

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

Recent business environment

During the third quarter of 2025, the price of crude oil increased slightly relative to second quarter of 2025, while the Canadian WTI/WCS spread remained relatively flat with the second quarter of 2025. Industry refining margins improved in the third quarter of 2025, driven by strong seasonal demand and global diesel supply disruptions.

During 2025, the United States announced a variety of trade-related actions, including the imposition of tariffs on imports from Canada and several other countries. In response, Canada announced its own retaliatory tariffs. Despite the current uncertainty as to what effects these actions will ultimately have on Imperial, its suppliers and its customers, the company does not anticipate any material near-term financial impacts.

Operating results

Third quarter 2025 vs. third quarter 2024

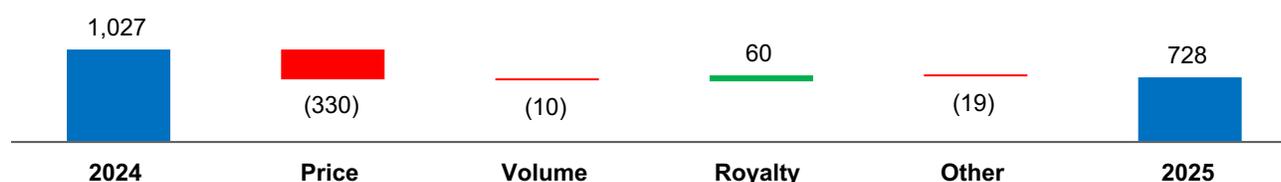
millions of Canadian dollars, unless noted	Third Quarter	
	2025	2024
Net income (loss) (U.S. GAAP)	539	1,237
Net income (loss) per common share, assuming dilution (dollars)	1.07	2.33
Net income (loss) excluding identified items ¹	1,094	1,237

Current quarter results include identified items¹ of a \$306 million after-tax (\$406 million before-tax) non-cash impairment charge and a \$249 million after-tax (\$330 million before-tax) restructuring charge.

Upstream

Net income (loss) factor analysis

millions of Canadian dollars



Price – Average bitumen realizations decreased by \$9.02 per barrel, primarily driven by lower marker prices partially offset by narrowing WTI/WCS spread. Synthetic crude oil realizations decreased by \$13.29 per barrel, primarily driven by lower WTI and a weaker Synthetic/WTI spread.

Volume – Inventory impacts partially offset by higher production.

Royalty – Lower royalties were primarily driven by lower commodity prices.

¹ non-GAAP financial measure - see non-GAAP financial measures and other specified financial measures for definition and reconciliation

IMPERIAL OIL LIMITED

Marker prices and average realizations

Canadian dollars, unless noted	Third Quarter	
	2025	2024
West Texas Intermediate (US\$ per barrel)	64.97	75.27
Western Canada Select (US\$ per barrel)	54.62	61.76
WTI/WCS Spread (US\$ per barrel)	10.35	13.51
Bitumen (per barrel)	68.22	77.24
Synthetic crude oil (per barrel)	91.12	104.41
Average foreign exchange rate (US\$)	0.73	0.73

Production

thousands of barrels per day	Third Quarter	
	2025	2024
Kearl (Imperial's share)	224	209
Cold Lake	150	147
Syncrude	78	81
Kearl total gross production (thousands of barrels per day)	316	295

Higher production at Kearl was primarily driven by improved reliability and recovery.

Downstream

Net income (loss) factor analysis

millions of Canadian dollars



Margins - Higher margins primarily reflect improved market conditions.

Other - Includes lower turnaround impacts of about \$70 million.

Refinery utilization and petroleum product sales

thousands of barrels per day, unless noted	Third Quarter	
	2025	2024
Refinery throughput	425	389
Refinery capacity utilization (percent)	98	90
Petroleum product sales	464	487

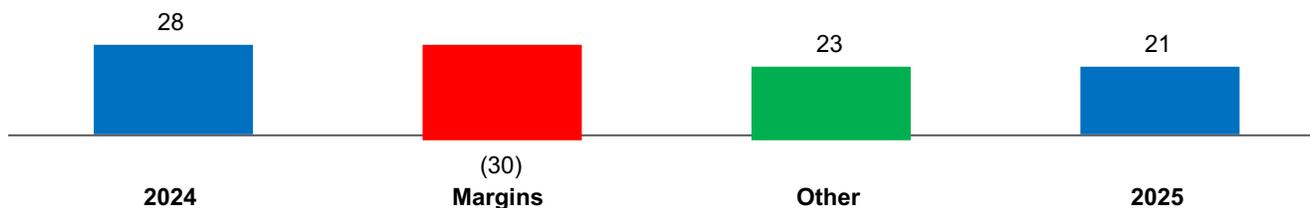
Higher refinery throughput was primarily due to lower turnaround impacts.

Lower petroleum product sales were primarily due to lower volumes in the supply and wholesale channels.

Chemicals

Net income (loss) factor analysis

millions of Canadian dollars



Corporate and other

millions of Canadian dollars

	Third Quarter	
	2025	2024
Net income (loss) (U.S. GAAP)	(654)	(23)

Current quarter results include identified items¹ of a \$306 million after-tax (\$406 million before-tax) non-cash impairment charge and a \$249 million after-tax (\$330 million before-tax) restructuring charge.

Liquidity and capital resources

millions of Canadian dollars

	Third Quarter	
	2025	2024
Cash flows from (used in):		
Operating activities	1,798	1,487
Investing activities	(482)	(484)
Financing activities	(1,841)	(1,533)
Increase (decrease) in cash and cash equivalents	(525)	(530)
Cash and cash equivalents at period end	1,861	1,490

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

Cash flows used in financing activities primarily reflect:

	Third Quarter	
	2025	2024
Dividends paid	366	322
Per share dividend paid (dollars)	0.72	0.60
Share repurchases (a)	1,469	1,206
Number of shares purchased (millions) (a)	12.2	12.4

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

¹ non-GAAP financial measure - see non-GAAP financial measures and other specified financial measures for definition and reconciliation

Nine months 2025 vs. nine months 2024

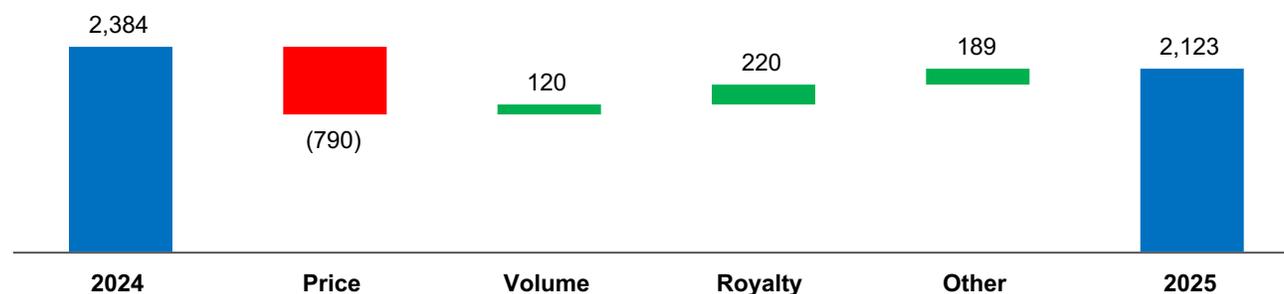
millions of Canadian dollars, unless noted	Nine Months	
	2025	2024
Net income (loss) (U.S. GAAP)	2,776	3,565
Net income (loss) per common share, assuming dilution (dollars)	5.46	6.66
Net income (loss) excluding identified items ¹	3,331	3,565

Current year results include identified items¹ of a \$306 million after-tax (\$406 million before-tax) non-cash impairment charge and a \$249 million after-tax (\$330 million before-tax) restructuring charge.

Upstream

Net income (loss) factor analysis

millions of Canadian dollars



Price – Average bitumen realizations decreased by \$5.92 per barrel, primarily driven by lower marker prices partially offset by narrowing WTI/WCS spread. Synthetic crude oil realizations decreased by \$10.51 per barrel, primarily driven by lower WTI partially offset by an improved Synthetic/WTI spread.

Volume – Higher volumes were driven by higher production at Syncrude, Kearl and Cold Lake.

Royalty – Lower royalties were primarily driven by lower commodity prices.

Other – Primarily due to favourable foreign exchange impacts of about \$200 million.

Marker prices and average realizations

Canadian dollars, unless noted	Nine Months	
	2025	2024
West Texas Intermediate (US\$ per barrel)	66.65	77.59
Western Canada Select (US\$ per barrel)	55.70	62.15
WTI/WCS Spread (US\$ per barrel)	10.95	15.44
Bitumen (per barrel)	69.68	75.60
Synthetic crude oil (per barrel)	92.44	102.95
Average foreign exchange rate (US\$)	0.71	0.74

¹ non-GAAP financial measure - see non-GAAP financial measures and other specified financial measures for definition and reconciliation

IMPERIAL OIL LIMITED

Production

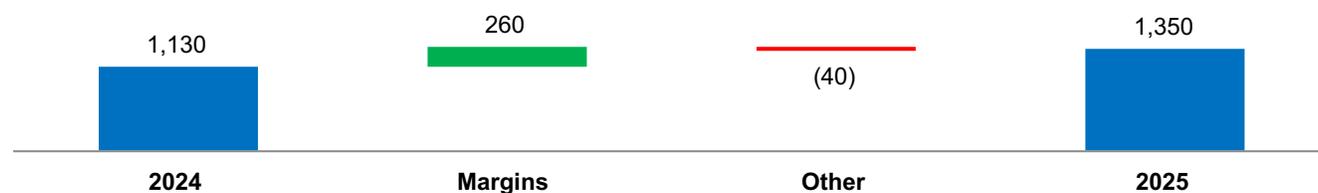
thousands of barrels per day	Nine Months	
	2025	2024
Kearl (Imperial's share)	200	195
Cold Lake	150	145
Syncrude (a)	76	73
Kearl total gross production (thousands of barrels per day)	282	275

(a) In 2025, Syncrude gross production included about 2 thousand barrels per day of bitumen and other products (2024 - 1 thousand barrels per day) that were exported to the operator's facilities using an existing interconnect pipeline.

Downstream

Net income (loss) factor analysis

millions of Canadian dollars



Margins – Higher margins primarily reflect improved market conditions.

Other – Primarily due to unfavourable wholesale volume impacts of about \$70 million, higher operating expenses of about \$70 million driven by higher energy costs, and unplanned downtime of about \$60 million, partially offset by lower turnaround impacts of about \$100 million.

Refinery utilization and petroleum product sales

thousands of barrels per day, unless noted	Nine Months	
	2025	2024
Refinery throughput	400	395
Refinery capacity utilization (percent)	92	91
Petroleum product sales	466	469

Chemicals

Net income (loss) factor analysis

millions of Canadian dollars



Margins - Lower margins primarily reflect weaker industry polyethylene margins.

Corporate and other

millions of Canadian dollars	Nine Months	
	2025	2024
Net income (loss) (U.S. GAAP)	(770)	(99)

Current year results include identified items¹ of a \$306 million after-tax (\$406 million before-tax) non-cash impairment charge and a \$249 million after-tax (\$330 million before-tax) restructuring charge; results also reflect higher incentive compensation as a result of the higher share price.

Liquidity and capital resources

millions of Canadian dollars	Nine Months	
	2025	2024
Cash flows from (used in):		
Operating activities	4,790	4,192
Investing activities	(1,331)	(1,421)
Financing activities	(2,577)	(2,145)
Increase (decrease) in cash and cash equivalents	882	626

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

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

Cash flows used in financing activities primarily reflect:

millions of Canadian dollars, unless noted	Nine Months	
	2025	2024
Dividends paid	1,040	921
Per share dividend paid (dollars)	2.04	1.70
Share repurchases (a)	1,469	1,206
Number of shares purchased (millions) (a)	12.2	12.4

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

On June 23, 2025, 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 25,452,248 common shares during the period June 29, 2025 to June 28, 2026. 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, 2026. Imperial plans to continue its acceleration of 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.

¹ non-GAAP financial measure - see non-GAAP financial measures and other specified financial measures for definition and reconciliation

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 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

millions of Canadian dollars	Third Quarter		Nine Months	
	2025	2024	2025	2024
From Imperial's Consolidated statement of income				
Net income (loss) (U.S. GAAP)	539	1,237	2,776	3,565
Less identified items included in Net income (loss)				
Impairments	(306)	—	(306)	—
Restructuring charges	(249)	—	(249)	—
Subtotal of identified items	(555)	—	(555)	—
Net income (loss) excluding identified items	1,094	1,237	3,331	3,565

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; and the continued evaluation of the company's share purchase program in the context of overall capital activities.

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 Strathcona renewable diesel project, the Leming, Grand Rapids and LASER projects at Cold Lake, and autonomous operations at Kearn; performance of third-party service providers, including service providers located outside of Canada and ExxonMobil global capability centres; capital and environmental expenditures; the ability to offset any ongoing or renewed 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, petroleum and petrochemical products, feedstocks and other market factors, economic conditions and seasonal fluctuations and resulting demand, price, differential and margin impacts, including Canadian and foreign government action with respect to supply levels, prices, trade tariffs, trade sanctions or trade controls, the occurrence of disruptions in trade or military alliances, or a broader breakdown in global trade; political or regulatory events, including changes in law or government policy, applicable royalty rates, and tax laws including taxes on share repurchases; third-party opposition to company and service provider operations, projects and infrastructure; failure, delay, reduction, revocation 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 relating to the company's lower emissions business activities; competition from alternative energy sources and established competitors in such markets; 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, including those located outside of Canada and ExxonMobil global capability centres; 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 including incidents caused by actors employing emerging technologies such as artificial intelligence; 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.

Quantitative and qualitative disclosures about market risk

Information about market risks for the nine months ended September 30, 2025, does not differ materially from that discussed on page 35 of the company's annual report on Form 10-K for the year ended December 31, 2024.