



Corporate Presentation

DECEMBER 2025

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

7.6 MMbbl Terminal storage capacity

FINANCIAL HIGHLIGHTS¹

208 million Shares outstanding

\$5.4 billion Market capitalization

\$10.8 billion Enterprise value²

\$2.00 /share Annual base dividend³

~8 % Dividend yield

¹ As of October 31, 2025.

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

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



Q3 2025 Highlights

Delivered stable financial results and demonstrated project execution excellence

FINANCIAL STABILITY

\$254 MM

Normalized EBITDA¹

Normalized EBITDA associated with higher maintenance capital expenditures offset by expected Marketing losses

\$236 MM

Distributable Cash Flow¹

Reflects changes in U.S. tax legislation and South Bow's tax optimization efforts

4.6 x

Net Debt-to-normalized EBITDA Ratio^{1 2 3}

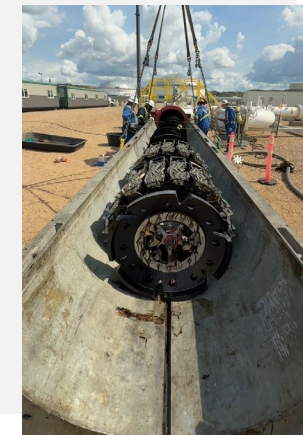
Maintained strong financial position while progressing the Blackrod Connection Project and Milepost 171 remedial actions

BLACKROD CONNECTION PROJECT

- Achieved mechanical completion and placed the project's 25-km natural gas pipeline into commercial service
- Remain on schedule to be ready for in-service in early 2026
 - Cash flows expected to increase throughout H2 2026 and into 2027

MILEPOST 171 UPDATE

- Continue to advance remedial actions, completing 6 in-line inspections and 37 integrity digs to date
- Timing of independent third-party root cause analysis impacted by U.S. federal government shutdown



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 Normalized EBITDA for the trailing four quarters. Net debt includes 50% equity treatment of junior subordinated notes.

³ South Bow expects that its net debt-to-normalized EBITDA ratio will increase modestly through the remainder of 2025 as the Company continues to invest in the Blackrod Connection Project and incur one-time separation costs of approximately \$30 to \$40 million associated with the Spinoff in 2025. South Bow anticipates exiting 2025 with a net debt-to-normalized EBITDA ratio of approximately 4.7 times.

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

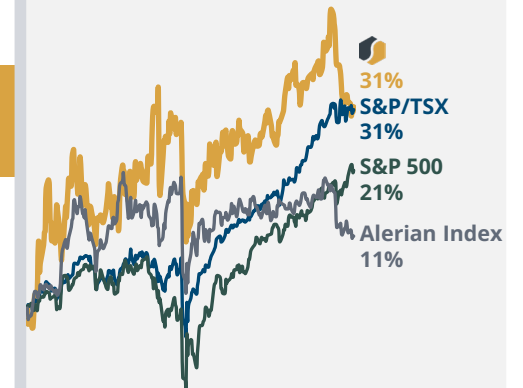
PROJECT EXECUTION

- 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 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 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

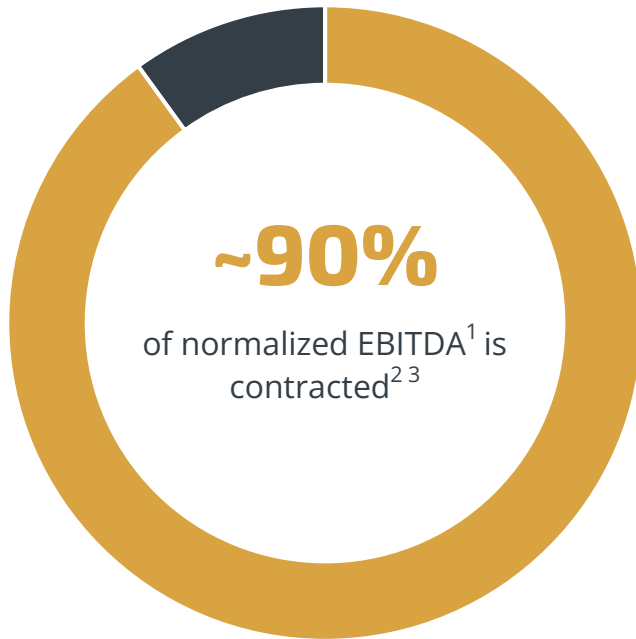
PEER PIPELINES¹
U.S. GULF COAST
~30 DAYS

¹ Source: Company reports.

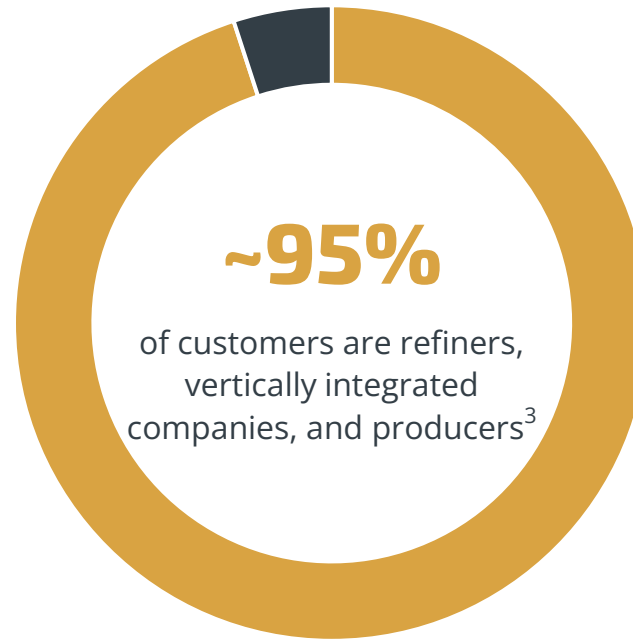
High-quality Contractual Framework

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

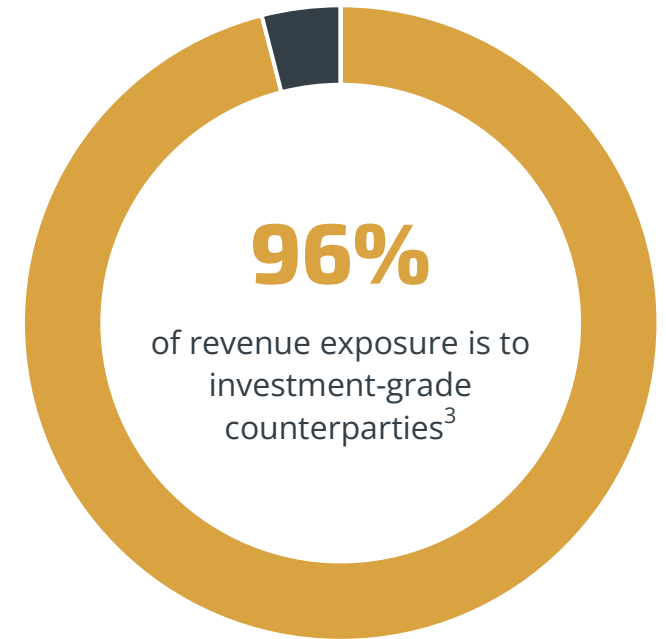
HIGHLY CONTRACTED CASH FLOWS



STRONG STRUCTURAL DEMAND FOR SERVICES



CREDITWORTHY CUSTOMER BASE



NORMALIZED EBITDA¹-WEIGHTED AVERAGE REMAINING CONTRACT TERM OF ~8 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.

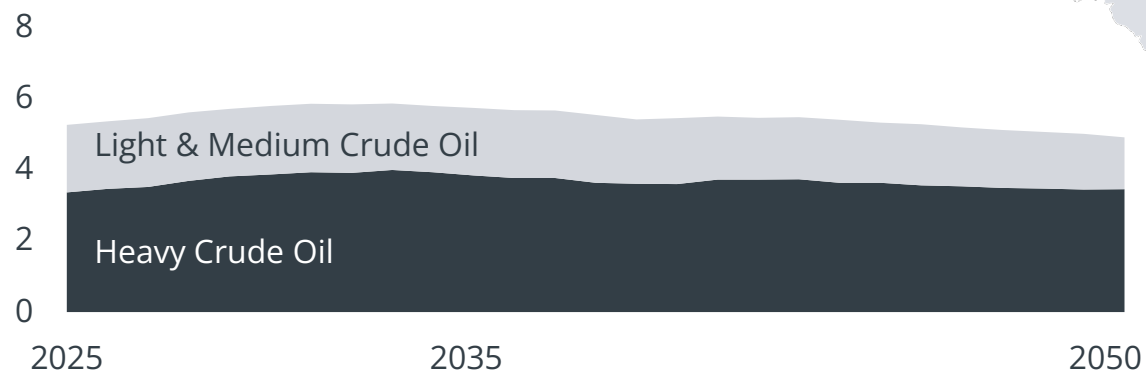
³ As of December 31, 2024.

Canadian Heavy Crude Oil Supply Is Resilient

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

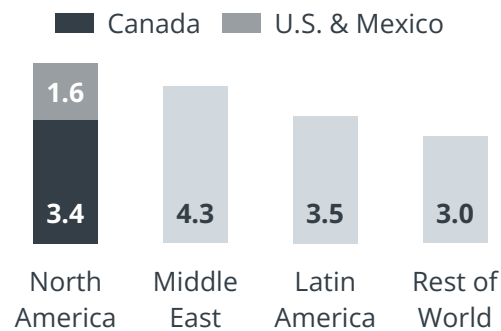
WCSB CRUDE OIL SUPPLY OUTLOOK¹

MMbbl/d



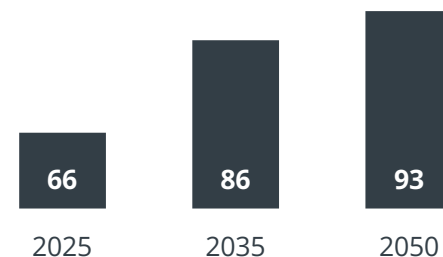
2025E GLOBAL HEAVY CRUDE OIL SUPPLY OUTLOOK²

MMbbl/d



WCSB SHARE OF NORTH AMERICAN HEAVY CRUDE OIL SUPPLY OUTLOOK¹

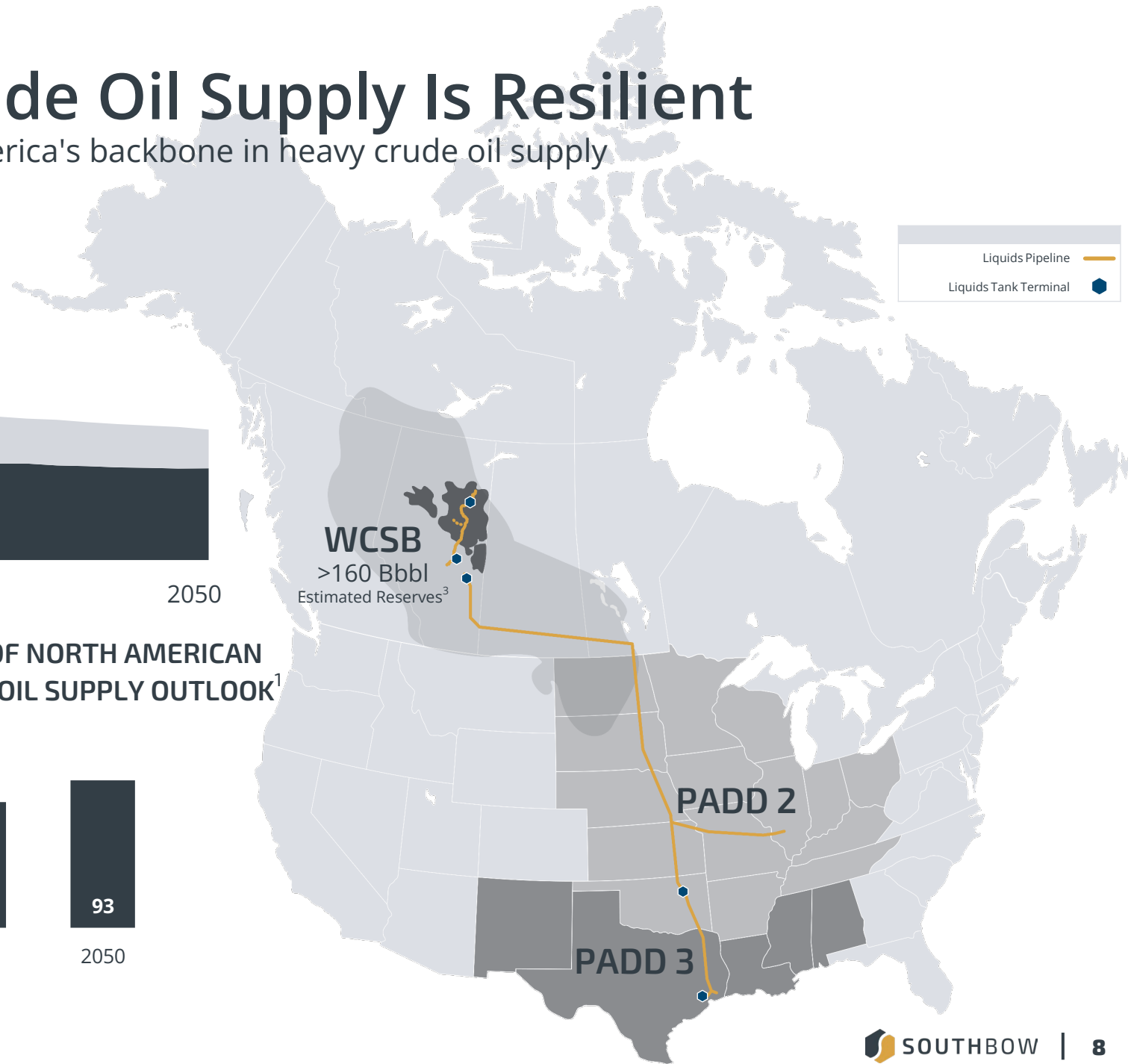
%



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).

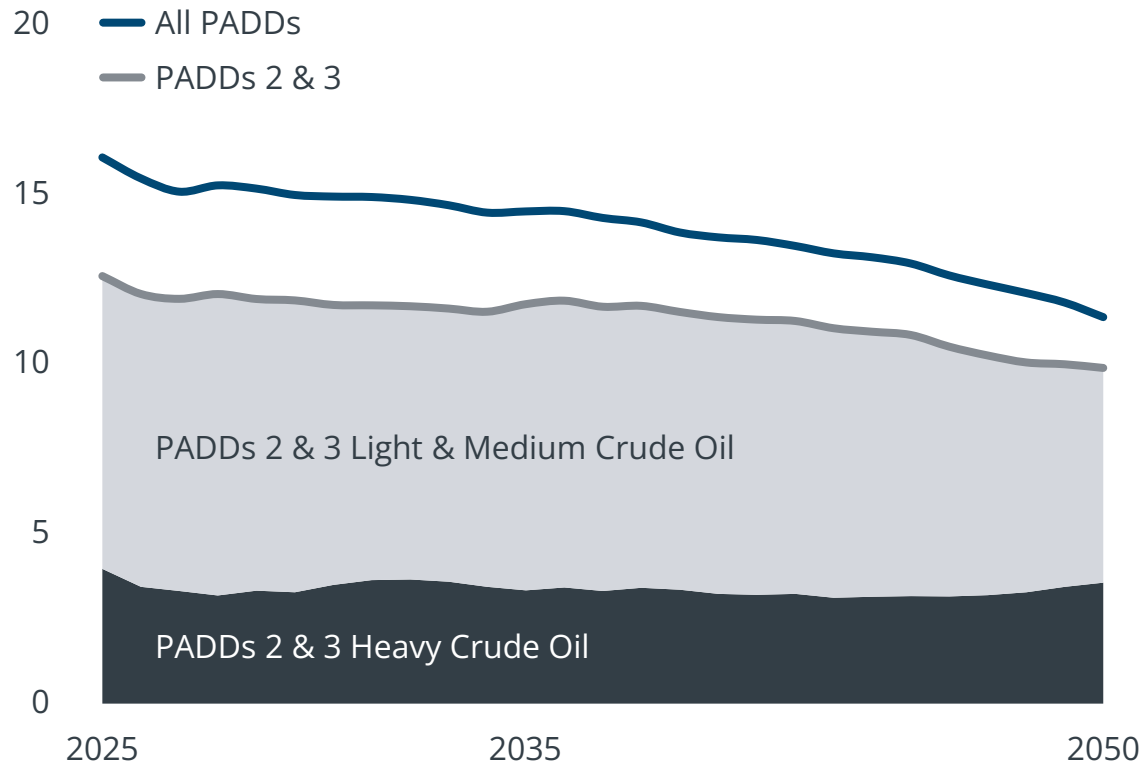


Demand for Canadian Heavy Crude Oil Is Enduring

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

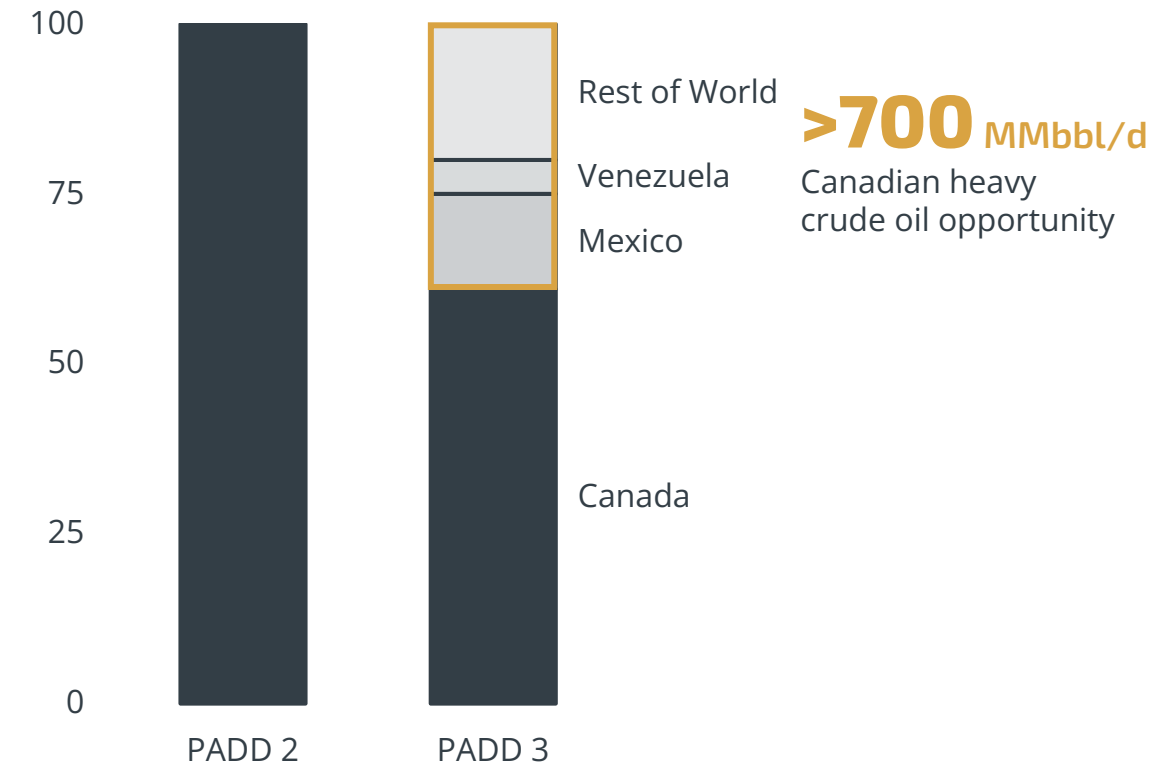
U.S. CRUDE OIL REFINING OUTLOOK¹

MMbbl/d



2025E PADDs 2 & 3 HEAVY CRUDE OIL SOURCES²

%



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

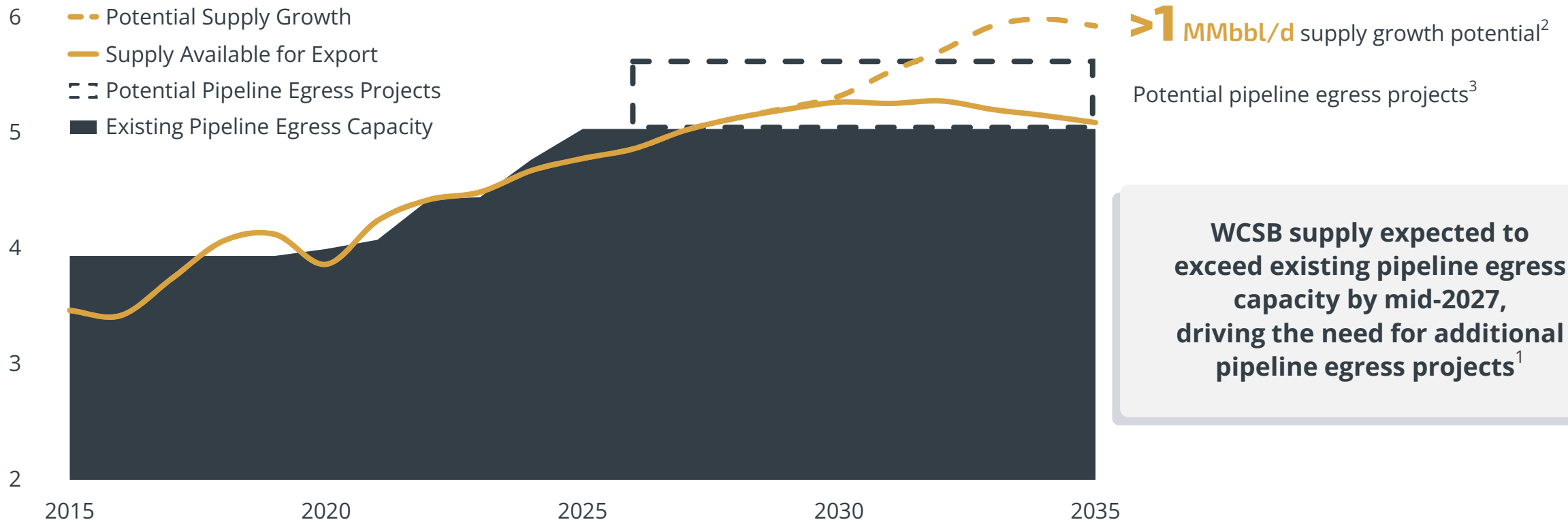
² Source: Wood Mackenzie Global Crude Trade Strategic Planning Outlook 2025.

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 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**



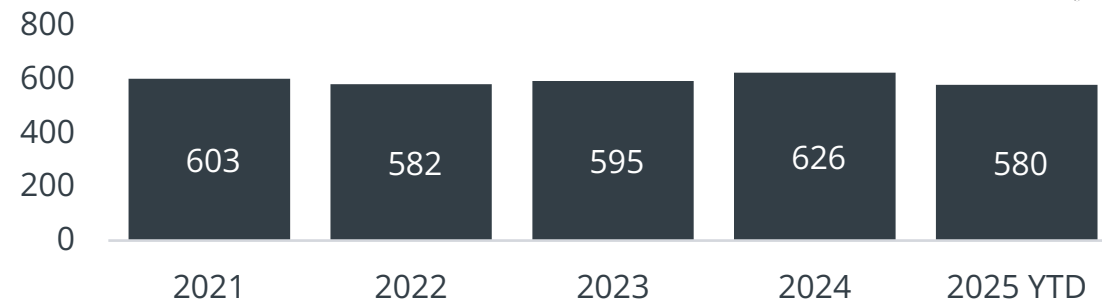
Asset Overview

Keystone Pipeline System

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

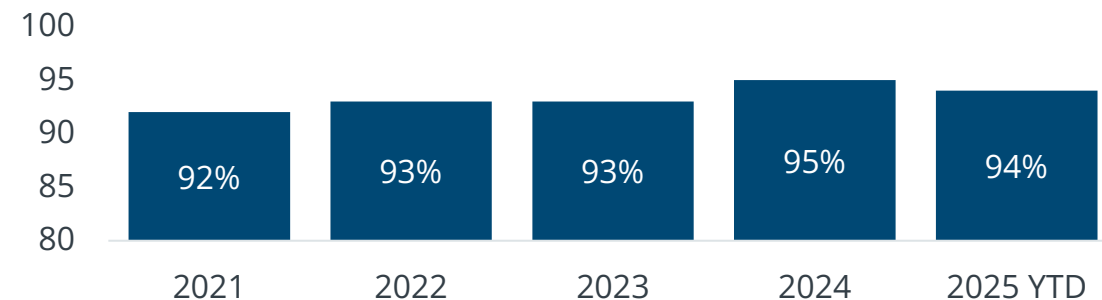
AVERAGE THROUGHPUT^{1 2}

Mbbl/d



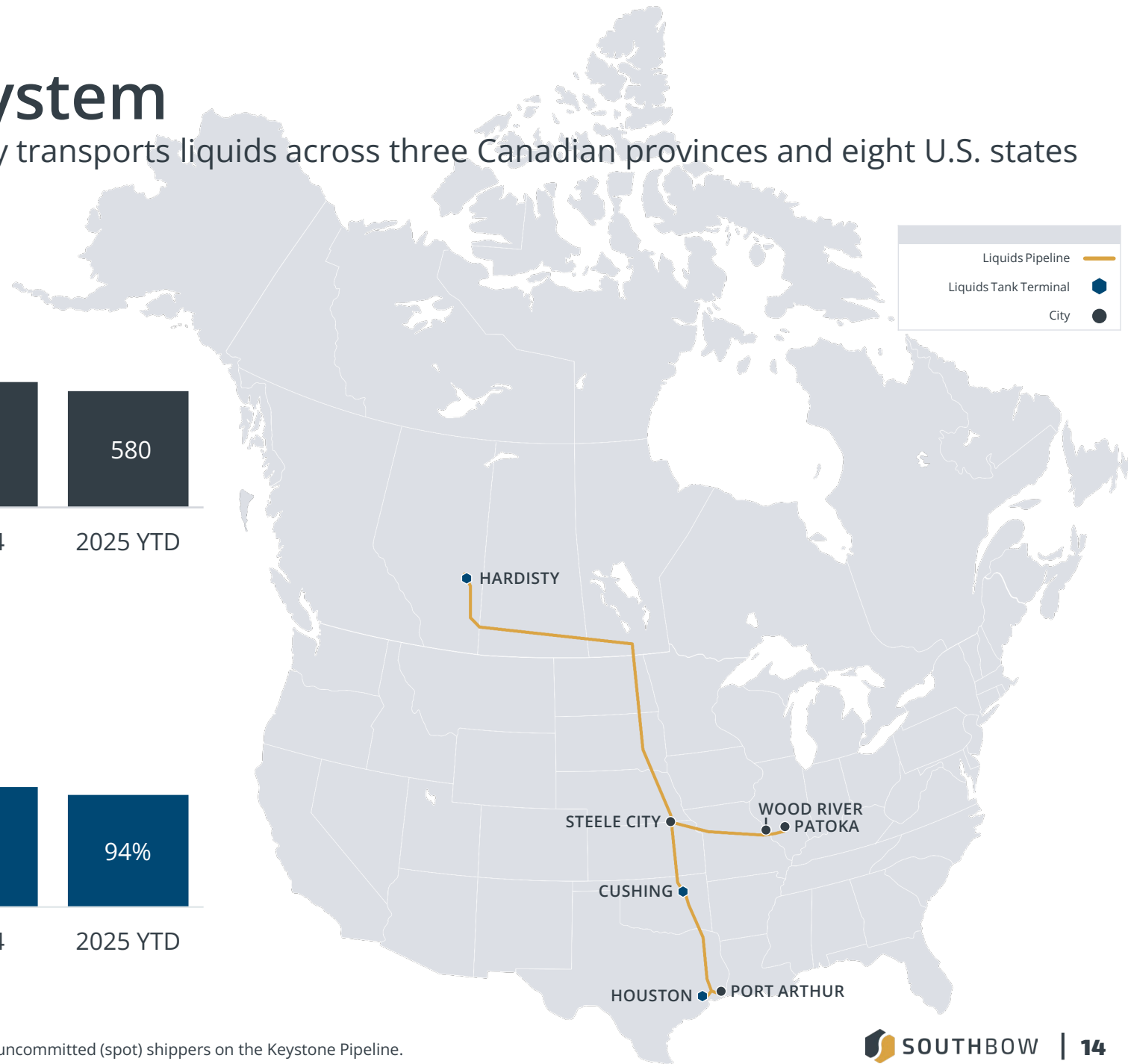
SYSTEM OPERATING FACTOR¹

%



¹ As of September 30, 2025.

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



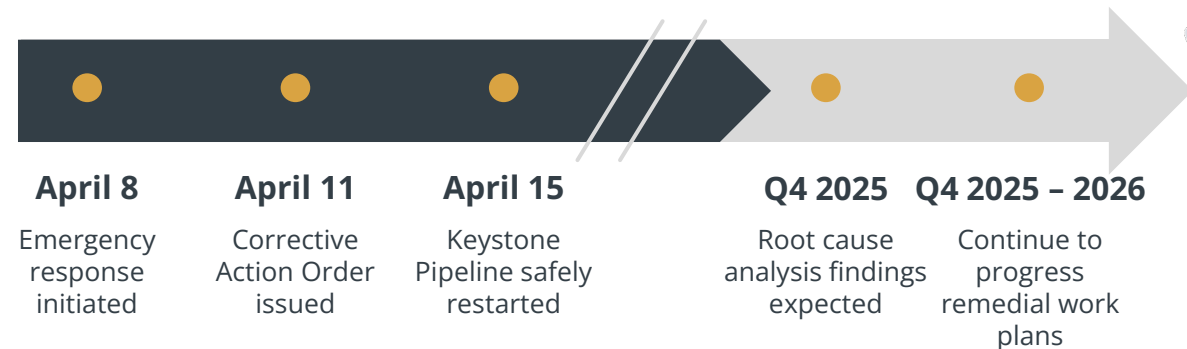
Keystone Pipeline – Milepost 171

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 conducting root cause analysis
- Remedial actions in progress:
 - 6 in-line inspections and 37 integrity digs completed to date
- 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



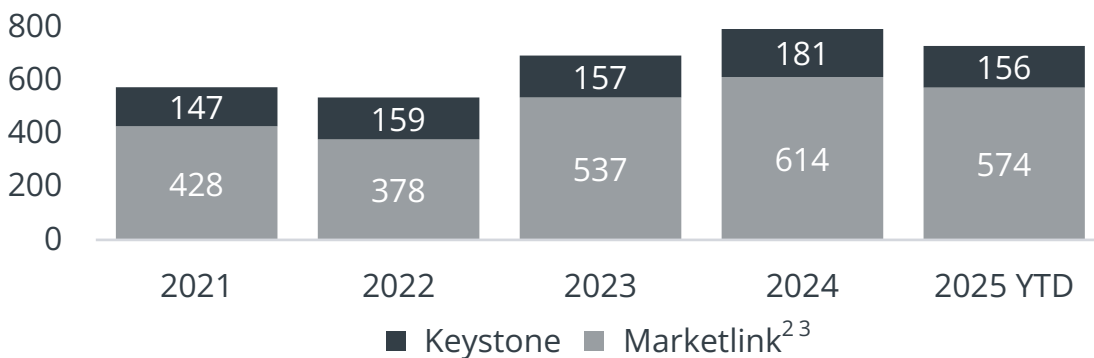
Keystone Pipeline – U.S. Gulf Coast Segment

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



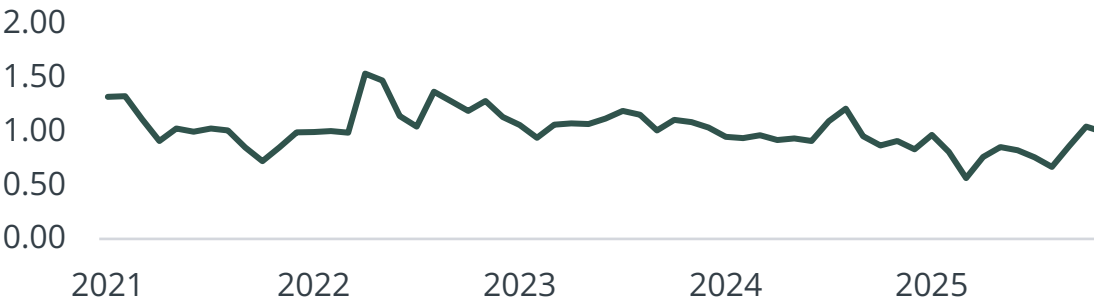
AVERAGE THROUGHPUT¹

Mbbl/d



WCS CUSHING–WCS U.S. GULF COAST DIFFERENTIAL⁴

U.S.\$/bbl



¹ As of September 30, 2025.

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

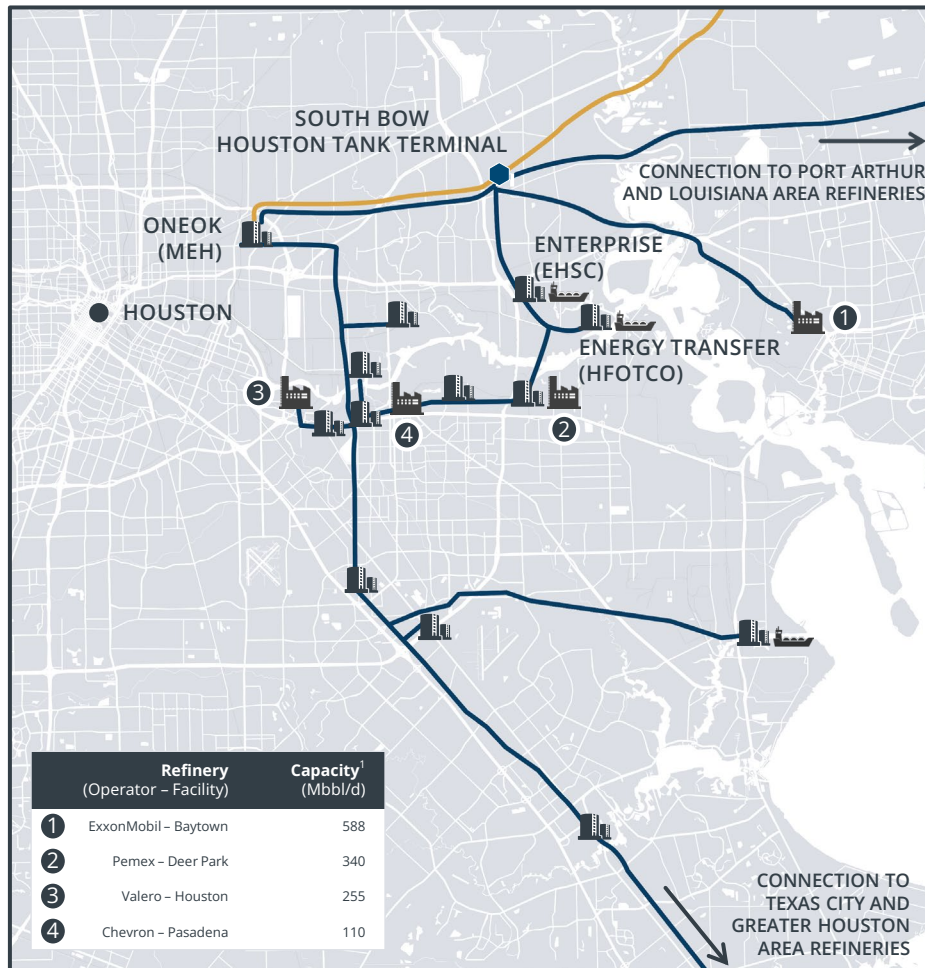
³ The Federal Energy Regulatory Commission requires 10% of capacity to be made available to uncommitted (spot) shippers on Marketlink.

⁴ Source: Argus Media (October 2025).

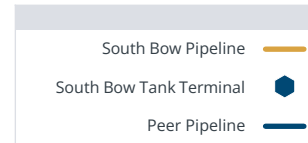
U.S. Gulf Coast Connectivity Potential

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

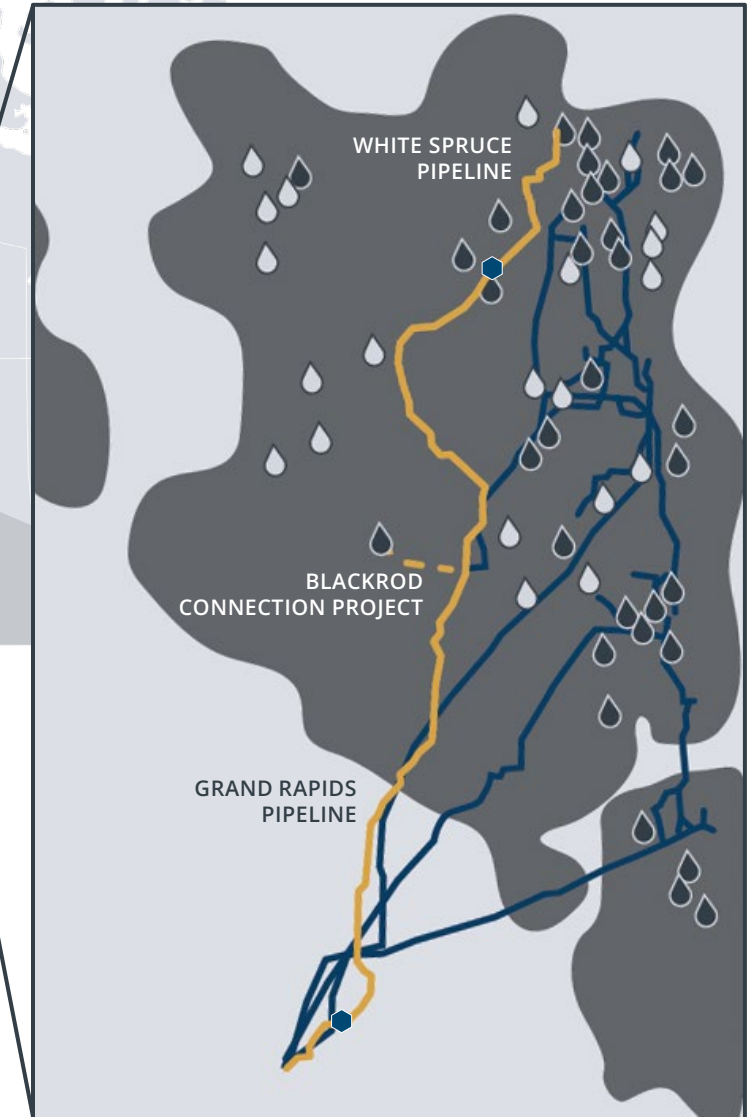
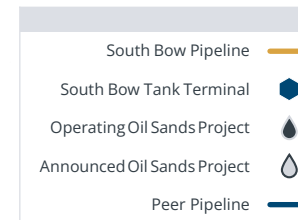
Grand Rapids

White Spruce

14 16 18 20

ESTIMATED OIL SANDS RESERVES²

>160 billion barrels



¹ As of December 31, 2024.

² Source: Alberta Energy Regulator (October 31, 2025).

Blackrod Connection Project

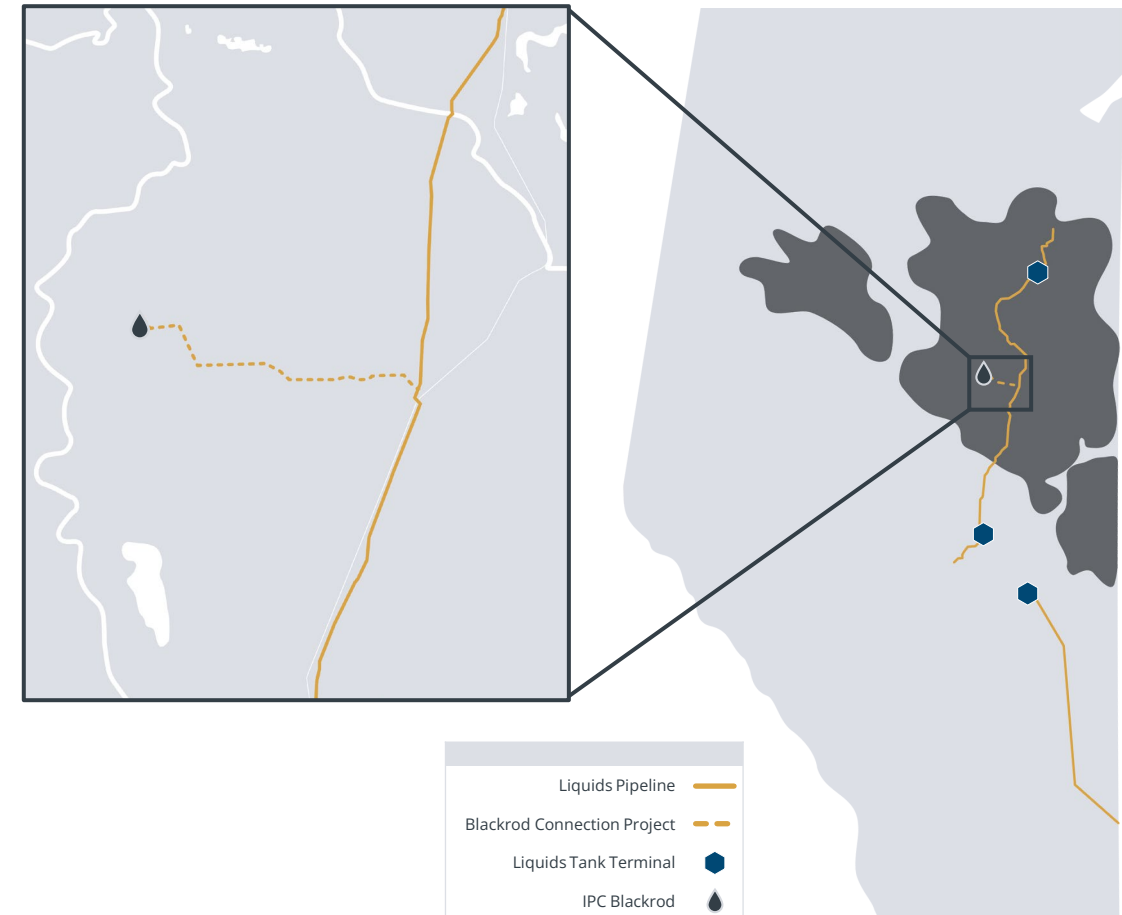
Demonstrating safety and project execution excellence with South Bow's first major growth project

PROJECT OVERVIEW

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

- 25-km crude oil and natural gas pipelines and associated facilities
- Cash flows expected to increase throughout H2 2026 and into 2027

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



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

² 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.



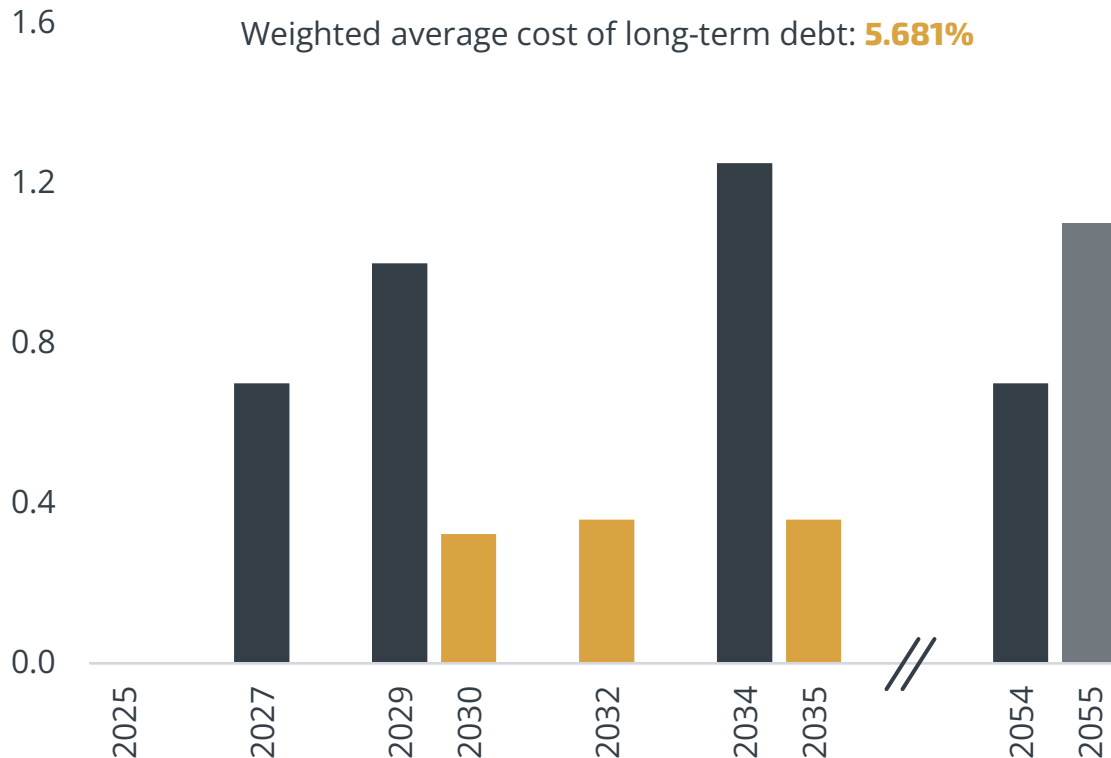
Financial Overview

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

~4.7x

2025F 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 of September 30, 2025.

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

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.

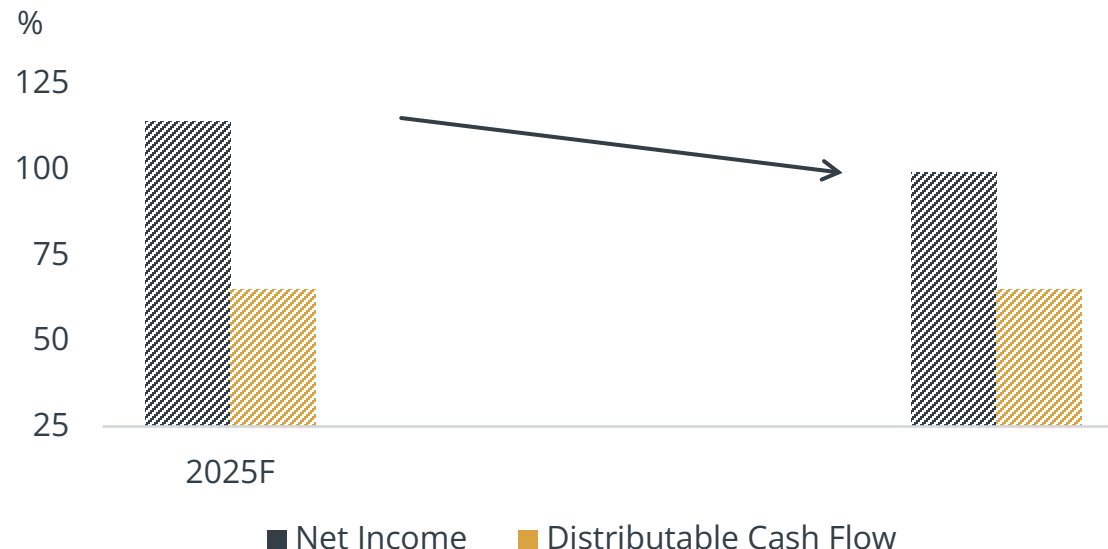
Sustainable Dividend

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

November

13
2025

Dividend declaration date

December

31
2025

Dividend record date

January

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.

2025 Outlook

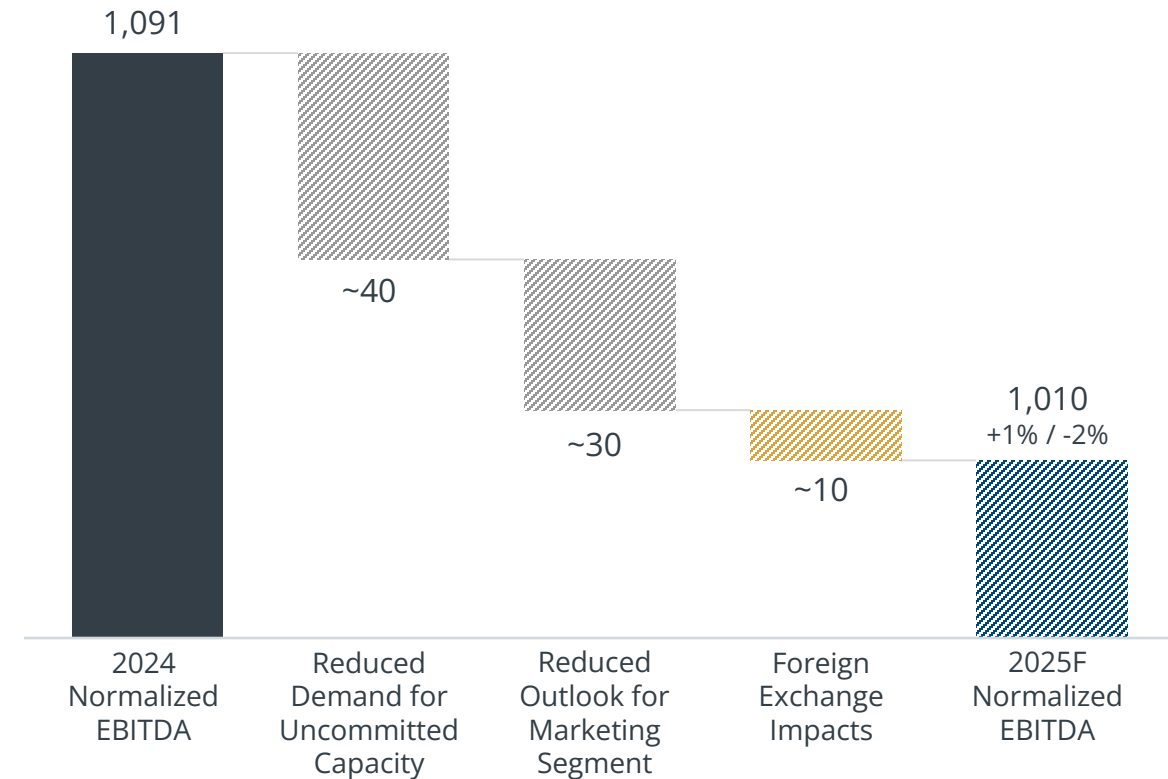
Supported by highly contracted cash flows; range reflects expected impacts from Milepost 171 incident

2025 GUIDANCE^{1 2}

Normalized EBITDA ³	\$1,010 MM +1% / -2%
Interest expense	\$325 MM ± 2%
Effective tax rate	20% - 21%
Distributable cash flow ³	\$700 MM ± 2%
Capital expenditures	
Growth ⁴	\$110 MM ± 3%
Maintenance ⁴	\$55 MM ± 3%
2025F net debt-to-normalized EBITDA ratio ^{3 5 6}	~4.7 x

NORMALIZED EBITDA³

\$ 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.\$1.43.

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 Supplementary financial measure. See "Specified Financial Measures" of the Q3 2025 MD&A, which information is incorporated by reference into this presentation.

⁵ Includes 50% equity treatment of junior subordinated notes.

⁶ South Bow expects that its net debt-to-normalized EBITDA ratio will increase modestly through the remainder of 2025 as the Company continues to invest in the Blackrod Connection Project and incur one-time separation costs of approximately \$30 to \$40 million associated with the Spinoff in 2025. South Bow anticipates exiting 2025 with a net debt-to-normalized EBITDA ratio of approximately 4.7 times.

South Bow's 2026 Guidance

Financial outlook is underpinned by highly contracted and stable cash flows

2026 GUIDANCE^{1 2}

Normalized EBITDA³ **\$1,030 MM ± 2%**

Financial charges⁴ **\$315 MM ± 2%**

Effective tax rate **22% - 23%**

Distributable cash flow³ **\$655 MM ± 2%**

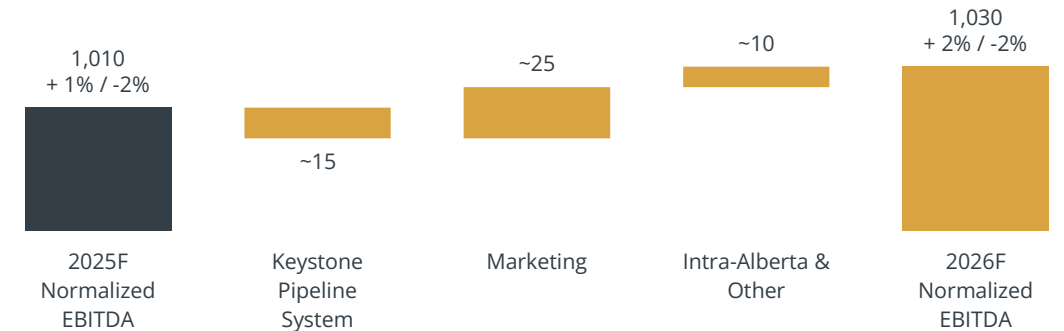
Capital expenditures

Growth^{5 6} **\$10 MM**

Maintenance⁵ **\$25 MM ± \$10 MM**

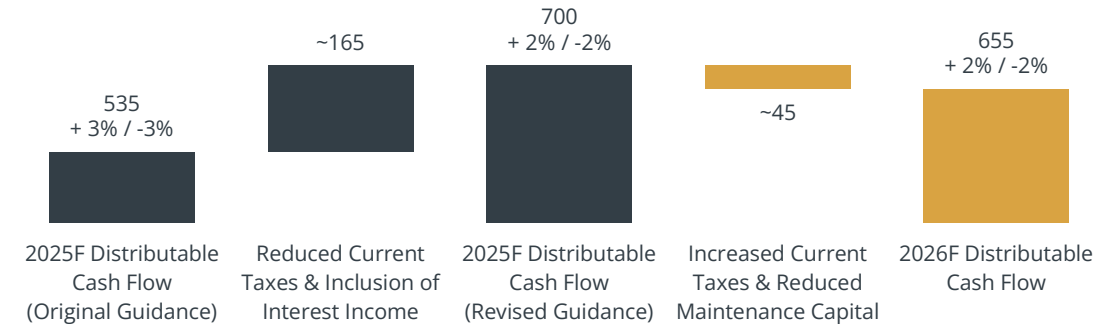
NORMALIZED EBITDA³

\$ 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>
Distributable Cash Flow ¹	<i>Minimal Impact</i>
Variable Toll	<i>Reduced</i>

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

**Pressure Restrictions
Remain in Place
Throughout 2026**

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

Normalized
EBITDA¹
\$1.03B

Normalized EBITDA ¹	<i>Minimal Impact</i>
Distributable Cash Flow ¹	<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.



Appendix

Q3 2025 Results

\$ millions, except where noted	Three Months Ended			Nine Months Ended	
	June 30, 2025	Sept. 30, 2025	Sept. 30, 2024	Sept. 30, 2025	Sept. 30, 2024
FINANCIAL RESULTS					
Normalized EBITDA¹	250	254	262	770	801
Keystone Pipeline System	234	260	257	729	778
Marketing	(1)	(17)	(7)	(2)	(12)
Intra-Alberta & Other	17	11	12	43	35
Distributable cash flow¹	167	236	190	560	466
Net debt ^{1 2}	4,903	4,836	4,827	4,836	4,827
Net debt-to-normalized EBITDA (ratio)^{1 2 3}	4.6	4.6	4.5	4.6	4.5
OPERATIONAL RESULTS					
Keystone Pipeline System Operating Factor (%)	93	92	95	94	95
Keystone Pipeline throughput (Mbbbl/d)	544	584	616	580	627
U.S. Gulf Coast segment of Keystone Pipeline System throughput (Mbbbl/d) ⁴	760	703	815	730	738
Marketlink throughput (Mbbbl/d)	625	547	636	574	613

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 South Bow expects that its net debt-to-normalized EBITDA ratio will increase modestly through the remainder of 2025 as the Company continues to invest in the Blackrod Connection Project and incur one-time separation costs of approximately \$30 to \$40 million associated with the Spinoff in 2025. South Bow anticipates exiting 2025 with a net debt-to-normalized EBITDA ratio of approximately 4.7 times.

⁴ 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

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; 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 CAO; anticipated finalization of the Company's work plan in response to the CAO; expected interest expense, financial charges, and effective tax rate; expected capital expenditures; expected dividends; expected Marketing losses; expected one-time separation costs relating to the Spinoff; 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; expected shareholder returns and asset returns; expected net debt-to-normalized EBITDA ratio exiting 2025; demand for uncommitted capacity on the Keystone System; 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; 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 CAO; the expectation that South Bow will ensure safe and reliable operations on the Keystone Pipeline; 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 SEC 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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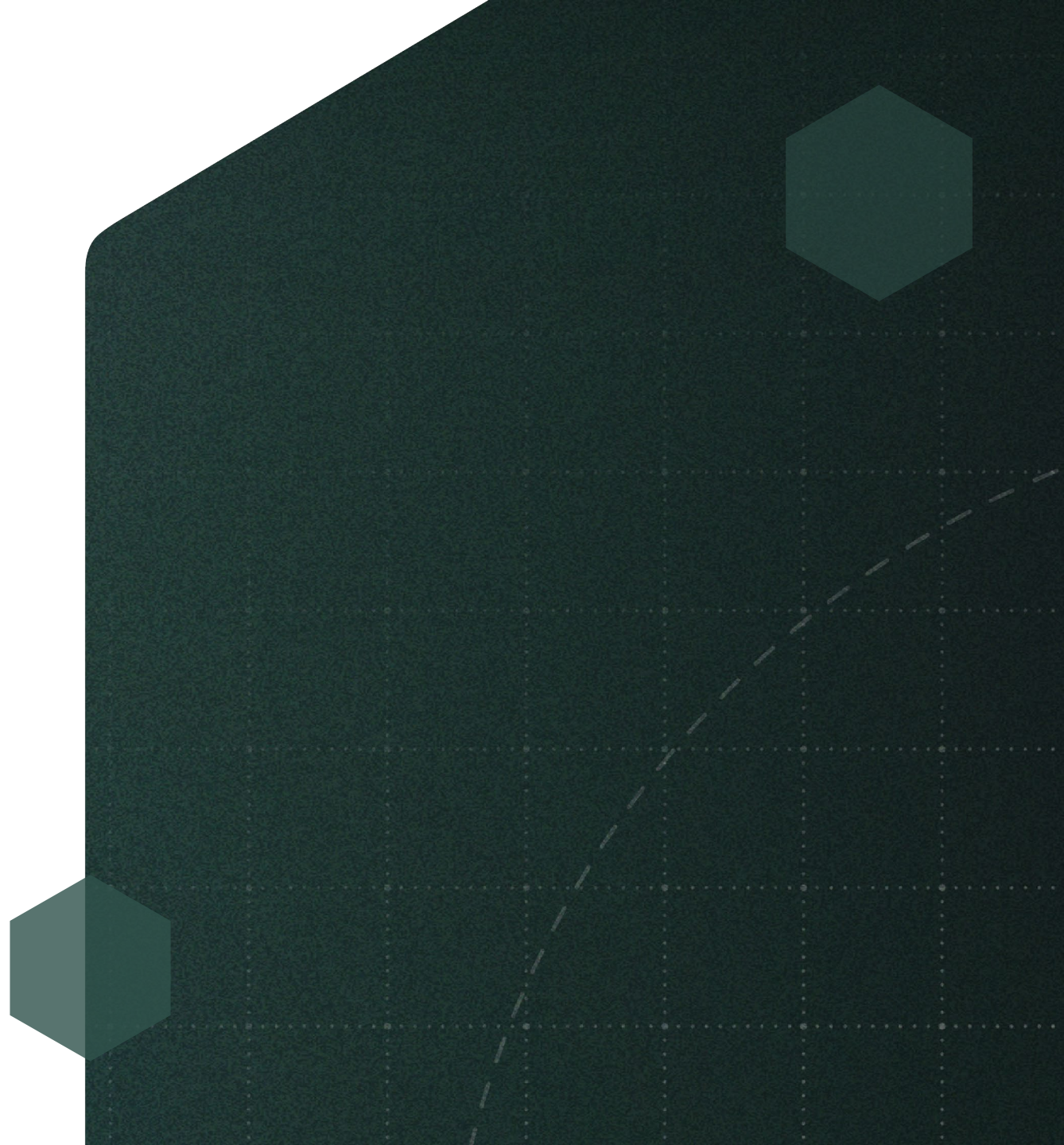
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