UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

Non-GAAP Measures Reconciliation to GAAP (unaudited)

Free Cash Flow*

Millions, for the Nine Months Ended September 30,	***2023***	*2022*
Cash provided by operating activities	**$ 5,984**	$ 7,070
Cash used in investing activities	**(2,650)**	(2,559)
Dividends paid	**(2,380)**	(2,362)
Free cash flow	**$ 954**	$ 2,149

Cash Flow Conversion Rate*

Millions, for the Nine Months Ended September 30,	***2023***	*2022*
Cash provided by operating activities	**$ 5,984**	$ 7,070
Cash used in capital investing	**(2,582)**	(2,690)
Total (a)	**$ 3,402**	$ 4,380
Net Income (b)	**4,727**	5,360
Cash flow conversion rate (a/b)	**72%**	82%

* Free cash flow is defined as cash provided by operating activities less cash used in investing activities and dividends paid. Cash flow conversion rate is cash provided by operating activities less cash used for capital investments as a ratio of net income. Free cash flow and cash flow conversion rate are considered non-GAAP financial measures by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe free cash flow and cash flow conversion rate are important to management and investors in evaluating our financial performance and measures our ability to generate cash without additional external financing. Free cash flow and cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities.

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Debt / Net Income

Millions, Except Ratios for the Trailing Twelve Months Ended [a]	***Sep 30, 2023***	*Dec 31, 2022*
Debt	**$ 32,877**	$ 33,326
Net income	**6,365**	6,998
Debt / net income	**5.2**	4.8

Adjusted Debt / Adjusted EBITDA*

Millions, Except Ratios for the Trailing Twelve Months Ended [a]	***Sep 30, 2023***	*Dec 31, 2022*
Net income	**$ 6,365**	$ 6,998
Add:		
Income tax expense/(benefit)	**1,855**	2,074
Depreciation	**2,298**	2,246
Interest expense	**1,342**	1,271
EBITDA	**$ 11,860**	$ 12,589
Adjustments:		
Other income, net	**(475)**	(426)
Interest on operating lease liabilities [b]	**56**	54
Adjusted EBITDA	**$ 11,441**	$ 12,217
Debt	**$ 32,877**	$ 33,326
Operating lease liabilities	**1,606**	1,631
Unfunded pension and OPEB, net of tax cost of $0 and $0	**-**	-
Adjusted debt	**$ 34,483**	$ 34,957
Adjusted debt / adjusted EBITDA	**3.0**	2.9

[a] The trailing twelve months income statement information ended September 30, 2023, is recalculated by taking the twelve months ended December 31, 2022, subtracting the nine months ended September 30, 2022, and adding the nine months ended September 30, 2023.

[b] Represents the hypothetical interest expense we would incur (using the incremental borrowing rate) if the property under our operating leases were owned or accounted for as finance leases.

* Total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other postretirement benefits) obligation divided by net income plus income tax expense, depreciation, amortization, interest expense, and adjustments for other income and interest on operating lease liabilities. Adjusted debt to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on operating lease liabilities) is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is debt to net income ratio. The tables above provide a reconciliation from net income to adjusted EBITDA, debt to adjusted debt, and debt to net income to adjusted debt to adjusted EBITDA. At September 30, 2023, and December 31, 2022, the incremental borrowing rate on operating lease liabilities was 3.5% and 3.3%, respectively.