

Management's discussion and analysis of financial condition and results of operations

Non-GAAP financial measures and other specified financial measures

Certain measures included in this document are not prescribed by U.S. Generally Accepted Accounting Principles (GAAP). These measures constitute "non-GAAP financial measures" under Securities and Exchange Commission Regulation G and Item 10(e) of Regulation S-K, and "specified financial measures" under National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure of the Canadian Securities Administrators.

Reconciliation of these non-GAAP financial measures to the most comparable GAAP measure, and other information required by these regulations, have been provided. Non-GAAP financial measures and specified financial measures are not standardized financial measures under GAAP and do not have a standardized definition. As such, these measures may not be directly comparable to measures presented by other companies, and should not be considered a substitute for GAAP financial measures.

Net income (loss) excluding identified items

Net income (loss) excluding identified items is a non-GAAP financial measure that is total net income (loss) excluding individually significant non-operational events with an absolute corporate total earnings impact of at least \$100 million in a given quarter. The net income (loss) impact of an identified item for an individual segment in a given quarter may be less than \$100 million when the item impacts several segments or several periods. The most directly comparable financial measure that is disclosed in the financial statements is "Net income (loss)" within the company's Consolidated statement of income. Management uses these figures to improve comparability of the underlying business across multiple periods by isolating and removing significant non-operational events from business results. The company believes this view provides investors increased transparency into business results and trends, and provides investors with a view of the business as seen through the eyes of management. Net income (loss) excluding identified items is not meant to be viewed in isolation or as a substitute for net income (loss) as prepared in accordance with U.S. GAAP. All identified items are presented on an after-tax basis.

Reconciliation of net income (loss) excluding identified items

There were no identified items in the third quarter or year-to-date 2024 and 2023 periods.

Recent business environment

During the third quarter, crude prices decreased versus the second quarter, reflecting uncertainty about future China demand and OPEC+ supply. The Canadian WTI/WCS spread remained stable in the third quarter and narrowed versus the 2023 full-year average. Industry refining margins declined versus the second quarter as increased supply outpaced global demand.

Operating results

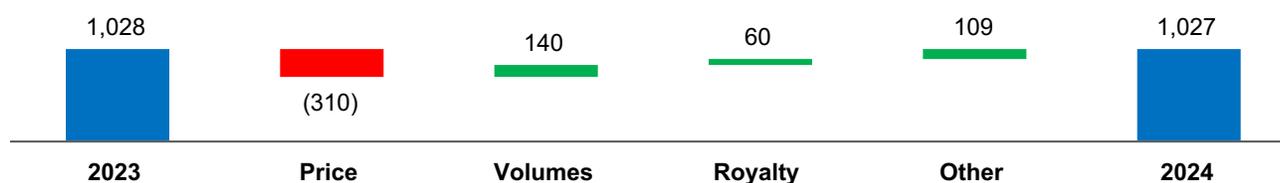
Third quarter 2024 vs. third quarter 2023

millions of Canadian dollars, unless noted	Third Quarter	
	2024	2023
Net income (loss) (U.S. GAAP)	1,237	1,601
Net income (loss) per common share, assuming dilution (dollars)	2.33	2.76

Upstream

Net income (loss) factor analysis

millions of Canadian dollars



Price – Average bitumen realizations decreased by \$8.81 per barrel, primarily driven by lower marker prices. Synthetic crude oil realizations decreased by \$8.57 per barrel, generally in line with WTI.

Volumes – Higher volumes were primarily at Cold Lake driven by Grand Rapids, and by production and steam cycle timing.

Royalty – Lower royalties were primarily driven by lower commodity prices, partially offset by higher volumes.

Other – Includes lower operating expenses of about \$80 million, primarily due to lower energy prices.

Marker prices and average realizations

Canadian dollars, unless noted	Third Quarter	
	2024	2023
West Texas Intermediate (US\$ per barrel)	75.27	82.32
Western Canada Select (US\$ per barrel)	61.76	69.39
WTI/WCS Spread (US\$ per barrel)	13.51	12.93
Bitumen (per barrel)	77.24	86.05
Synthetic crude oil (per barrel)	104.41	112.98
Average foreign exchange rate (US\$)	0.73	0.75

IMPERIAL OIL LIMITED

Production

thousands of barrels per day	Third Quarter	
	2024	2023
Kearl (Imperial's share)	209	209
Cold Lake	147	128
Syncrude	81	75
Kearl total gross production (thousands of barrels per day)	295	295

Higher production at Cold Lake was primarily driven by Grand Rapids, and by production and steam cycle timing.

Downstream

Net income (loss) factor analysis

millions of Canadian dollars



Margins – Lower margins primarily reflect weaker market conditions.

Refinery utilization and petroleum product sales

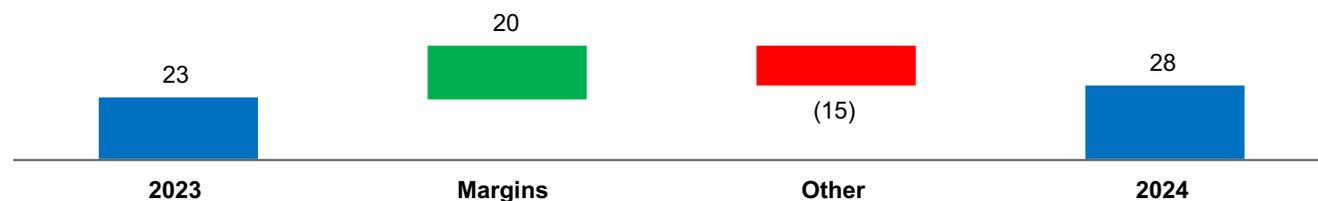
thousands of barrels per day, unless noted	Third Quarter	
	2024	2023
Refinery throughput	389	416
Refinery capacity utilization (percent)	90	96
Petroleum product sales	487	478

Refinery throughput in the third quarter of 2024 reflects the impact of turnaround activities at the Nanticoke and Strathcona refineries. Refinery throughput in the third quarter of 2023 reflected the impact of turnaround activity at the Sarnia refinery.

Chemicals

Net income (loss) factor analysis

millions of Canadian dollars



IMPERIAL OIL LIMITED

Corporate and other

	Third Quarter	
millions of Canadian dollars	2024	2023
Net income (loss) (U.S. GAAP)	(23)	(36)

Liquidity and capital resources

	Third Quarter	
millions of Canadian dollars	2024	2023
Cash flows from (used in):		
Operating activities	1,487	2,359
Investing activities	(484)	(380)
Financing activities	(1,533)	(1,639)
Increase (decrease) in cash and cash equivalents	(530)	340
Cash and cash equivalents at period end	1,490	2,716

Cash flows from operating activities primarily reflect unfavourable working capital impacts.

Cash flows used in investing activities primarily reflect higher additions to property, plant and equipment.

Cash flows used in financing activities primarily reflect:

	Third Quarter	
millions of Canadian dollars, unless noted	2024	2023
Dividends paid	322	292
Per share dividend paid (dollars)	0.60	0.50
Share repurchases (a)	1,206	1,342
Number of shares purchased (millions) (a)	12.4	17.5

(a) Share repurchases were made under and in connection with the company's normal course issuer bid program, and include shares purchased from Exxon Mobil Corporation.

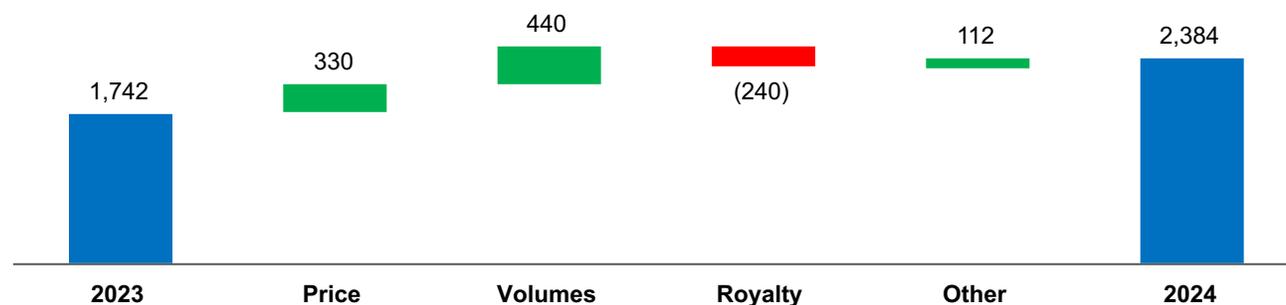
Nine months 2024 vs. nine months 2023

millions of Canadian dollars, unless noted	Nine Months	
	2024	2023
Net income (loss) (U.S. GAAP)	3,565	3,524
Net income (loss) per common share, assuming dilution (dollars)	6.66	6.04

Upstream

Net income (loss) factor analysis

millions of Canadian dollars



Price – Average bitumen realizations increased by \$6.90 per barrel, primarily driven by the narrowing WTI/WCS spread, lower diluent costs, and higher marker prices. Synthetic crude oil realizations decreased by \$2.70 per barrel, primarily driven by a weaker Synthetic/WTI spread, partially offset by higher WTI.

Volumes – Higher volumes were primarily driven by improved mine fleet productivity and optimized turnaround at Kearl, as well as Grand Rapids and production and steam cycle timing at Cold Lake.

Royalty – Higher royalties were primarily driven by higher volumes.

Other – Includes lower operating expenses of about \$200 million, primarily from lower energy prices, and favourable foreign exchange impacts of about \$70 million, partially offset by lower electricity sales at Cold Lake due to lower prices.

Marker prices and average realizations

Canadian dollars, unless noted	Nine Months	
	2024	2023
West Texas Intermediate (US\$ per barrel)	77.59	77.29
Western Canada Select (US\$ per barrel)	62.15	59.67
WTI/WCS Spread (US\$ per barrel)	15.44	17.62
Bitumen (per barrel)	75.60	68.70
Synthetic crude oil (per barrel)	102.95	105.65
Average foreign exchange rate (US\$)	0.74	0.74

IMPERIAL OIL LIMITED

Production

thousands of barrels per day	Nine Months	
	2024	2023
Kearl (Imperial's share)	195	182
Cold Lake	145	134
Syncrude (a)	73	72
Kearl total gross production (thousands of barrels per day)	275	257

(a) In 2024, Syncrude gross production included about 1 thousand barrels per day of bitumen and other products (2023 - 1 thousand barrels per day) that were exported to the operator's facilities using an existing interconnect pipeline.

Higher production at Kearl was primarily driven by improved mine fleet productivity and optimized turnaround.

Higher production at Cold Lake was primarily driven by Grand Rapids, and by production and steam cycle timing.

Downstream

Net income (loss) factor analysis

millions of Canadian dollars



Margins – Lower margins primarily reflect weaker market conditions.

Other – Primarily due to lower turnaround impacts of about \$110 million.

Refinery utilization and petroleum product sales

thousands of barrels per day, unless noted	Nine Months	
	2024	2023
Refinery throughput	395	407
Refinery capacity utilization (percent)	91	94
Petroleum product sales	469	469

Lower refinery throughput in 2024 mainly reflects the impact of turnaround activity at the Nanticoke refinery.

Chemicals

Net income (loss) factor analysis

millions of Canadian dollars



Corporate and other

	Nine Months	
millions of Canadian dollars	2024	2023
Net income (loss) (U.S. GAAP)	(99)	(71)

Liquidity and capital resources

	Nine Months	
millions of Canadian dollars	2024	2023
Cash flows from (used in):		
Operating activities	4,192	2,423
Investing activities	(1,421)	(1,283)
Financing activities	(2,145)	(2,173)
Increase (decrease) in cash and cash equivalents	626	(1,033)

Cash flows from operating activities primarily reflect the absence of unfavourable working capital impacts mainly related to an income tax catch-up payment of \$2.1 billion in the prior year.

Cash flows used in investing activities primarily reflect higher additions to property, plant and equipment.

Cash flows used in financing activities primarily reflect:

	Nine Months	
millions of Canadian dollars, unless noted	2024	2023
Dividends paid	921	815
Per share dividend paid (dollars)	1.70	1.38
Share repurchases (a)	1,206	1,342
Number of shares purchased (millions) (a)	12.4	17.5

(a) Share repurchases were made under and in connection with the company's normal course issuer bid program, and include shares purchased from Exxon Mobil Corporation.

On June 24, 2024, the company announced by news release that it had received final approval from the Toronto Stock Exchange for a new normal course issuer bid and will continue its existing share purchase program. The program enables the company to purchase up to a maximum of 26,791,840 common shares during the period June 29, 2024 to June 28, 2025. This maximum includes shares purchased under the normal course issuer bid from Exxon Mobil Corporation. As in the past, Exxon Mobil Corporation has advised the company that it intends to participate to maintain its ownership percentage at approximately 69.6 percent. The program will end should the company purchase the maximum allowable number of shares or otherwise on June 28, 2025. Imperial plans to accelerate its share purchases under the normal course issuer bid program, and anticipates repurchasing all remaining allowable shares prior to year end. Purchase plans may be modified at any time without prior notice.

As previously communicated, in June 2024, the company extended the maturity date of its existing long-term, variable-rate, Canadian dollar loan from ExxonMobil to June 30, 2035. All other terms and conditions remain unchanged.

Contractual obligations

As previously communicated, in the first quarter of 2024, the company entered into a long-term purchase agreement with a third party for about \$2 billion. It has no material impact on the 2024 and 2025 obligations disclosed in Imperial's 2023 annual report on Form 10-K. The company does not believe that the additional obligation will have a material effect on Imperial's operations, financial condition or financial statements.

Forward-looking statements

Statements of future events or conditions in this report, including projections, targets, expectations, estimates, and business plans are forward-looking statements. Forward-looking statements can be identified by words such as believe, anticipate, intend, propose, plan, goal, seek, project, predict, target, estimate, expect, strategy, outlook, schedule, future, continue, likely, may, should, will and similar references to future periods. Forward-looking statements in this release include, but are not limited to, references to the company's purchases under the normal course issuer bid and plans to accelerate completion prior to year end; the use of derivative instruments and effectiveness of risk mitigation; the continued evaluation of the company's share purchase program in the context of overall capital activities; and the company's belief that the commitment related to the long-term purchase agreement will not have a material effect on the company's operations, financial condition or financial statements.

Forward-looking statements are based on the company's current expectations, estimates, projections and assumptions at the time the statements are made. Actual future financial and operating results, including expectations and assumptions concerning future energy demand, supply and mix; production rates, growth and mix across various assets; for shareholder returns, assumptions such as cash flow forecasts, financing sources and capital structure, participation of the company's majority shareholder and the results of periodic and ongoing evaluation of alternate uses of capital; project plans, timing, costs, technical evaluations and capacities and the company's ability to effectively execute on these plans and operate its assets, including the Cold Lake Grand Rapids project and the Strathcona renewable diesel project and the Leming SAGD redevelopment project; capital and environmental expenditures; the ability to offset any ongoing inflationary pressures; applicable laws and government policies, including with respect to climate change, greenhouse gas emissions reductions and low carbon fuels; cash generation, financing sources and capital structure, such as dividends and shareholder returns, including the timing and amounts of share repurchases; and commodity prices, foreign exchange rates and general market conditions, could differ materially depending on a number of factors.

These factors include global, regional or local changes in supply and demand for oil, natural gas, and petroleum and petrochemical products and resulting price, differential and margin impacts, including foreign government action with respect to supply levels and prices, and the occurrence of wars; political or regulatory events, including changes in law or government policy, applicable royalty rates, and tax laws; third-party opposition to company and service provider operations, projects and infrastructure; failure, delay or uncertainty regarding supportive policy and market development for the adoption of emerging lower emission energy technologies and other technologies that support emissions reductions; the receipt, in a timely manner, of regulatory and third-party approvals, including for new technologies that will help the company meet its lower emissions goals; availability and allocation of capital; project management and schedules and timely completion of projects; unanticipated technical or operational difficulties; availability and performance of third-party service providers; environmental risks inherent in oil and gas exploration and production activities; environmental regulation, including climate change and greenhouse gas regulation and changes to such regulation; management effectiveness and disaster response preparedness; operational hazards and risks; cybersecurity incidents; currency exchange rates; general economic conditions, including inflation and the occurrence and duration of economic recessions or downturns; and other factors discussed in Item 1A risk factors and Item 7 management's discussion and analysis of financial condition and results of operations of Imperial's most recent annual report on Form 10-K.

Forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties, some that are similar to other oil and gas companies and some that are unique to Imperial. Imperial's actual results may differ materially from those expressed or implied by its forward-looking statements and readers are cautioned not to place undue reliance on them. Imperial undertakes no obligation to update any forward-looking statements contained herein, except as required by applicable law.

The term "project" as used in this report can refer to a variety of different activities and does not necessarily have the same meaning as in any government payment transparency reports.

Quantitative and qualitative disclosures about market risk

Information about market risks for the nine months ended September 30, 2024, does not differ materially from that discussed on page 34 of the company's annual report on Form 10-K for the year ended December 31, 2023.