UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Non-GAAP Measures Reconciliation to GAAP (unaudited)

Cash Flow Conversion Rate (Millions)*

Millions for the Twelve Months Ended	***2021***	*2020*	*2019*
Cash provided by operating activities	**$ 9,032**	$ 8,540	$ 8,609
Cash used in capital investing	**(2,936)**	(2,927)	(3,453)
Total (a)	**$ 6,096**	$ 5,613	$ 5,156
Net Income (b)	**6,523**	5,349	5,919
Cash flow conversion rate (a/b)	**93 %**	105 %	87 %

Comparable Cash Flow Conversion Rate*

	2021	*2020*	*2019*
Cash flow conversion rate	**93 %**	105 %	87 %
Factors Affecting Comparability:			
Brazos yard impairment [a]	**N/A**	(4)	N/A
Comparable cash flow conversion rate	**93 %**	101 %	87 %

[a] Adjustments remove the impact of $209 million from net income for the year ended December 31, 2020.

* Cash flow conversion rate is cash provided by operating activities less cash used for capital investments as a ratio of net income. Cash flow conversion rate and comparable 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 cash flow conversion rate and comparable 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. Cash flow conversion rate and comparable cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES
Non-GAAP Measures Reconciliation to GAAP (unaudited)

Adjust Debt / Adjusted EBITDA *

Millions, Except Ratios *For the Twelve Months Ended*	**Dec. 31, *2021***	Dec. 31, *2020*	Dec. 31, *2019*
Net income	**$ 6,523**	$ 5,349	$ 5,919
Add:			
Income tax expense/(benefit)	**1,955**	1,631	1,828
Depreciation	**2,208**	2,210	2,216
Interest expense	**1,157**	1,141	1,050
EBITDA	**$ 11,843**	$ 10,331	$ 11,013
Adjustments:			
Other income, net	**(297)**	(287)	(243)
Interest on operating lease liabilities**	**56**	59	68
Adjusted EBITDA	**$ 11,602**	$ 10,103	$ 10,838
Debt	**$ 29,729**	$ 26,729	$ 25,200
Operating lease liabilities	**1,759**	1,604	1,833
Unfunded/(funded) pension and other postretirement benefits, net of tax cost/(benefit) of ($21), $195, and $124	**(72)**	637	400
Adjusted debt	**$ 31,416**	$ 28,970	$ 27,433
Adjusted debt / Adjusted EBITDA	**2.7**	2.9	2.5

Comparable Adjusted Debt / Adjusted EBITDA *

	Dec. 31, *2021*	Dec. 31, *2020*	Dec. 31, *2019*
Adjusted debt / Adjusted EBITDA	**2.7**	2.9	2.5
Factors Affecting Comparability:			
Brazos yard impairment [a]	**N/A**	(0.1)	N/A
Comparable Adjusted Debt / Adjusted EBITDA	**2.7**	2.8	2.5

[a] Adjustments remove the impact of $209 million from net income for the year ended December 31, 2020.

* Total debt plus operating lease liabilities plus after-tax unfunded/funded pension and other postretirement benefit obligations 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) and comparable adjusted debt to adjusted EBITDA are 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 these measures are 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 and comparable adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, net income. The table above provides reconciliations from net income to adjusted debt to adjusted EBITDA and comparable adjusted debt to adjusted EBITDA. At December 31, 2021, 2020, and 2019, the incremental borrowing rate on operating lease liabilities was 3.2%, 3.7% and 3.7%, respectively.

** 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.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

Non-GAAP Measures Reconciliation to GAAP (unaudited)

Return on Average Common Shareholders' Equity

Millions, Except Percentages	***2021***	*2020*	*2019*
Net income	**$ 6,523**	$ 5,349	$ 5,919
Average equity	**$ 15,560**	$ 17,543	$ 19,276
Return on average common shareholders' equity	**41.9%**	30.5%	30.7%

Return on Invested Capital as Adjusted (ROIC)*

Millions, Except Percentages	***2021***	*2020*	*2019*
Net income	**$ 6,523**	$ 5,349	$ 5,919
Interest expense	**1,157**	1,141	1,050
Interest on average operating lease liabilities	**54**	64	76
Taxes on interest	**(280)**	(282)	(266)
Net operating profit after taxes as adjusted (a)	**$ 7,454**	$ 6,272	$ 6,779
Average equity	**$ 15,560**	$ 17,543	$ 19,276
Average debt	**28,229**	25,965	23,796
Average operating lease liabilities	**1,682**	1,719	2,052
Average invested capital as adjusted (b)	**$ 45,471**	$ 45,227	$ 45,124
Return on invested capital as adjusted (a/b)	**16.4%**	13.9%	15.0%

Comparable Return on Invested Capital as Adjusted (Comparable ROIC)*

	2021	*2020*	*2019*
Return on invested capital as adjusted	**16.4%**	13.9%	15.0%
Factors Affecting Comparability:			
Brazos yard impairment [a]	**N/A**	0.4	N/A
Comparable return on invested capital as adjusted	**16.4%**	14.3%	15.0%

[a] Adjustments remove the impact of $209 million from both net income for the year ended and shareholders' equity as of December 31, 2020.

* ROIC and comparable ROIC 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 these measures are important to management and investors in evaluating the efficiency and effectiveness of our long-term capital investments. In addition, we currently use ROIC as a performance criterion in determining certain elements of equity compensation for our executives. ROIC and comparable ROIC 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 return on average common shareholders' equity. The tables above provide reconciliations from return on average common shareholders' equity to ROIC and comparable ROIC. At December 31, 2021, 2020, and 2019, the incremental borrowing rate on operating leases was 3.2%, 3.7%, and 3.7%, respectively.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

Non-GAAP Measures Reconciliation to GAAP

Adjusted Incremental Margin*

Millions, Except Percentages, *For the Three Months Ended December 31,*	***4th Quarter*** ***2021***	*2020*	*Incremental Difference*
Reported operating revenues (a)	**$ 5,733**	$ 5,141	**$ 592**
Fuel surcharge adjustment to 2021 prices	**-**	331	**(331)**
Adjusted operating revenues (c)	**$ 5,733**	$ 5,472	**$ 261**
Reported operating expenses (b)	**3,293**	3,135	**158**
Fuel adjustment for expense 2021 prices	**-**	246	**(246)**
Adjustment for 2020 Brazos Yard Impairment	**-**	(278)	**278**
Adjusted operating expenses (d)	**$ 3,293**	$ 3,103	**$ 190**
Operating margin (a - b) / a	**43%**	39%	
Incremental margin (a - b) / a			**73%**
Incremental margin adjusted for fuel price and Brazos Yard Impairment (c - d) / c			**27%**

Millions, Except Percentages, *For the Twelve Months Ended December 31,*	***Full Year*** ***2021***	*2020*	*Incremental Difference*
Reported operating revenues (a)	**$ 21,804**	$ 19,533	**$ 2,271**
Fuel surcharge adjustment to 2021 prices	**-**	661	**(661)**
Adjusted operating revenues (c)	**$ 21,804**	$ 20,194	**$ 1,610**
Reported operating expenses (b)	**12,466**	11,699	**767**
Fuel adjustment for fuel expense 2021 prices	**-**	668	**(668)**
Adjustment for 2020 Brazos Yard Impairment	**-**	(278)	**278**
Adjusted operating expenses (d)	**$ 12,466**	$ 12,089	**$ 377**
Operating margin (a - b) / a	**43%**	40%	
Incremental margin (a - b) / a			**66%**
Incremental margin adjusted for fuel price and Brazos Yard Impairment (c - d) / c			**77%**

* Adjusted incremental margin 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 cost changes, excluding the change in fuel price and one-time items, to allow the illustration of cost performance as it related to volume changes. The adjusted incremental margin is not intended to represent, and should not be considered more meaningful than, or as an alternative to incremental margin calculated using amounts in accordance with GAAP.

UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

Non-GAAP Measures Reconciliation to GAAP (unaudited)

2020 Financial Performance Adjusted for Brazos Yard Impairment**

Millions, Except Per Share Amounts and Percentages For the Three Months Ended December 31, 2020	*Reported results (GAAP)*	*Brazos Yard Impairment*	*Adjusted results (non-GAAP)*
Other expense	$ 513	$ (278)	$ 235
Operating expense	3,135	(278)	2,857
Operating income	2,006	278	2,284
Income taxes	413	69	482
Net income	1,380	209	1,589
Diluted EPS	2.05	0.31	2.36
Operating ratio	61.0%	(5.4)pts	55.6%

Millions, Except Per Share Amounts and Percentages For the Year Ended December 31, 2020	*Reported results (GAAP)*	*Brazos Yard Impairment*	*Adjusted results (non-GAAP)*
Other expense	$ 1,345	$ (278)	$ 1,067
Operating expense	11,699	(278)	11,421
Operating income	7,834	278	8,112
Income taxes	1,631	69	1,700
Net income	5,349	209	5,558
Diluted EPS	7.88	0.31	8.19
Operating ratio	59.9%	(1.4)pts	58.5%
As of December 31, 2020			
Shareholders' Equity	$ 16,958	$ 209	$ 17,167

** The above table reconciles our results for the year ended and as of December 31, 2020, to adjust results that exclude the impact of certain items identified as affecting comparability. We use adjusting other expense, adjusted operating expense, adjusted operating income, adjusted income taxes, adjusted net income, adjusted diluted earnings per share (EPS), adjusted operating ratio, and adjusted shareholders' equity, as applicable, among other measures, to evaluate our actual operating performance. We believe these non-GAAP financial measures provide valuable information regarding earnings and business trends by excluding specific items that we believe are not indicative of our ongoing operating results of our business, providing a useful way for investors to make a comparison of our performance over time and against other companies in our industry. Since these are not measures of performance calculated in accordance with GAAP, they should be considered in addition to, rather than as a substitute for, other expense, operating expense, operating income, income taxes, net income, diluted EPS, operating ratio, and shareholders' equity as indicators of operating performance.