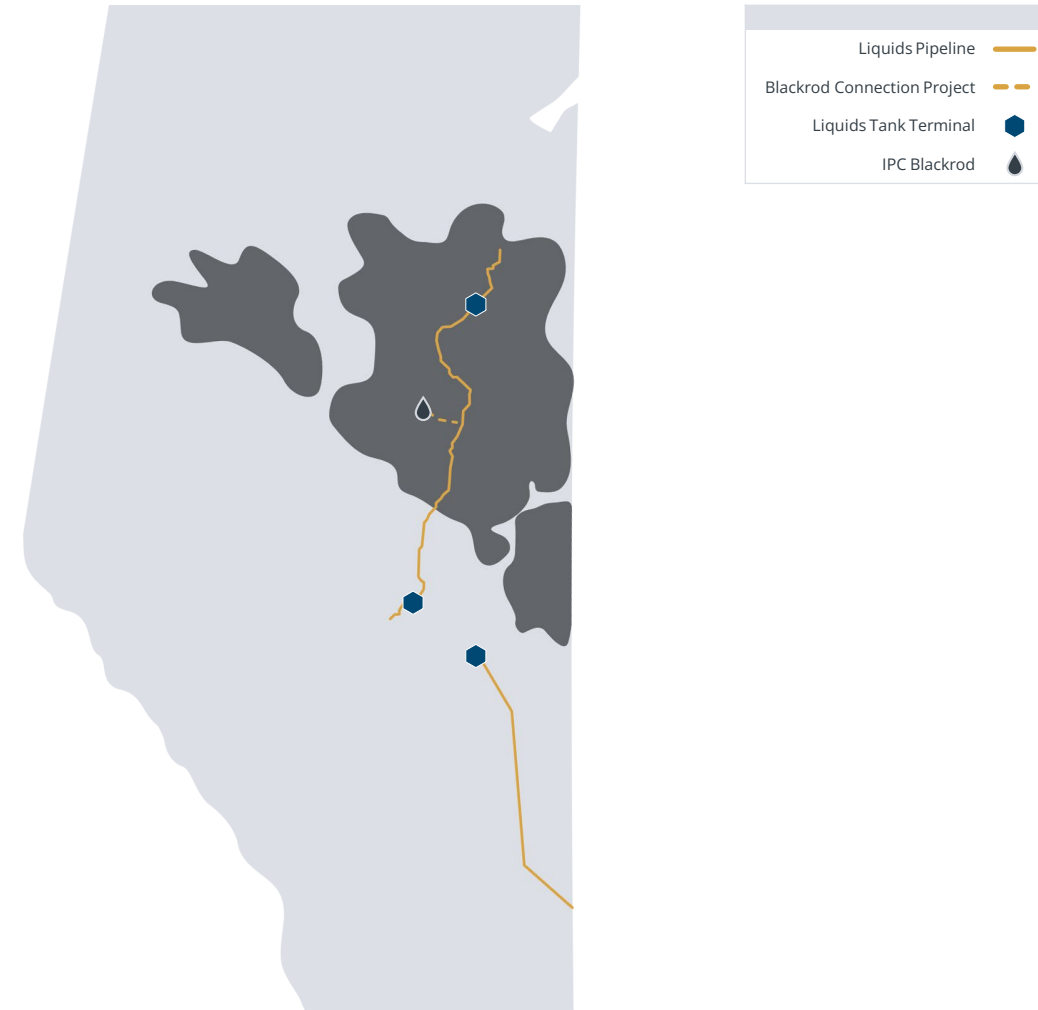
Demonstrating safety and project execution excellence with South Bow's first major growth project

PROJECT OVERVIEW

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

- 25-km crude oil and natural gas pipelines
- Associated facilities

Project Sanction	Q2 2024
Project Status	95 % complete
Construction Hours Worked	>400,000 hours
Safety Performance	0 recordable incidents
Capital Investment ¹	\$180 MM
Build Multiple ²	6 x
Ready for In-service	Early 2026

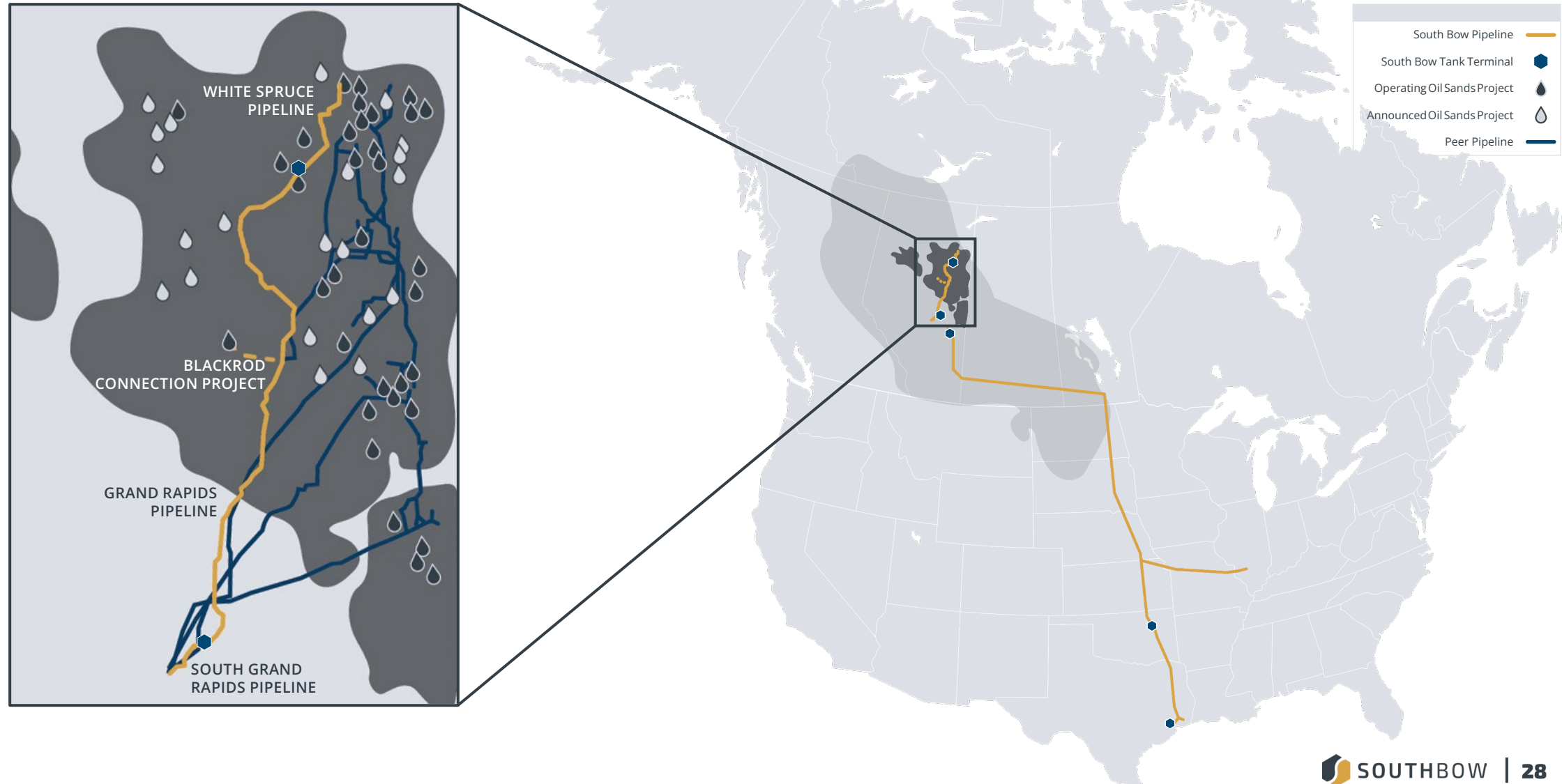


¹ Supplementary financial measure that may not be comparable to measures presented by other entities. Refer to "Advisory Statements" of this presentation.

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Intra-Alberta Growth Potential

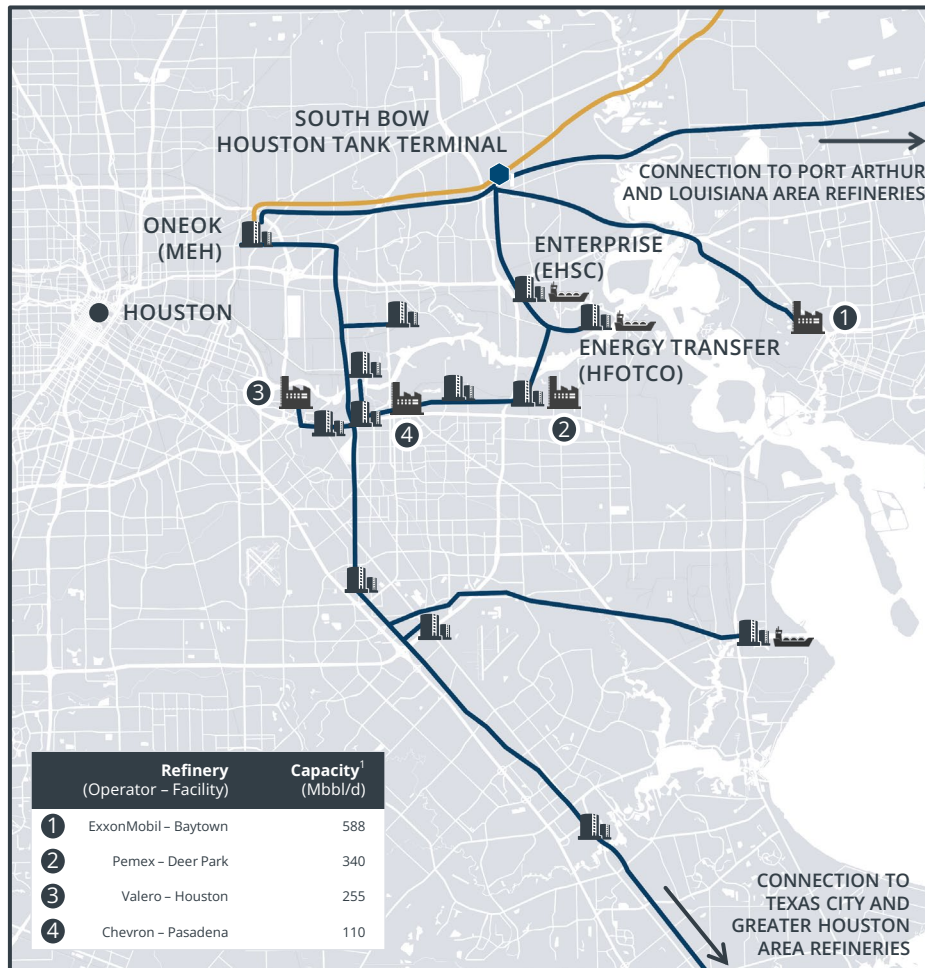
South Bow is well-positioned to capitalize on potential oil sands supply growth



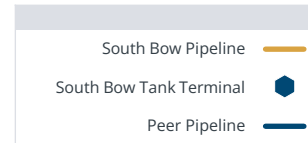
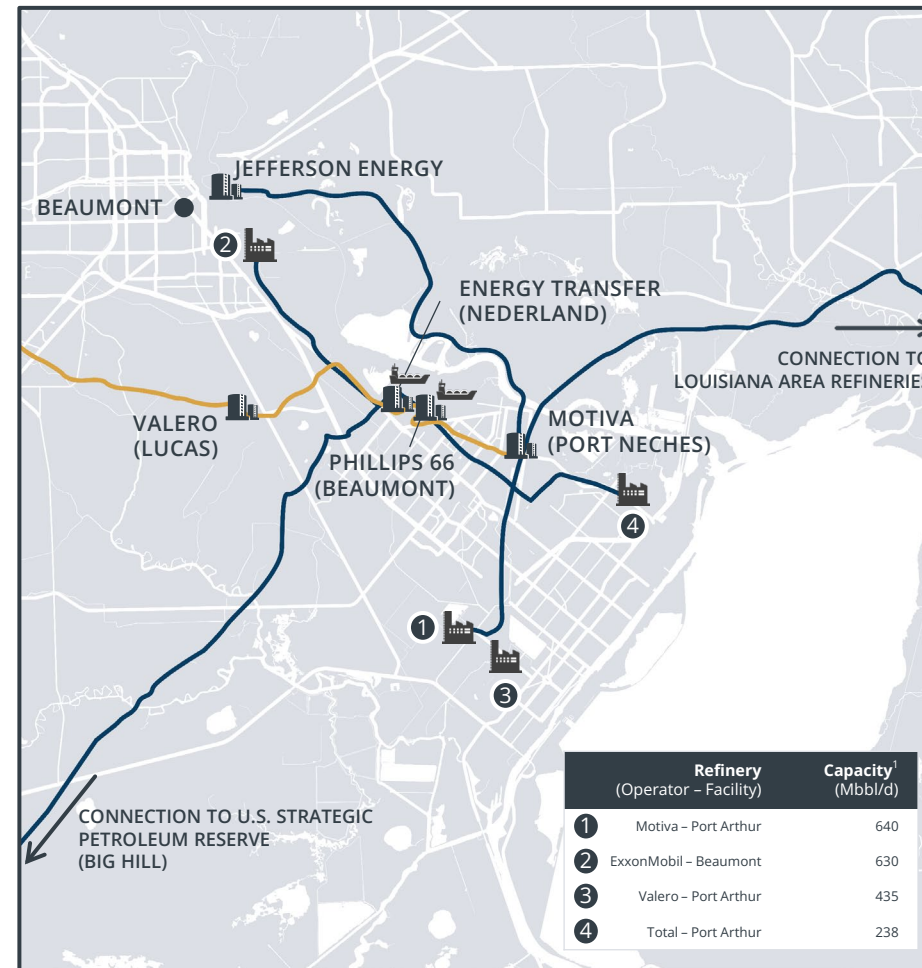
U.S. Gulf Coast Connectivity Potential

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.

Evaluating Strategic Inorganic Opportunities

South Bow will exercise discipline in evaluating inorganic opportunities

Adheres to capital allocation priorities

Possesses similar risk profile and passes 'logic' test

Leverages existing corridors, competitive advantages, and creates unique synergies

Delivers accretion on per-share metrics and corporate overhead costs

Strengthens competitiveness of base business

Financed with optimized capital structure

Financing South Bow's Growth Portfolio

South Bow will finance larger-scaled growth with an optimized capital structure

FINANCING OPTIONS

CASH

Lower Cost of Capital

DEBT

PROJECT FINANCE

INSURANCE & PRIVATE CAPITAL

NEW EQUITY

Higher Cost of Capital

FINANCING CRITERIA

- Adheres to capital allocation priorities
- Protects dividend sustainability
- Preserves investment-grade credit rating
- Maintains leverage neutrality
- Delivers per-share accretion



2026 Outlook

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 2026 Guidance

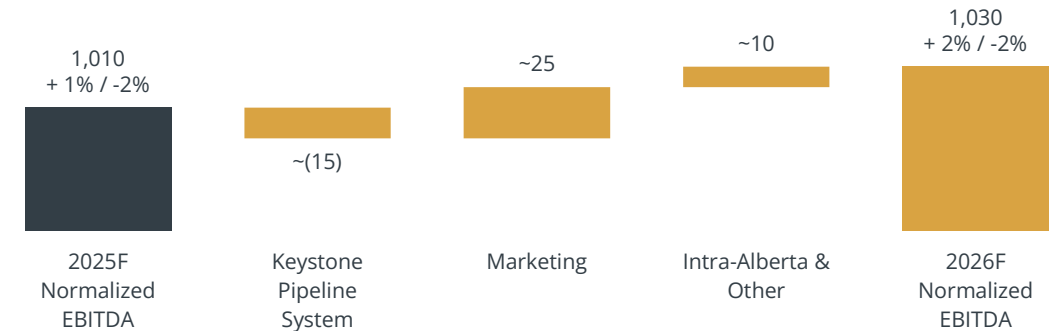
Financial outlook is underpinned by highly contracted and stable cash flows

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

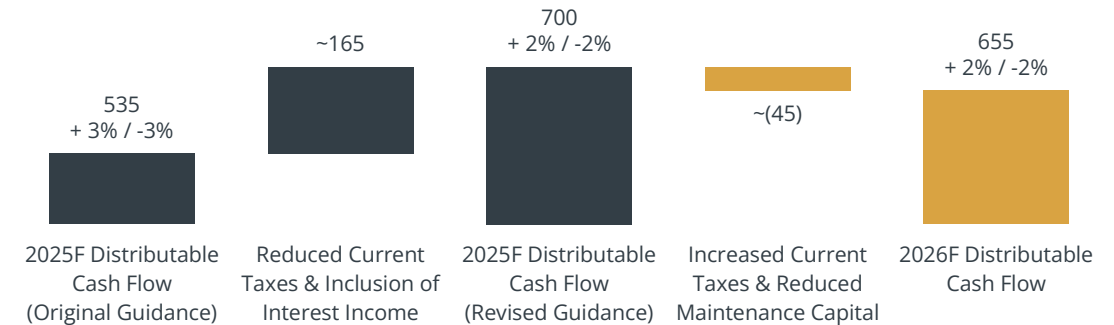
NORMALIZED EBITDA³

\$ 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	<i>Minimal Impact</i>
Distributable Cash Flow	<i>Minimal Impact</i>
Variable Toll	<i>Reduced</i>

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

**Pressure Restrictions
Remain in Place
Throughout 2026**

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

Normalized
EBITDA¹
\$1.03B

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

Tighter Differentials

Wider Differentials

Normalized
EBITDA¹
\$1.03B
- 2%

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.



Closing Remarks

2025 Investor Day Takeaways

1

South Bow is prioritizing safe operations and the integrity of its assets

2

South Bow is leveraging an irreplicable corridor to drive growth and competitive differentiation

3


South Bow is executing a portfolio strategy that focuses on scale, diversification, and financial strength

4

South Bow is delivering a clear and disciplined capital allocation strategy focused on long-term shareholder value creation


Why Invest in South Bow?

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

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Advisory Statements

Advisory Statements

FORWARD-LOOKING INFORMATION

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: South Bow's corporate vision and strategy, including its strategic and capital allocation priorities, its satisfaction thereof, and outlook; targeted operational, portfolio, financial, and capital markets attributes; expected priorities in evaluating growth opportunities and related financing; the Blackrod Connection Project, including in-service dates, and costs thereof, expected cash flows associated with the project coming into commercial service, and future expected investment associated with the project; PHMSA approvals and satisfaction of the Corrective Action Order; anticipated finalization of the Company's work plan in response to the Corrective Action Order; expected interest expense, financial charges, and effective tax rate; expected capital expenditures; expected dividends; and the sustainability and stability thereof; target payout ratio; expected shareholder returns and asset returns; the priorities of the 2026 budget, including strengthening the Company's financial position, maturing and executing a portfolio of organic and inorganic growth opportunities, and delivering strong and sustainable returns to shareholders; demand for uncommitted capacity on the Keystone Pipeline System; expected crude oil supply, demand, and market fundamentals, including in the U.S. Gulf Coast and WCSB; expected pricing differentials on the U.S. Gulf Coast segment of the Keystone Pipeline System; treatment under current and future regulatory regimes, including those relating to taxes, tariffs, and the environment; South Bow's financial guidance for 2025, 2026, and beyond, including 2025 and 2026 normalized EBITDA, 2025 interest expense and 2026 financial charges, 2025 and 2026 distributable cash flow, and 2025 and 2026 capital expenditures; 2025 and 2026 net debt-to-normalized EBITDA ratio; expected financial contributions of the Keystone Pipeline System, Marketing, and Intra-Alberta & Other segments; anticipated normalized EBITDA in 2026 by operating segment; 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; expected low risk associated with committed shipper arrangements; expected exit of the Transition Services Agreement with TC Energy and implementation of the SCADA system; expected sharing of investigative, root cause, and failure mechanism findings related to the Milepost 171 incident; expected ability to meet contractual throughput commitments on the Keystone Pipeline under the Corrective Action Order; the expectation that South Bow will ensure safe and reliable operations on the Keystone Pipeline; targeted accidents per thousand miles improvements; expected remedial actions, timing for, and cost and coverage of, the remediation of the Milepost 171 incident; potential financial contributions from uncommitted capacity on the Keystone Pipeline System; and potential impacts of the findings of the root cause analysis, including planned actions by the Company to address such findings in 2025 and 2026, and response to the Milepost 171 incident on the financial and operational outlook.

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; 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 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 dated March 5, 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 U.S. Securities and Exchange Commission at www.sec.gov.

Advisory Statements

FORWARD-LOOKING INFORMATION (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 2025 and 2026 normalized EBITDA and segment normalized EBITDA, 2025 interest expense and 2026 financial charges, 2025 and 2026 distributable cash flow, 2025 and 2026 effective tax rate, 2025 and 2026 net debt-to-normalized EBITDA ratio, and 2025 and 2026 growth and maintenance capital expenditures 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 2025 and 2026 budgets, as applicable, which are 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 2025 and 2026, and such information may not be appropriate for other purposes.

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 or exclude 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 and nine months ended September 30, 2025 (the Q3 2025 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 Q3 2025 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 described in "Specified Financial Measures" of the Q3 2025 MD&A, in addition to excluding charges for depreciation and amortization, interest expense, interest income and other, and other income.

Normalized EBITDA 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 reasonable efforts. Guidance for normalized EBITDA is calculated in the same manner as described above for historical normalized EBITDA, as applicable.

\$ millions	Three Months Ended			Nine Months Ended	
	June 30, 2025	Sept. 30, 2025	Sept. 30, 2024	Sept. 30, 2025	Sept. 30, 2024
Income before income taxes	126	104	90	344	346
Adjusted for specific items:					
Depreciation and amortization	63	64	61	189	184
Interest expense	81	84	115	248	304
Interest income and other	(8)	(9)	(27)	(23)	(40)
Other income	–	(20)	–	(20)	–
Risk management instruments	(15)	(16)	(23)	(25)	(49)
Keystone variable toll disputes	–	43	11	43	11
Separation costs	3	2	20	8	30
Tariff charges	–	–	–	1	–
Keystone XL costs and other	–	2	15	5	15
Normalized EBITDA	250	254	262	770	801

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, adjusted for the normalizing items described in "Specified Financial Measures" of the Q3 2025 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 reasonable 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			Nine Months Ended	
	June 30, 2025	Sept. 30, 2025	Sept. 30, 2024	Sept. 30, 2025	Sept. 30, 2024
Income before income taxes	126	104	90	344	346
Adjusted for specific items:					
Depreciation and amortization	63	64	61	189	184
Income from equity investments	(13)	(12)	(12)	(38)	(37)
Distributions from equity investments	18	14	17	51	50
Maintenance capital expenditures ^{1 2}	(8)	(11)	(22)	(32)	(46)
Current income tax expense	(10)	71	38	39	(37)
Normalizing items, net of tax ³	(9)	6	18	7	6
Distributable cash flow	167	236	190	560	466

¹ Supplementary financial measure. See "Specified Financial Measures" of the Q3 2025 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, per the Company's consolidated balance sheets.

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</i>	June 30, 2025	Sept. 30, 2025	Sept. 30, 2024
Long-term debt to affiliates of TC Energy	–	–	4,677
Senior unsecured notes	4,688	4,665	4,686
Junior subordinated notes	1,086	1,086	1,089
Total long-term debt	5,774	5,751	10,452
Adjusted for:			
Hybrid treatment for junior subordinated notes ¹	(543)	(543)	(545)
Operating lease liabilities	20	25	22
Dividends payable	104	104	–
Cash and cash equivalents	(452)	(501)	(622)
Restricted cash held in escrow ²	–	–	(4,480)
Net debt	4,903	4,836	4,827
Normalized EBITDA for trailing four quarters	1,068	1,060	1,079
Net debt-to-normalized EBITDA (ratio)	4.6	4.6	4.5

¹ Includes 50% equity treatment of junior subordinated notes.

² Senior unsecured notes and junior subordinated notes were issued on August 28, 2024, of which \$1.25 billion was used to repay long-term debt to affiliates of TC Energy; the remaining proceeds were held in escrow until completion of the Spinoff on October 1, 2024.



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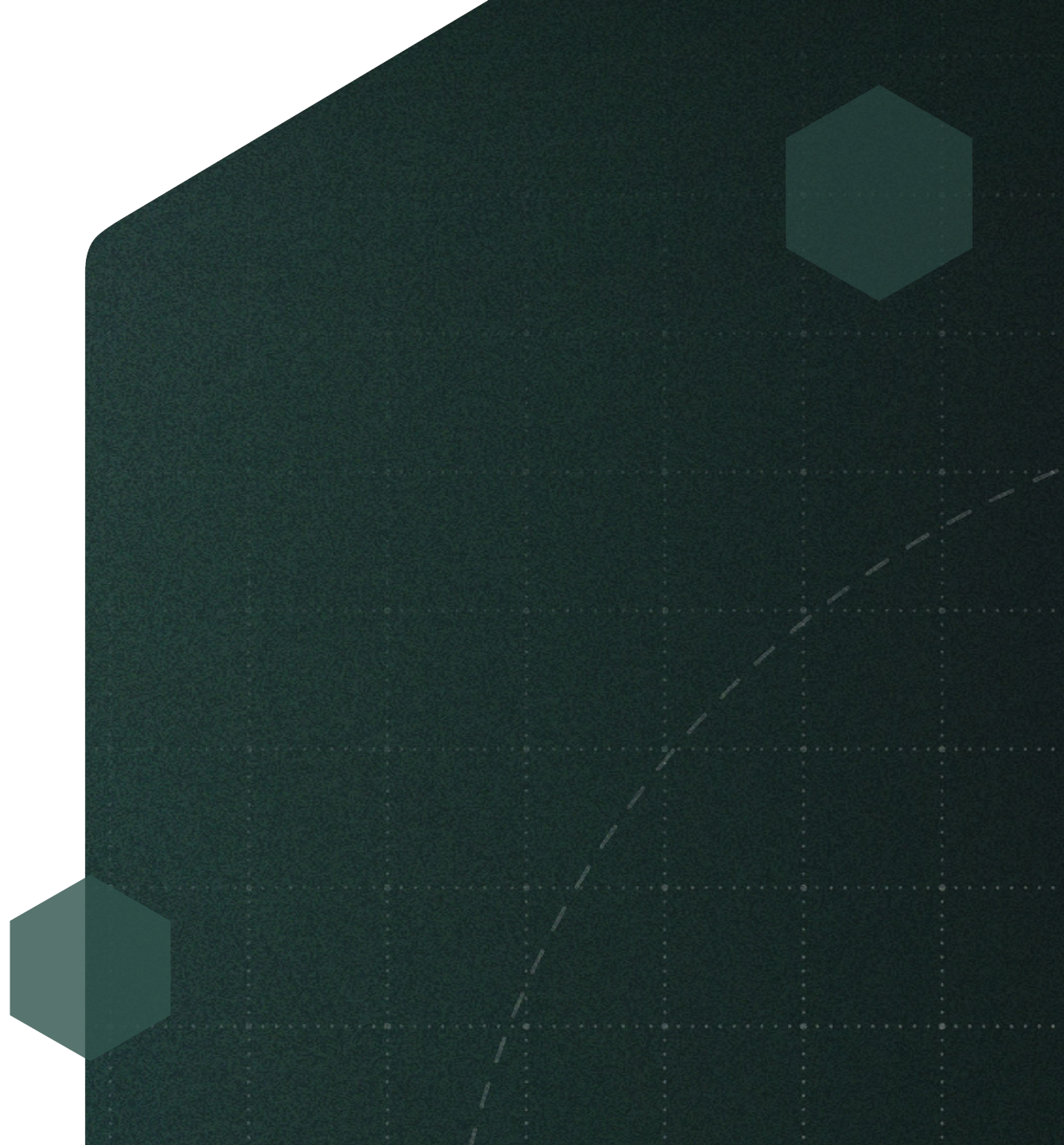
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