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

For the year ended December 31, 2025

The following management's discussion and analysis should be read in conjunction with the company's audited consolidated financial statements and accompanying notes, and the company's annual report on Form 10-K, for the year ended December 31, 2025. Reference to "Item 1A. Risk factors" and specific page numbers in this document indicate the section and page numbers found in the company's annual report on Form 10-K. The company's annual report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to these reports are available online at www.sedarplus.ca, www.sec.gov and the company's website www.imperialoil.ca.

Unless the context otherwise indicates, reference to the "company" or "Imperial" includes Imperial Oil Limited and its subsidiaries, and reference to ExxonMobil includes Exxon Mobil Corporation and its affiliates, as appropriate.

All dollar amounts set forth in this report are in Canadian dollars, except where otherwise indicated.
Note that numbers may not add due to rounding.

Forward-looking statements

Statements of future events or conditions in this report, including projections, targets, expectations, estimates, and business plans are forward-looking statements. Similarly, discussion of roadmaps or future plans related to carbon capture, transportation and storage, biofuel, hydrogen, and other future plans to reduce emissions and emission intensity of the company, its affiliates and third parties are dependent on future market factors, such as continued technological progress, policy support and timely rule-making and permitting, and represent 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 report include, but are not limited to, references to estimates, development, timing and recovery of reserves; the development drilling program at Cold Lake; Cold Lake experimental pilot operations to improve bitumen recovery; the evaluation and pace of the Aspen project; the timing, pace and results from the EBRT field pilot; the continued evaluation of other oil sands development projects; future activities with respect to Beaufort Sea licences; the company's strategy for the energy transition and emission reduction goals; the company's pursuit of lower-emission business opportunities and emission-reduction services and technologies; human capital resources strategy and impact; the company's workforce transformation and restructuring plans to centralize activities in global capability centres, including timing and impacts; the cessation of production at Norman Wells, including impacts and timing; the measures required to comply with environmental regulations and any changes in such regulations; anticipated capital and operating expenditures, including with respect to environmental protection; the ability for autonomous operations at Kearl to continue capturing productivity improvements, reducing cost and enhancing safety; the effectiveness of the company's corporate governance and strategic planning practices, including with respect to risk management and oversight; the structure and effectiveness of the cybersecurity program; continued evaluation of the company's share purchase program; being well-positioned to participate in substantial investments to develop Canadian energy supplies; the company's long-term business outlook, including demand, supply and energy mix and transition pathways related to greenhouse gas emissions; the extent of ongoing effects of global events affecting supply and demand, including continued or renewed inflation, and the company's ability to mitigate cost impacts in all price environments; the company's Upstream business and investment strategies and evaluation of opportunities, including the company's focus on operations integrity, innovative technologies, employee development, community investment, optimization within existing assets, cost reduction opportunities and productivity enhancements; the ability of the company's current investment strategy of value and select volume growth to deliver robust returns and support long term growth; segment growth, competitive strategies and benefits from an integrated business model; the company's Downstream strategies and their impacts on the company's competitive position; Chemical competitive position and the benefits from integration with the Sarnia refinery and relationship with ExxonMobil; the impact of future funding of retirement plans; capital structure, liquidity sources and financial strength as a competitive advantage, for risk mitigation and meeting funding requirements; expected 2026 full year capital and exploration expenditures; earnings sensitivities and the impacts of changes in interest rates, crude oil prices, refining margins and foreign exchange rates; the company's asset management program and potential divestments; risks associated with use of derivative instruments; the impact of any pending litigation, accounting standards and unrecognized tax benefits; standardized measures of discounted future cash flows; the effectiveness of the company's ethics programs, restrictions on insider trading, related party transaction controls, diversity and shareholder engagement initiatives; and the effectiveness of the company's director and executive compensation design and share ownership guidelines, including aligning with shareholder interests, managing risk, promoting long-term business performance, strategic objectives and shareholder value, and other stated objectives.

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; production life, resource recoveries and reservoir performance; project plans, timing, costs, technical evaluations and capacities, and the company's ability to effectively execute on these plans and operate its assets; the adoption and impact of new facilities or technologies on reductions to greenhouse gas emissions intensity, including but not limited to technologies using solvents to replace energy intensive steam at Cold Lake, the EBRT project, Strathcona renewable diesel, carbon capture and storage including in connection with hydrogen for the renewable diesel project, recovery technologies and efficiency projects, and any changes in the scope, terms, or costs of such projects; the degree and timeliness of support that will be provided by policymakers and other stakeholders for various new technologies such as carbon capture and storage; for renewable diesel, the availability and cost of locally-sourced and grown feedstock and the supply of renewable diesel to British Columbia in connection with its low-carbon fuel legislation; the amount and timing of emissions

reductions, including the impact of lower carbon fuels; availability and performance of third-party service providers, including ExxonMobil global capability centres and other service providers located outside of Canada; receipt of regulatory and third-party approvals in a timely manner, especially with respect to large scale emissions reduction projects; applicable laws and government policies, including with respect to climate change, greenhouse gas emissions reductions and low carbon fuels; refinery utilization and product sales; the ability to offset any ongoing or renewed inflationary pressures; cash generation, financing sources and capital structure, such as dividends and shareholder returns, including the timing and amounts of share repurchases; capital and environmental expenditures; the capture of efficiencies within and between business lines and the ability to maintain near-term cost reductions as ongoing efficiencies; 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, disruptions, realignment or breaking of trade alliances or agreements or a broader breakdown in global trade, and disruptions in military alliances or wars; political or regulatory events, including changes in law or government policy, applicable royalty rates, and tax laws; environmental regulation, including climate change and greenhouse gas regulation and changes to such regulation; environmental risks inherent in oil and gas activities; government policies supporting lower carbon investment opportunities; 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; third-party opposition to company and service provider operations, projects and infrastructure; competition from alternative energy sources, other emission reduction technologies, and established competitors in such markets; availability and allocation of capital; availability and performance of third-party service providers, including ExxonMobil global capability centres and other service providers located outside of Canada; unanticipated technical or operational difficulties; effectiveness of company risk management programs and emergency response preparedness; project management and schedules and timely completion of projects; transportation for accessing markets; commercial negotiations; unexpected technological developments; the results of research programs and new technologies, including with respect to autonomous operations and greenhouse gas emissions, and the ability to bring new technologies to commercial scale on a commercially competitive basis; reservoir analysis and performance; the ability to develop or acquire additional reserves; operational hazards and risks; cybersecurity incidents including incidents caused by actors employing emerging technologies such as artificial intelligence; currency exchange rates; the occurrence, pace, rate of recovery and effects of public health crises, including the responses from governments; general economic conditions, including continued or renewed 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" in this 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.

Forward-looking and other statements regarding Imperial's environmental, social and other sustainability efforts and aspirations are not an indication that these statements are material to investors or require disclosure in the company's filings with securities regulators. In addition, historical, current and forward-looking environmental, social and sustainability-related statements may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future, including future rule-making.

Energy demand models are forward-looking by nature and aim to replicate system dynamics of the global energy system, requiring simplifications. The reference to any scenario in this report, including any potential net-zero scenarios, does not imply Imperial views any particular scenario as likely to occur. In addition, energy demand scenarios require assumptions on a variety of parameters. As such, the outcome of any given scenario using an energy demand model comes with a high degree of uncertainty. Third-party scenarios discussed in this report reflect the modeling assumptions and outputs of their respective authors, not Imperial, and their use by Imperial is not an endorsement by the company of their underlying assumptions, likelihood or probability.

Investment decisions are made on the basis of Imperial's separate planning process. Any use of the modeling of a third-party organization within this report does not constitute or imply an endorsement by Imperial of any or all of the positions or activities of such organization.

Actions needed to advance the company's medium-term greenhouse gas emission-reductions plans are incorporated into its medium-term business plans, which are updated annually. The reference case for longer-term planning is based on ExxonMobil's Global Outlook (the Outlook) research and publication. The Outlook is reflective of the existing global policy environment and an assumption of increasing policy stringency and technology improvement to 2050. However, the Outlook does not attempt to project the degree of required future policy and technology advancement and deployment for the world to meet net zero by 2050. As future policies and technology advancements emerge, they will be incorporated into the Outlook, and the company's business plans will be updated accordingly. References to projects or opportunities may not reflect investment decisions made by the company. Individual projects or opportunities may advance based on a number of factors, including availability of stable and supportive policy, permitting, technological advancement for cost-effective abatement, insights from the company planning process, and alignment with partners and other stakeholders. Capital investment guidance in lower-emission investments is based on the company's corporate plan; however, actual investment levels will be subject to the availability of the opportunity set, public policy support, and focused on returns.

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.

Frequently used terms

Listed below are definitions of several of the company's key business and financial performance measures. The definitions are provided to facilitate understanding of the terms and how they are calculated. 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.

Capital employed
Capital employed is a non-GAAP financial measure that is a measurement of net investment. When viewed from the perspective of how capital is used by the business, it includes the company's property, plant and equipment and other assets, less liabilities, excluding both short-term and long-term debt. When viewed from the perspective of the sources of capital employed in total for the company, it includes total debt and equity. The most directly comparable financial measure that is disclosed in the financial statements is total assets within the company's Consolidated balance sheet. Both of these views include the company's share of amounts applicable to equity companies, which the company believes should be included to provide a more comprehensive measurement of capital employed.

Reconciliation of capital employed

millions of Canadian dollars	**2025**	2024	2023
From the Consolidated balance sheet			
Business uses: asset and liability perspective			
Total assets	**42,309**	42,938	41,199
Less: Total current liabilities excluding notes and loans payable	**(6,597)**	(6,988)	(6,482)
Total long-term liabilities excluding long-term debt	**(9,461)**	(8,466)	(8,363)
Add: Imperial's share of equity company debt	**13**	25	21
Total capital employed	**26,264**	27,509	26,375
Total company sources: debt and equity perspective			
Notes and loans payable	**19**	19	121
Long-term debt	**3,978**	3,992	4,011
Shareholders' equity	**22,254**	23,473	22,222
Add: Imperial's share of equity company debt	**13**	25	21
Total capital employed	**26,264**	27,509	26,375

Return on average capital employed (ROCE)
ROCE is a non-GAAP ratio. The company's total ROCE is net income excluding the after-tax cost of financing divided by total average capital employed (an average of the beginning and end-of-year amounts). Net income includes Imperial's share of net income of equity companies, consistent with the definition used for capital employed, and excludes the cost of financing. Capital employed is a non-GAAP financial measure and is disclosed and reconciled above. The company has consistently applied its ROCE definition for many years and views it as one of the best measures of historical capital productivity in a capital-intensive, long-term industry. Additional measures, which are more cash flow based, are used to make investment decisions.

Components of return on average capital employed

millions of Canadian dollars	**2025**	2024	2023
From the Consolidated statement of income			
Net income (loss)	**3,268**	4,790	4,889
Financing (after-tax) including Imperial's share of equity companies	**30**	43	66
Net income (loss) excluding financing	**3,298**	4,833	4,955
Average capital employed	**26,887**	26,942	26,484
Return on average capital employed (percent) – corporate total	**12.3**	17.9	18.7

Cash flows from (used in) operating activities and asset sales
Cash flows from operating activities and asset sales is a non-GAAP financial measure that is the sum of the net cash provided by operating activities and proceeds from asset sales reported in the Consolidated statement of cash flows. This cash flow reflects the total sources of cash both from operating the company's assets and from the divesting of assets. The most directly comparable financial measure that is disclosed in the financial statements is cash flows from (used in) operating activities within the company's Consolidated statement of cash flows. The company employs a long-standing and regular disciplined review process to ensure that assets are contributing to the company's strategic objectives. Assets are divested when they no longer meet these objectives or are worth considerably more to others. Because of the regular nature of this activity, the company believes it is useful for investors to consider sales proceeds together with cash provided by operating activities when evaluating cash available for investment in the business and financing activities, including shareholder distributions.

Reconciliation of cash flows from (used in) operating activities and asset sales

millions of Canadian dollars	**2025**	2024	2023
From the Consolidated statement of cash flows			
Cash flows from (used in) operating activities	**6,708**	5,981	3,734
Proceeds from asset sales	**101**	25	86
Total cash flows from (used in) operating activities and asset sales	**6,809**	6,006	3,820

Operating costs

Operating costs is a non-GAAP financial measure that is the costs during the period to produce, manufacture, and otherwise prepare the company's products for sale – including energy costs, staffing and maintenance costs. It excludes the cost of raw materials, taxes and interest expense and is presented on a before-tax basis. The most directly comparable financial measure that is disclosed in the financial statements is total expenses within the company's Consolidated statement of income. While the company is responsible for all revenue and expense elements of net income, operating costs represent the expenses most directly under the company's control and therefore, are useful in evaluating the company's performance.

Reconciliation of operating costs

millions of Canadian dollars	**2025**	2024	2023
From the Consolidated statement of income			
Total expenses	**42,816**	45,293	44,600
Less:			
Purchases of crude oil and products	**29,807**	33,184	32,399
Federal excise tax and fuel charge	**1,715**	2,535	2,402
Financing	**12**	41	69
Subtotal	**31,534**	35,760	34,870
Imperial's share of equity company expenses	**67**	80	76
Total operating costs	**11,349**	9,613	9,806

Components of operating costs

millions of Canadian dollars	**2025**	2024	2023
From the Consolidated statement of income			
Production and manufacturing	**7,269**	6,599	6,879
Selling and general	**1,386**	945	857
Depreciation and depletion	**2,579**	1,983	1,907
Non-service pension and postretirement benefit	**41**	3	82
Exploration	**7**	3	5
Subtotal	**11,282**	9,533	9,730
Imperial's share of equity company expenses	**67**	80	76
Total operating costs	**11,349**	9,613	9,806

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	**2025**	2024	2023
From the Consolidated statement of income			
Net income (loss) (U.S. GAAP)	**3,268**	4,790	4,889
Less identified items included in Net income (loss)			
Impairments	**(570)**	—	—
Restructuring charges	**(249)**	—	—
Other (a)	**(212)**	—	—
Subtotal of identified items	**(1,031)**	—	—
Net income (loss) excluding identified items	**4,299**	4,790	4,889

(a) Contractual obligations associated with the Norman Wells end of field life acceleration.

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

Overview

The following discussion and analysis of the company’s financial results, as well as the accompanying financial statements and related notes to consolidated financial statements to which they refer, are the responsibility of the management of Imperial Oil Limited.

The company’s accounting and financial reporting fairly reflect its integrated business model involving exploration for, and production of, crude oil and natural gas; manufacture, trade, transport and sale of crude oil, natural gas, petroleum products, petrochemicals and a variety of specialty products; and pursuit of lower-emission business opportunities including carbon capture and storage, hydrogen, lower-emission fuels, and lithium.

Imperial, with its resource base, financial strength, disciplined investment approach and technology portfolio, is well-positioned to participate in substantial investments to develop new Canadian energy supplies. The company’s reportable segments are Upstream, Downstream, and Chemicals. The company’s integrated business model generally reduces the company’s risk from changes in commodity prices. While commodity prices depend on supply and demand and may be volatile on a short-term basis, the company’s investment decisions are grounded on fundamentals reflected in its long-term business outlook, and use a disciplined approach in selecting and pursuing the most attractive investment opportunities. The annual company plan process establishes the economic assumptions used for evaluating investments and sets operating and capital objectives. ExxonMobil's *Global Outlook* (the Outlook), developed annually, is the foundation for the plan assumptions. Price ranges for crude oil, including price differentials, refinery and chemical margins, volumes, operating costs including greenhouse gas emissions pricing, and foreign currency exchange rates are part of the company plan assumptions developed annually. Company plan volume projections are based on individual field production profiles, which are also updated at least annually. Major investment opportunities are evaluated over a range of potential market conditions. All major investments are reappraised to ensure the company learns from its investment decisions, and the development and execution of the project. Lessons learned are incorporated into future projects.

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.

Business environment

Long-term business outlook
The "Long-term business outlook" is based on Exxon Mobil Corporation's *Global Outlook* (the Outlook), which combined with the near-term pathways, is used to help inform the company's long-term business strategies and investment plans.

The company's business planning is underpinned by a deep understanding of long-term market fundamentals. These fundamentals include supply and demand trends; the scale and variety of energy needs worldwide; capability, practicality and affordability of energy alternatives, including lower-carbon solutions; greenhouse gas emission-reduction technologies; and relevant government policies. The Outlook considers these fundamentals to form the basis for the company's long-term business planning, investment decisions, and research programs. The Outlook reflects the company's view of global energy demand and supply through 2050. It is a projection based on current trends in technology, government policies, consumer preferences, geopolitics, and economic development.

The Outlook uses projections and scenarios from reputable third parties such as the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC). Included in the range of these scenarios are: the IPCC Likely Below 2°C scenarios and three scenarios from the IEA; IEA Stated Policies Scenario (STEPS; 2025 World Energy Outlook (WEO)), which reflects a sector-by-sector assessment of current policy in place and those announced by governments; IEA Announced Pledges Scenario (APS; 2024 WEO), which reflects aspirational government targets met on time and in full; and IEA Net Zero Emissions by 2050 Scenario (NZE; 2025 WEO), which the IEA describes as highly ambitious and challenging, acknowledging that society is not currently on the IEA NZE pathway. No single transition pathway can be reasonably predicted, given the wide range of uncertainties. Key unknowns include yet-to-be-developed or changes in developed government policies, market conditions, and advances in technology that may influence the cost, pace, and potential availability of certain pathways. Scenarios that employ a full complement of technology options are likely to provide the most economically efficient pathways.

Using the company's own experts and third-party sources, the company monitors a variety of signposts that may indicate a potential shift in the energy transition. For example, the regional pace of the transition could be influenced by the cost of new technologies compared to existing or alternative energy sources.

By 2050, the world's population is projected to be around 9.7 billion people, or nearly 2 billion more than in 2024. Coincident with this population increase, the Outlook projects worldwide economic growth to average approximately 2.5 percent per year, with economic output nearly doubling by 2050 compared to 2024. As economies and populations grow, and as living standards improve for billions of people, the need for energy is expected to continue to rise. Even with significant efficiency gains, global energy demand is projected to rise by over 10 percent from 2024 to 2050. This increase in energy demand is expected to be driven by developing countries (i.e., those that are not member nations of the Organization for Economic Co-operation and Development (OECD)). By contrast, energy use in developed nations is expected to decline by more than 10 percent as efficiency improves.

As expanding prosperity drives global energy demand higher, increasing use of energy-efficient technologies and practices, as well as lower-emission products, will continue to help significantly reduce energy consumption and CO_2 emissions per unit of economic output over time. Substantial efficiency gains are likely in all key aspects of the world's economy through 2050, affecting energy requirements for power generation, transportation, industrial applications, and residential and commercial needs.

Under the Outlook, global electricity demand is expected to increase more than 70 percent from 2024 to 2050, with developing countries likely to account for approximately 80 percent of the increase. Consistent with this projection, power generation is expected to remain the largest and fastest growing major segment of global primary energy demand, supported by a wide variety of energy sources. The share of coal-fired generation is expected to decline substantially to approximately 15 percent of the world's electricity in 2050, versus approximately 35 percent in 2024, in part due to policies to improve air quality as well as reduce greenhouse gas emissions to address risks related to climate change. From 2024 to 2050, the amount of electricity supplied using natural gas, nuclear power, and renewables is expected to more than double, accounting for the entire growth in electricity supplies and offsetting the reduction of coal. Electricity from wind and solar is expected to increase nearly 400 percent, helping total renewables (including other sources, e.g., hydropower) to account for approximately 90 percent of the increase in electricity supplies through 2050. Total renewables are expected to

reach over 50 percent of global electricity supplies by 2050. Natural gas and nuclear are expected to be about 20 percent and 10 percent, respectively, of global electricity supplies by 2050. Supplies of electricity by energy type will reflect significant differences across regions reflecting a wide range of factors, including the cost and availability of various energy supplies and policy developments.

Energy for transportation - including cars, trucks, ships, trains, and airplanes - is expected to increase by nearly 25 percent from 2024 to 2050. Transportation energy demand is expected to account for over 50 percent of the growth in liquid fuels demand worldwide over this period. Light-duty vehicle demand for liquid fuels is projected to have peaked this decade, and then decline to levels seen in the early-2010s by 2050, as the impact of better fuel economy and significant growth in electric cars, led by China, Europe, and the United States, work to offset growth in the worldwide car fleet of approximately 60 percent. By 2050, light-duty vehicles are expected to account for around 20 percent of global liquid fuels demand. During the same time period, nearly all the world's commercial transportation fleets are expected to continue to run on liquid fuels, including biofuels, which are expected to be widely available and offer practical advantages in providing a large quantity of energy in small volumes.

Almost half of the world's energy use is dedicated to industrial activity. As the global middle class continues to grow, demand for durable products, appliances, and consumable goods will increase. Industry uses energy products both as a fuel and as a feedstock for chemicals, asphalt, lubricants, waxes, and other specialty products. The Outlook anticipates technology advances, as well as the increasing shift toward cleaner forms of energy, such as electricity and natural gas, with coal declining. Demand for oil will continue to grow as a feedstock for industry.

As populations grow and prosperity rises, more energy will be needed to power homes, offices, schools, shopping centers, hospitals, etc. Combined residential and commercial energy demand is projected to rise by around 15 percent through 2050. Led by the growing economies of developing nations, average worldwide household electricity use is expected to rise more than 60 percent between 2024 and 2050.

Liquid fuels provide the largest share of global energy supplies today reflecting broad-based availability, affordability, ease of transportation, and fitness as a practical solution to meet a wide variety of needs. By 2050, global demand for liquid fuels is projected to grow to nearly 115 million oil-equivalent barrels per day, an increase of about 10 percent from 2024. The non-OECD share of global liquid fuels demand is expected to increase to about 70 percent by 2050, as liquid fuels demand in the OECD is expected to decline by more than 25 percent. Much of the global liquid fuels demand today is met by crude production from conventional sources; these supplies will remain important, and significant development activity is expected to offset much of the natural declines from these fields. At the same time, a variety of supply sources - including tight oil, deepwater, oil sands, natural gas liquids, and biofuels - are expected to grow to help meet rising demand. Timely investments will remain critical to meeting global needs with reliable and affordable supplies.

Natural gas is a lower-emission, versatile and practical fuel for a wide variety of applications. Global natural gas demand is expected to rise nearly 20 percent from 2024 to 2050, with approximately 70 percent of that increase coming from the Asia Pacific region. Significant growth in supplies of unconventional gas - the natural gas found in shale and other tight rock formations - will help meet these needs. In total, over 40 percent of the growth in natural gas supplies is expected to come from unconventional sources. At the same time, conventionally-produced natural gas is likely to remain the cornerstone of global supply, meeting around two-thirds of worldwide demand in 2050. Liquefied natural gas (LNG) trade will expand significantly, meeting about 75 percent of the increase in global demand growth, with much of this supply expected to help meet rising demand in the Asia Pacific region.

The world's energy mix is highly diverse and will remain so through 2050. Oil is expected to continue as the largest source of energy with its share remaining close to 30 percent in 2050. Coal and natural gas are the next largest sources of energy today, with the share of natural gas growing to more than 25 percent by 2050, while the share of coal falls to about half that of natural gas. Nuclear power is projected to grow, as many nations are likely to expand nuclear capacity to address rising electricity needs as well as energy security and environmental issues. Total renewable energy is expected to exceed 20 percent of global energy by 2050, with other renewables (e.g., biomass, hydropower, geothermal) contributing a combined share of more than 10 percent. Total energy supplied from wind and solar is expected to increase rapidly, growing nearly 350 percent from 2024 to 2050, when they are projected to be greater than 10 percent of the world energy mix.

Decarbonization of industrial activities will require a suite of lower-carbon technologies supported by stable policies. Lower-emission fuels, hydrogen-based fuels, and carbon capture and storage are three key lower-carbon solutions needed to support a lower-emission future, in addition to wind and solar. Along with electrification, lower-emission fuels are expected to play an important role in decarbonization of the transportation sector, particularly in hard-to-decarbonize areas, such as aviation. Low-carbon hydrogen will be a key enabler replacing traditional furnace fuel to decarbonize the industrial sector. Hydrogen and hydrogen-based fuels like ammonia are also expected to make inroads into commercial transportation as technology improves to lower its cost and policy develops to support the needed infrastructure development. Carbon capture and storage on its own, or in combination with hydrogen production, is among the few proven technologies that could enable CO_2 emission reductions from high-emitting and hard-to-decarbonize sectors such as power generation and heavy industries, including manufacturing, refining, and petrochemicals.

The Outlook projects that oil demand will remain above 100 million barrels per day to 2050. And even under the average of IPCC Likely Below 2°C scenarios, oil demand still comes to 65 million barrels per day in 2050 – about two thirds of current consumption.

The Outlook shows oil production declines at a rate of about 15 percent per year. At that rate, in the absence of continued investment, by 2030 oil supplies would fall from 100 million barrels per day to less than 30 million barrels, more than 70 million barrels per day short of what is needed to meet demand. Limiting investment to only existing fields would slow the decline to about 4 percent, however, this would still be well below the oil demand in the average of IPCC Likely Below 2°C scenarios.

To meet projected demand, the company anticipates that the world's available oil and gas resource base will grow, not only from new discoveries, but also from increases in previously discovered fields. Technology will underpin these increases. The investments to develop and supply resources to meet global demand through 2050 will be significant and would be needed to meet even rapidly declining demand for oil and gas envisioned in aggressive decarbonization scenarios.

International accords and underlying regional and national regulations covering greenhouse gas emissions continue to evolve with uncertain timing and outcome, making it difficult to predict their business impact. The company's estimates of potential costs related to greenhouse gas emissions align with applicable provincial and federal regulations. Additionally, the company uses the Outlook as a foundation for estimating energy supply and demand requirements from various energy sources and uses, and the Outlook takes into account policies established to reduce energy related greenhouse gas emissions. The climate accord reached at the 2015 Conference of the Parties (COP 21) in Paris set many new goals, and many related policies are still emerging. The Outlook reflects an environment with increasingly stringent climate policies and seeks to identify potential impacts of these climate related government policies, which often target specific sectors. For purposes of the Outlook, a proxy cost on energy-related CO_2 emissions is assumed, based on regional considerations and relative levels of economic development, and by 2050, reaches up to $150 USD per metric ton for OECD nations and up to $100 USD per metric ton for non-OECD nations. As people and nations look for ways to reduce risks of global climate change, they will continue to need practical solutions that do not jeopardize the affordability or reliability of the energy they need. The company continues to monitor the updates to the Nationally Determined Contributions (NDCs) that are submitted by nations that are signatories to the Paris Agreement, as well as other policy developments in light of net-zero ambitions formulated by some nations, including Canada.

The information provided in the Outlook includes ExxonMobil's internal estimates and projections based upon internal data and analyses, as well as publicly available information from external sources including the International Energy Agency.

Progress reducing emissions

Practical solutions to the world's energy and climate challenges will benefit from market competition in addition to well-informed, well-designed and transparent policy approaches that carefully weigh costs and benefits. Such policies are likely to help manage the risks of climate change while also enabling societies to pursue other high priority goals around the world – including clean air and water, access to reliable and affordable energy, and economic progress for all people. The company encourages sound policy solutions that reduce climate-related risks across the economy at the lowest societal cost. All practical and economically viable energy sources will need to be pursued to continue meeting global energy demand, recognizing the scale and variety of worldwide energy needs, as well as the importance of expanding access to modern energy to promote better standards of living for billions of people.

As part of the company's efforts to provide solutions that lower the greenhouse gas emissions intensity of its operations and provide lower life-cycle emissions products to customers, the company will continue to evaluate and deploy technologies such as oil sands technologies that use less steam, carbon capture and storage, energy efficiency projects, and low-emissions fuels. Decisions to deploy these technologies will be informed by market conditions and government policies.

Recent business environment

During 2025, the price of crude oil decreased relative to 2024, as increased OPEC+ output, record U.S. production, and global economic growth deceleration created a significant supply-demand imbalance, while brief geopolitical price spikes faded quickly and failed to counter the broader downward pressure. In addition, the Canadian WTI/WCS spread narrowed as expanded TMX export capacity improved market access, while steady U.S. refinery demand and reduced western Canadian inventories in the second quarter, driven by turnarounds and wildfire-related supply impacts, further tightened the differential. Industry refining margins improved in 2025, influenced by geopolitical factors and supply disruptions. The company closely monitors market trends and works to mitigate both operating and capital cost impacts in all price environments.

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.

Business results

Consolidated

millions of Canadian dollars	**2025**	2024	2023
Net income (loss) (U.S. GAAP)	**3,268**	4,790	4,889
Identified items[1] included in Net income (loss)			
Impairments	**(570)**	—	—
Restructuring charges	**(249)**	—	—
Other (a)	**(212)**	—	—
Subtotal of identified items[1]	**(1,031)**	—	—
Net income (loss) excluding identified items[1]	**4,299**	4,790	4,889

(a) Contractual obligations associated with the Norman Wells end of field life acceleration.

2025
Net income in 2025 was $3,268 million, or $6.48 per share on a diluted basis, compared to $4,790 million, or $9.03 per share in 2024. Current year results include identified items[1] of: $320 million after-tax ($421 million before-tax) related to the Norman Wells end of field life acceleration; a $306 million after-tax ($406 million before-tax) non-cash impairment charge of the Calgary Imperial Campus; a $249 million after-tax ($330 million before-tax) restructuring charge; and a one-time $156 million after-tax ($206 million before-tax) charge associated with the optimization of materials and supplies inventory.

2024
Net income in 2024 was $4,790 million, or $9.03 per share on a diluted basis, compared to $4,889 million, or $8.49 per share in 2023.

[1] Non-GAAP financial measure - see "Frequently used terms" section for definition and reconciliation.

Upstream

Overview

The company produces crude oil and natural gas for sale predominantly into North American markets. The company's Upstream business strategies guide the company's exploration, development, production, research and gas marketing activities. These strategies include improving asset reliability, accelerating development and application of high impact technologies, maximizing value by capturing new business opportunities and managing the existing portfolio, as well as pursuing sustainable improvements in organizational efficiency and effectiveness. These strategies are underpinned by a relentless focus on operations integrity, commitment to innovative technologies, disciplined approach to investing and cost management, development of employees and investment in the communities within which the company operates.

The company has a significant oil and gas resource base and a large inventory of potential projects. The company's current investment strategy is to invest for value and select volume growth, with focus on optimization within existing assets, cost reduction opportunities and productivity enhancements that aim to deliver robust returns at a wide range of prices. The company also continues to evaluate opportunities to support long-term growth. Although actual volumes typically vary from year to year, the focus is on value-add, long-term growth opportunities within the context of the factors described in "Item 1A. Risk factors". The company continually evaluates opportunities, including the pace of development for the Aspen project.

Prices for most of the company's crude oil sold are referenced to Western Canada Select (WCS) and West Texas Intermediate (WTI) oil markets. Additionally, the market price for WCS is typically lower than light and medium grades of oil, and price differentials between WCS and WTI can fluctuate.

The company believes prices over the long term will be driven by market supply and demand, with the demand side largely being a function of general economic activity, alternative energy sources, levels of prosperity, technology advancements, consumer preference and government policies. On the supply side, prices may be significantly impacted by political events, logistics constraints, the actions of OPEC or OPEC+, governments, alternative energy sources, and other factors. To manage the risks associated with price, the company tests the resiliency of its annual plans and all major investments across a range of price scenarios.

Key events

Upstream assets demonstrated strong operational performance in 2025. The company continued to benefit from its actions implemented in prior years to manage the cost structure and improve the reliability of its assets, enabling the Upstream to capture significant value.

Upstream full-year production averaged 438,000 gross oil-equivalent barrels per day.

At Kearl, gross production was about 280,000 barrels per day (199,000 barrels Imperial's share), which is a decrease of about 1,000 barrels per day (1,000 barrels Imperial's share) compared to 2024.

At Cold Lake, annual production averaged 151,000 barrels per day, which is an increase of about 3,000 barrels per day compared to 2024.

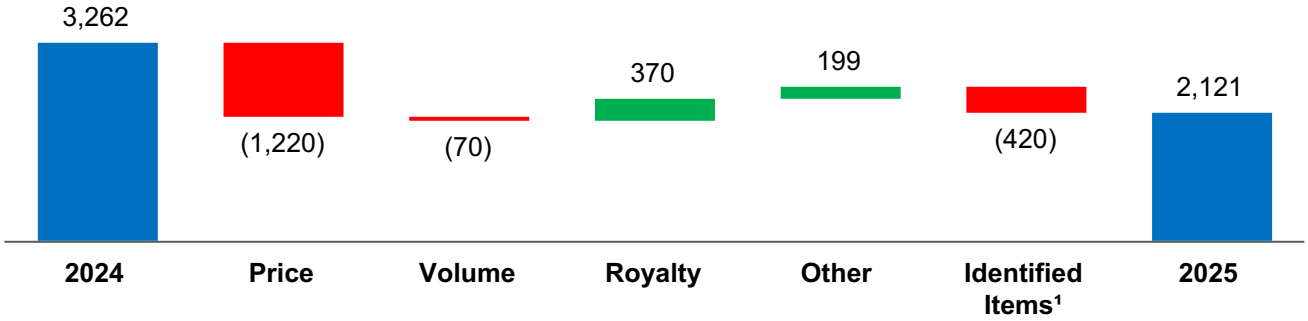
At Syncrude, annual production averaged 79,000 barrels per day, which is an increase of about 4,000 barrels per day compared to 2024.

As described in more detail in "Item 1A. Risk factors", environmental risks and climate related regulations could have negative impacts on the upstream business.

Results of operations

2025 Net income (loss) factor analysis

millions of Canadian dollars



Price – Average bitumen realizations decreased by $7.52 per barrel, primarily driven by lower marker prices partially offset by narrowing WTI/WCS spread and favourable diluent. Synthetic crude oil realizations decreased by $12.92 per barrel, primarily driven by lower WTI.

Volume – Inventory impacts partially offset by higher production.

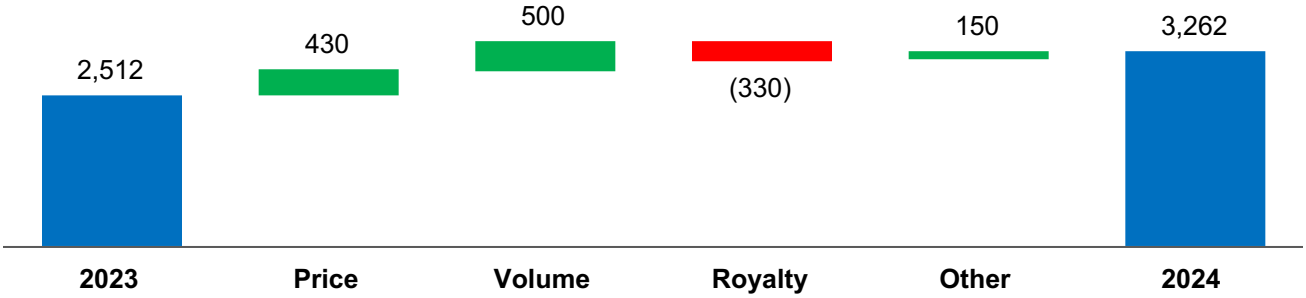
Royalty – Lower royalties were primarily driven by lower commodity prices.

Other – Primarily due to favourable foreign exchange impacts of about $190 million.

Identified items[1] – $320 million after-tax ($421 million before-tax) related to the Norman Wells end of field life acceleration and a separate one-time $100 million after-tax ($131 million before-tax) charge associated with the Upstream portion of the optimization of materials and supplies inventory.

2024 Net income (loss) factor analysis

millions of Canadian dollars



Price – Average bitumen realizations increased by $7.11 per barrel, primarily driven by the narrowing WTI/WCS spread and lower diluent costs, partially offset by lower marker prices. Synthetic crude oil realizations decreased by $3.66 per barrel, primarily driven by a weaker Synthetic/WTI spread and lower WTI.

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

Royalty – Higher royalties were primarily driven by higher volumes and prices.

Other – Primarily due to lower operating expenses of about $210 million, mainly driven by lower energy prices, and favourable foreign exchange impacts of about $120 million, partially offset by lower electricity sales at Cold Lake due to lower prices.

[1] Non-GAAP financial measure - see "Frequently used terms" section for definition and reconciliation.

Marker prices and average realizations

Canadian dollars, unless otherwise noted	**2025**	2024	2023
West Texas Intermediate (US$ per barrel)	**64.73**	75.78	77.60
Western Canada Select (US$ per barrel)	**53.76**	61.04	58.97
WTI/WCS Spread (US$ per barrel)	**10.97**	14.74	18.63
Bitumen (per barrel)	**67.01**	74.53	67.42
Synthetic crude oil (per barrel)	**88.99**	101.91	105.57
Conventional crude oil (per barrel)	**33.10**	55.63	59.30
Natural gas (per thousand cubic feet)	**1.76**	0.69	2.58
Average foreign exchange rate (US$)	**0.72**	0.73	0.74

Crude oil - production and sales (a)

thousands of barrels per day	**2025**		2024		2023	
	gross	**net**	gross	net	gross	net
Bitumen	**350**	**310**	348	299	326	283
Synthetic crude oil (b)	**79**	**68**	75	62	76	67
Conventional crude oil	**4**	**4**	5	5	5	5
Total crude oil production	**433**	**382**	428	366	407	355
Bitumen sales, including diluent (c)	**475**		471		442	

Natural gas - production and production available for sale (a)

millions of cubic feet per day	**2025**		2024		2023	
	gross	**net**	gross	net	gross	net
Production (d) (e)	**29**	**29**	30	30	33	32
Production available for sale (f)		**8**		9		11

(a) Volume per day metrics are calculated by dividing the volume for the period by the number of calendar days in the period. Gross production is the company's share of production (excluding purchases) before deduction of the mineral owners' or governments' share or both.
(b) The company's synthetic crude oil production volumes were from the company's share of production volumes in the Syncrude joint venture and include immaterial amounts of bitumen and other products exported to the operator's facilities using an existing interconnect pipeline.
(c) Diluent is natural gas condensate or other light hydrocarbons added to crude bitumen to facilitate transportation.
(d) Gross production of natural gas includes amounts used for internal consumption with the exception of the amounts reinjected.
(e) Net production is gross production less the mineral owners' or governments' share or both. Net production reported in the above table is consistent with production quantities in the net proved reserves disclosure.
(f) Includes sales of the company's share of net production and excludes amounts used for internal consumption.

2024

Higher bitumen production was mainly attributable to Grands Rapids production at Cold Lake, as well as improved mine fleet productivity and optimized turnaround at Kearl.

Downstream

Overview

The company's Downstream serves predominantly Canadian markets with refining, trading, logistics and marketing activities. The company's Downstream business strategies competitively position the company across a range of market conditions. These strategies include targeting industry-leading performance in reliability, safety and operations integrity, as well as maximizing value from advanced technologies, capitalizing on integration across the company's businesses, selectively investing for resilient and advantaged returns, operating efficiently and effectively, and providing quality, valued and differentiated products and services to customers.

The company owns and operates three refineries in Canada with aggregate distillation capacity of 434,000 barrels per day. Refining margins are largely driven by differences in commodity prices and are a function of the difference between what a refinery pays for its raw materials (primarily crude oil) and the market prices for the range of products produced (primarily gasoline, heating oil, diesel oil, jet fuel, fuel oil and asphalt). Crude oil and many products are widely traded with published prices, including those quoted on the New York Mercantile Exchange. Prices for these commodities are determined by the global and regional marketplaces and are influenced by many factors, including global and regional supply/demand balances, inventory levels, industry refinery operations, import/export balances, currency fluctuations, seasonal demand, weather and geopolitical considerations. While industry refining margins significantly impact earnings, strong operational performance, product mix optimization, and disciplined cost control are also critical to the company's strong financial performance. The company's integration across the value chain, from refining to marketing, enhances overall value across the fuels business.

Key events

Refining margins strengthened in 2025 driven by strong distillate demand and relatively low inventory levels due to global supply disruptions. The company continues to closely monitor industry and global economic conditions.

In January 2023, the company fully funded the Strathcona renewable diesel project, the largest such facility in Canada, located at Strathcona refinery. The facility uses hydrogen, locally sourced and grown feedstocks and the company's proprietary catalyst to produce renewable diesel. Facility construction commenced in 2023 and was completed and commissioned with first on-spec renewable diesel produced in July 2025 bringing lower-emission fuels to market.

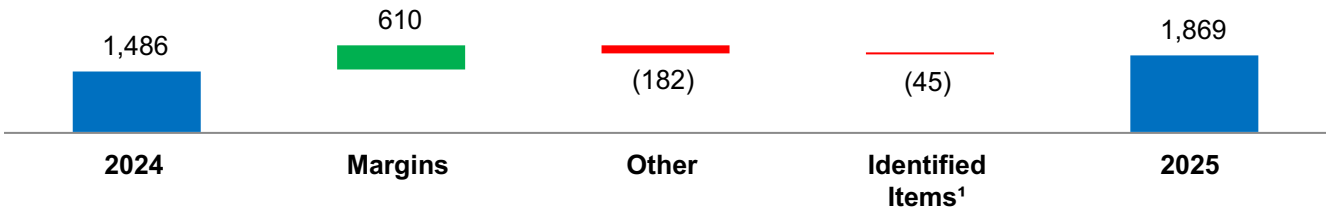
As described in more detail in "Item 1A. Risk factors", proposed carbon policy and other climate related regulations, as well as continued biofuels mandates, could have negative impacts on the Downstream business.

The company supplies petroleum products through Esso and Mobil-branded sites and independent marketers. At the end of 2025, there were about 2,600 sites operating under a branded wholesaler model, in alignment with Esso and Mobil brand standards, whereby the company supplies fuel to independent third parties.

Results of operations

2025 Net income (loss) factor analysis

millions of Canadian dollars

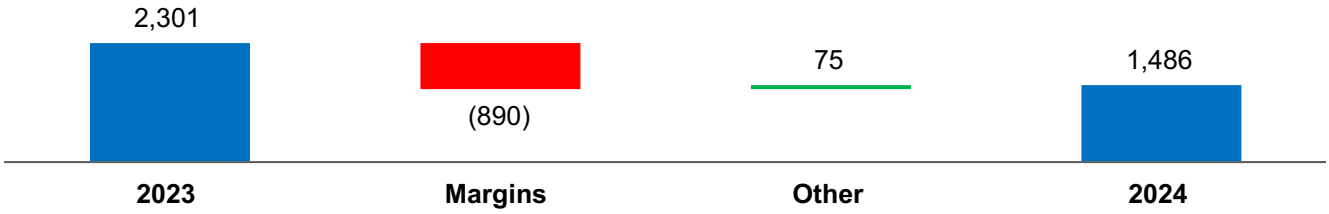


Margins – Higher margins primarily reflect improved market conditions.

Other – Primarily due to higher operating expenses of about $140 million driven by higher energy costs, additional maintenance in the company's eastern manufacturing hub of about $70 million, and unfavourable wholesale volume impacts of about $60 million, partially offset by lower turnaround impacts of about $100 million.

[1] Non-GAAP financial measure - see "Frequently used terms" section for definition and reconciliation.

2024 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 $120 million and favourable foreign exchange impacts of about $110 million, partially offset by lower volumes of about $60 million.

Refinery utilization

thousands of barrels per day (a)	**2025**	2024	2023
Total refinery throughput (b)	**402**	399	407
Rated capacity at December 31 (c)	**434**	434	433
Utilization of total refinery capacity (percent)	**93**	92	94

(a) Volume per day metrics are calculated by dividing the volume for the period by the number of calendar days in the period.
(b) Refinery throughput is the volume of crude oil and feedstocks that is processed in the refinery atmospheric distillation units.
(c) Refining capacity data is based on 100 percent of rated refinery process unit stream-day capacities to process inputs to atmospheric distillation units under normal operating conditions, less the impact of shutdowns for regular repair and maintenance activities, averaged over an extended period of time.

2024
Lower refinery throughput in 2024 reflected the impact of planned turnaround activities at Nanticoke, Sarnia and Strathcona refineries.

Petroleum product sales

thousands of barrels per day (a)	**2025**	2024	2023
Gasolines	**224**	223	228
Heating, diesel and jet fuels	**177**	175	176
Lube oils and other products (b)	**48**	46	43
Heavy fuel oils	**21**	22	24
Net petroleum product sales	**470**	466	471

(a) Volume per day metrics are calculated by dividing the volume for the period by the number of calendar days in the period.
(b) In 2025 and 2024, benzene and aromatic solvent sales are reported under Petroleum product sales - Lube oils and other products, whereas in 2023, they were reported under Petrochemical sales. The company has determined that the impact of this change is not material; therefore, the comparative periods have not been recast.

Chemical

Overview

North America continued to benefit from abundant supplies of natural gas and gas liquids, providing both low cost energy and feedstock for steam crackers.

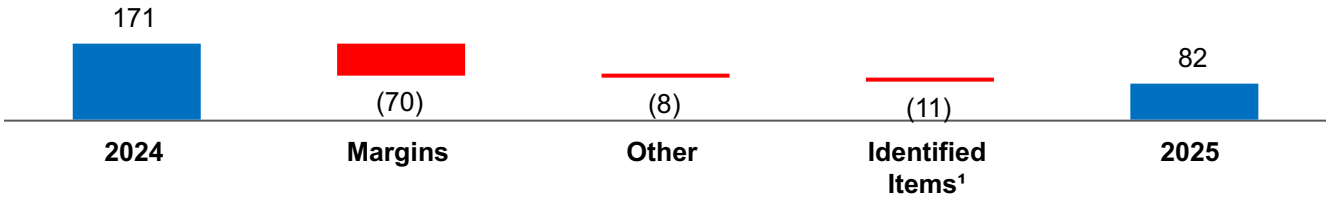
Key events

In 2025, the Chemicals business had strong operating performance, building on the improvements achieved following the completion of maintenance activities in prior years.

The company maintains a competitive advantage through continued operational excellence, consistent product quality, investment and cost discipline, and integration of its chemical plant in Sarnia with the refinery. The company also benefits from its relationship with ExxonMobil's North American chemical businesses, enabling Imperial to maintain a leadership position in its key market segments.

Results of operations

2025 Net income (loss) factor analysis
millions of Canadian dollars



Margins – Lower margins primarily reflect weaker industry polyethylene margins.

2024 Net income (loss) factor analysis
millions of Canadian dollars

Sales

thousands of tonnes	**2025**	2024	2023
Total petrochemical sales (a)	**683**	684	820

(a) In 2025 and 2024, benzene and aromatic solvent sales are reported under Petroleum product sales - Lube oils and other products, whereas in 2023, they were reported under Petrochemical sales. The company has determined that the impact of this change is not material; therefore, the comparative periods have not been recast.

Corporate and other

millions of Canadian dollars	**2025**	2024	2023
Net income (loss)	**(804)**	(129)	(88)

Current year results include identified items[1] of a $306 million after-tax ($406 million before-tax) non-cash impairment charge of the Calgary Imperial Campus 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.

[1] Non-GAAP financial measure - see "Frequently used terms" section for definition and reconciliation.

Liquidity and capital resources

Sources and uses of cash
The company issues long-term debt from time to time and maintains a commercial paper program. However, internally generated funds cover the majority of its financial requirements. Cash that may be temporarily surplus to the company's immediate needs is carefully managed through counterparty quality and investment guidelines to ensure that it is secure and readily available to meet the company's cash requirements and to optimize returns.

Cash flows from operating activities are highly dependent on crude oil and natural gas prices, as well as petroleum and chemical product margins. In addition, to provide for cash flow in future periods, the company needs to continually find and develop new resources, and continue to develop and apply new technologies to existing fields in order to maintain or increase production.

The company's financial strength enables it to make large, long-term capital expenditures. The company's portfolio of development opportunities and the complementary nature of its business segments help mitigate the overall risks for the company and its cash flows. Further, due to its financial strength, debt capacity and portfolio of opportunities, the risk associated with delay of any single project would not have a significant impact on the company's liquidity or ability to generate sufficient cash flows for its operations and fixed commitments.

Funding of registered retirement plans complies with federal and provincial pension regulations, and the company makes contributions to the plans based on an independent actuarial valuation completed at least once every three years depending on funding status. The most recent valuation of the company's registered retirement plans was completed as at December 31, 2022. A valuation of the company's registered retirement plans as at December 31, 2025 is expected to be completed in 2026. The company contributed $148 million to the registered retirement plans in 2025. Future funding requirements are not expected to affect the company's existing capital investment plans or its ability to pursue new investment opportunities.

millions of Canadian dollars	**2025**	2024	2023
Cash flows from (used in):			
Operating activities	**6,708**	5,981	3,734
Investing activities	**(1,892)**	(1,825)	(1,694)
Financing activities	**(4,653)**	(4,041)	(4,925)
Increase (decrease) in cash and cash equivalents	**163**	115	(2,885)
Cash and cash equivalents at end of year	**1,142**	979	864

Cash flows from operating activities

2025
Cash flows from operating activities primarily reflect favourable working capital impacts.

2024
Cash flows from operating activities primarily reflect lower 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

2025
Cash flows used in investing activities primarily reflect higher additions to property, plant and equipment.

2024
Cash flows used in investing activities primarily reflect higher additions to property, plant and equipment.

Cash flows used in financing activities

2025
At the end of 2025, total debt outstanding was $3,997 million, compared with $4,011 million at the end of 2024.

During the fourth quarter of 2025, the company extended the maturity dates of its two existing $250 million committed lines of credit to November 2026 and November 2027, respectively.

The company has not drawn on any of its outstanding $500 million of available credit facilities.

2024
At the end of 2024, total debt outstanding was $4,011 million, compared with $4,132 million at the end of 2023.

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.

During the fourth quarter of 2024, the company extended the maturity dates of its two existing $250 million committed lines of credit to November 2025 and November 2026, respectively.

The company has not drawn on any of its outstanding $500 million of available credit facilities.

Share repurchases

millions of Canadian dollars, unless noted	**2025**	2024	2023
Share repurchases (a)	**3,180**	2,681	3,800
Number of shares purchased (millions) (a)	**25.5**	26.8	48.3

(a) Share repurchases were made under the company's normal course issuer bid program for the periods disclosed. A Substantial issuer bid was undertaken and commenced on November 3, 2023 and expired on December 8, 2023. Includes shares purchased from Exxon Mobil Corporation under and in connection with the normal course issuer bid and by way of a proportionate tender under the company's substantial issuer bids.

2025
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 to continue its then-existing share purchase program. The program enabled the company to purchase up to a maximum of 25,452,248 common shares during the period June 29, 2025 to June 28, 2026. The program completed on December 17, 2025 as a result of the company purchasing the maximum allowable number of shares under the program.

2024
On June 24, 2024, the company announced that it had received final approval from the Toronto Stock Exchange for a new normal course issuer bid to continue its then-existing share purchase program. The program enabled the company to purchase up to a maximum of 26,791,840 common shares during the period June 29, 2024 to June 28, 2025. The program completed on December 19, 2024 as a result of the company purchasing the maximum allowable number of shares under the program.

Dividends

millions of Canadian dollars, unless noted	**2025**	2024	2023
Dividends paid	**1,401**	1,238	1,103
Per share dividend paid (dollars)	**2.76**	2.30	1.88

Financial strength

The table below shows the company's consolidated debt-to-capital ratio at December 31. The data demonstrates the company's creditworthiness:

percent	**2025**	2024	2023
Debt to capital (a)	**15**	15	16

(a) Debt, defined as the sum of "Notes and loans payable" and "Long-term debt" on the Consolidated balance sheet, divided by capital, defined as the sum of debt and "Total shareholders' equity" on the Consolidated balance sheet.

Debt-related interest incurred in 2025, before capitalization of interest, was $131 million, compared with $192 million in 2024. The weighted-average interest rate on the company's debt was 3.1 percent in 2025, compared with 4.7 percent in 2024.

The company's financial strength represents a competitive advantage of strategic importance providing it the opportunity to readily access capital markets across a range of market conditions and enables the company to take on large, long-term capital commitments in the pursuit of maximizing shareholder value.

Contractual obligations

The company has contractual obligations involving commitments to third parties that impact its liquidity and capital resource needs. These contractual obligations are primarily for leases, debt, asset retirement obligations, pension and other postretirement benefits, other long-term obligations, and firm capital commitments. Further information on this topic can be found in notes 4, 5, 11, 13, 14 to the consolidated financial statements.

Other long-term purchase agreements are commitments that are non-cancellable, or cancellable only under certain conditions, as well as long-term commitments, other than unconditional purchase obligations. They include primarily raw material supply, transportation services agreements, and community benefits agreements. The total obligation at year-end 2025 was $14.5 billion, of which $1.5 billion is due in 2026, and $1.5 billion is due in 2027.

Litigation and other contingencies

As discussed in note 9 to the consolidated financial statements, a variety of claims have been made against Imperial and its subsidiaries. Based on a consideration of all relevant facts and circumstances, the company does not believe the ultimate outcome of any currently pending lawsuits against the company will have a material adverse effect on the company's operations, financial condition, or financial statements taken as a whole.

Additionally, as discussed in note 9, Imperial was contingently liable at December 31, 2025, for guarantees relating to performance under contracts. These guarantees do not have a material effect on the company's operations, financial condition, or financial statements taken as a whole.

There are no events or uncertainties beyond those already included in reported financial information that would indicate a material change in future operating results or financial condition.

Capital and exploration expenditures

Capital and exploration expenditures represent the combined total of additions at cost to property, plant and equipment, additions to finance leases, additional investments and acquisitions; exploration expenses on a before-tax basis from the Consolidated statement of income; and the company's share of similar costs for equity companies. Capital and exploration expenditures exclude the purchase of carbon emission credits. While the company's management is responsible for all investments and elements of net income, particular focus is placed on managing the controllable aspects of this group of expenditures.

millions of Canadian dollars	**2025**	2024
Upstream (a)	**1,480**	1,078
Downstream	**412**	572
Chemical	**11**	30
Corporate and other	**124**	187
Total	**2,027**	1,867

(a) Exploration expenses included.

For the Upstream segment, capital and exploration expenditures were primarily related to sustaining activity in support of the company's oil sands and in-situ assets.

For the Downstream segment, capital expenditures were primarily for completing the Strathcona renewable diesel facility as well as other refinery and distribution projects to improve environmental performance, reliability, and energy efficiency.

Total capital and exploration expenditures are expected to range between $2.0 billion to $2.2 billion in 2026.

Expected capital and exploration expenditures for 2026 includes firm capital commitments of $585 million for the construction and purchase of fixed assets and other permanent investments. An additional $89 million of firm capital commitments have been made for years 2027 and beyond.

Actual spending could vary depending on the progress of individual projects.

Market risks

Crude oil, natural gas, petroleum product and chemical prices have fluctuated in response to changing market forces. The impacts of these price fluctuations on earnings from Upstream, Downstream and Chemical operations have varied.

The company's earnings are influenced by North American crude oil benchmark prices as well as changes in the differentials between these benchmarks and western Canadian prices for light and heavy crude oil. The company's integrated business model reduces its risk from changes in commodity prices. For instance, when differentials between North American crude benchmarks and western Canadian prices widen, the company is able to mitigate the impact of widening differentials on the Upstream through integration with Downstream investments in refineries and pipeline commitments.

In the competitive downstream and chemical environments, earnings are primarily determined by margin capture rather than absolute price levels on products sold. Refining margins are a function of the difference between what a refiner pays for its raw materials (primarily crude oil) and the market prices for the range of products produced. These prices, in turn, depend on global and regional supply/demand balances, inventory levels, refinery operations, import/export balances and weather.

Industry crude oil commodity prices and petroleum and chemical product prices are commonly benchmarked in U.S. dollars. The majority of the company's sales and purchases are related to these industry U.S. dollar benchmarks. As the company records and reports its financial results in Canadian dollars, to the extent that the Canadian/U.S. dollar exchange rate fluctuates, the company's earnings will be affected.

The company is exposed to changes in interest rates, primarily on its debt which carries floating interest rates. The impact of a quarter percent change in interest rates affecting the company's debt would not be material to earnings or cash flow. The company has access to significant sources of long-term and short-term liquidity. Internally generated funds are expected to cover the majority of financial requirements, supplemented by long-term and short-term debt as needed.

The company's potential exposure to commodity price and margin, and Canadian/U.S. dollar exchange rate fluctuations, is summarized in the earnings sensitivities table, which shows the estimated annual effect, under current conditions, on the company's after-tax net income. For any given period, the extent of actual benefit or detriment will be dependent on the price movements of individual types of crude oil and products, production and sales volumes, transportation capacity, costs and egress methods, and other factors. Accordingly, changes in benchmark prices for crude oil and crude oil differentials, and other factors listed in the table following, only provide broad indicators of changes in the earnings experienced in any particular period.

Earnings sensitivities (a)

millions of Canadian dollars, after-tax		
One dollar (U.S.) per barrel increase (decrease) in crude oil prices	+ (-)	**115**
One dollar (U.S.) per barrel increase (decrease) in refining 2-1-1 margins (b)	+ (-)	**145**
One cent decrease (increase) in the value of the Canadian dollar versus the U.S. dollar	+ (-)	**130**

(a) Each sensitivity calculation shows the annual impact on net income resulting from a change in one factor, after tax and royalties, and holding all other factors constant. These sensitivities have been updated to reflect current market conditions. They may not apply proportionately to larger fluctuations.

(b) The 2-1-1 crack spread is an indicator of the refining margin generated by converting two barrels of crude oil into one barrel of gasoline and one barrel of diesel.

The demand for crude oil, petroleum products and petrochemical products are generally linked closely with economic growth. The occurrence of recessions or other periods of low or negative economic growth will typically have a direct adverse impact on the company's financial results. Although price levels of crude oil may rise and fall significantly over the short to medium-term due to global economic conditions, political events, decisions by OPEC or OPEC+, governments and other factors, industry economics over the long-term will continue to be driven by market supply and demand. The company evaluates investments over a range of prices, including estimated greenhouse gas emission costs.

The global energy markets can give rise to extended periods in which market conditions are adverse to one or more of the company's businesses. Such conditions, along with the capital-intensive nature of the industry and

very long lead times associated with many of the company's projects, underscore the importance of maintaining a strong financial position. Management views the company's financial strength as a competitive advantage.

In general, segment results are not dependent on the ability to sell and/or purchase products to/from other segments. Where such intersegment sales take place, they are the result of efficiencies and competitive advantages from integrated business segments and refinery and chemical complexes. The company's intersegment sales include crude oil produced by the Upstream and sold to the Downstream, as well as sales between refineries and the chemical plant related to raw materials, feedstocks and finished products. All intersegment sales are at market based prices. Refer to note 2 for additional information on intersegment revenue.

The company has an active asset management program in which nonstrategic assets are considered for divestment. The asset management program includes a disciplined, regular review to ensure that assets are contributing to the company's strategic objectives.

Risk management

The company's size, strong capital structure and the complementary nature of its business segments reduces the company's enterprise-wide risk from changes in commodity prices and currency exchange rates. In addition, the company may use commodity-based contracts, including derivatives, to manage commodity price risk and to generate returns from trading. The company's derivatives are not accounted for under hedge accounting. Credit risk associated with the company's derivative position is mitigated by several factors, including the use of derivative clearing exchanges and the quality of and financial limits placed on derivative counterparties. No material market or credit risks to the company's financial position, results of operations or liquidity exist as a result of the derivatives described in note 6. The company maintains a system of controls that includes the authorization, reporting and monitoring of derivative activity.

Critical accounting estimates

The company's financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles (U.S. GAAP). U.S. GAAP requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. The company's accounting and financial reporting fairly reflect its integrated business model involving exploration for, and production of, crude oil and natural gas; manufacture, trade, transport and sale of crude oil, natural gas, petroleum products, petrochemicals and a variety of specialty products; and pursuit of lower-emission business opportunities including carbon capture and storage, hydrogen, lower-emission fuels, and lithium. The company does not use financing structures for the purpose of altering accounting outcomes or removing debt from the balance sheet. The company's significant accounting policies are summarized in note 1 to the consolidated financial statements.

Oil and natural gas reserves
Evaluations of oil and natural gas reserves are important to the effective management of upstream assets. They are an integral part of investment decisions about oil and gas properties such as whether development should proceed.

The estimation of proved reserve volumes, which is based on the requirement of reasonable certainty, is an ongoing process based on rigorous technical evaluations, commercial and market assessments, detailed analysis of reservoir and well performance, development and production costs, and other factors. The estimation of proved reserves is controlled by the company through long-standing approval guidelines. Reserves changes are made within a well-established, disciplined process driven by qualified geoscience and engineering professionals, assisted by the reserves management group which has significant technical experience, culminating in reviews with and approval by senior management and the company's board of directors. Notably, the company does not use specific quantitative reserves targets to determine compensation. Key features of the reserves estimation process are covered in "Disclosure of reserves" in Item 1.

Oil and natural gas reserves include both proved and unproved reserves.

- Proved oil and natural gas reserves are determined in accordance with U.S. Securities and Exchange Commission (SEC) requirements. Proved reserves are those quantities of oil and natural gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible under existing economic and operating conditions and government regulations. Proved reserves are determined using the average of first-day-of-the-month oil and natural gas prices during the reporting year.

  Proved reserves can be further subdivided into developed and undeveloped reserves. Proved developed reserves include amounts which are expected to be recovered through existing wells, facilities, or mining activities with existing equipment and operating methods. Proved undeveloped reserves include amounts expected to be recovered from new wells, existing wells, facilities, or mining activities, where a relatively major capital expenditure is required. Proved undeveloped reserves are recognized when a development plan has been adopted indicating that the reserves are scheduled to be developed within five years, unless specific circumstances support a longer period of time.

  The company is reasonably certain that proved reserves will be produced. However, the timing and amount recovered can be affected by a number of factors, including completion and optimization of development projects, reservoir performance, and facility processing capacity.

- Unproved reserves are quantities of oil and natural gas with less than reasonable certainty of recoverability and include probable reserves. Probable reserves are reserves that, together with proved reserves, are as likely as not to be recovered.

Revisions in previously estimated volumes of proved reserves for existing fields can occur due to the evaluation or re-evaluation of already available geologic, reservoir or production data; new geologic, reservoir or production data; or changes in the average of first-day-of-the-month oil and natural gas prices and/or costs that are used in the estimation of reserves. Revisions can also result from significant changes in either development strategy or production equipment and facility capacity.

In 2023, upward revisions of proved bitumen of 0.1 billion barrels were driven by lower royalty obligations associated with lower pricing and minor technical revisions at Cold Lake and Kearl. A slight increase in proved reserves for synthetic crude oil is associated with lower royalty obligations associated with pricing. Conventional proved liquids reserves decreased to zero under existing pricing and operating conditions.

In 2024, upward revisions of proved bitumen of 0.1 billion barrels were primarily driven by updates to the Kearl geological model, Kearl well density, and Cold Lake infill drilling, partially offset by reductions associated with higher royalty obligations and Kearl pit limit updates. A decrease to synthetic oil proved reserves is associated with regulatory approval for ore sterilization at Syncrude.

In 2025, upward revisions of proved bitumen were primarily driven by steam scheduling, development drilling, Liquid Addition to Steam for Enhanced Recovery (LASER) process at Cold Lake and lower royalty obligations associated with pricing for both Kearl and Cold Lake. An increase in proved reserves for synthetic crude oil is associated with lower royalty obligation.

Under the terms of certain contractual arrangements or government royalty regimes, lower prices can also increase proved reserves attributable to the company. The company's operating decisions and its outlook for future production volumes are not impacted by proved reserves as disclosed under the SEC definition.

Unit-of-production depreciation
Oil and natural gas reserve volumes are used as the basis to calculate unit-of-production depreciation rates for most upstream assets. Depreciation is calculated by taking the ratio of asset cost to total proved reserves or proved developed reserves applied to actual production. The volumes produced and asset cost are known, while proved reserves are based on estimates that are subject to some variability.

In the event that the unit-of-production method does not result in an equitable allocation of cost over the economic life of an upstream asset, an alternative method is used. The straight-line method is used in limited situations where the expected life of the asset does not reasonably correlate with that of the underlying reserves. For example, certain assets used in the production of oil and natural gas have a shorter life than the reserves, and as such, the company uses straight-line depreciation to ensure the asset is fully depreciated by the end of its useful life.

To the extent that proved reserves for a property are substantially de-booked and that property continues to produce such that the resulting depreciation charge does not result in an equitable allocation of cost over the expected life, assets will be depreciated using a unit-of-production method based on reserves determined at the most recent SEC price which results in a more meaningful quantity of proved reserves, appropriately adjusted for production and technical changes.

Impact of oil and gas reserves and prices and margins on testing for impairment
The company tests assets or groups of assets for recoverability on an ongoing basis whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. The company has a robust process to monitor for indicators of potential impairment across its asset groups throughout the year. This process is aligned with the requirements of *ASC 360* and *ASC 932* and relies, in part, on the company's planning and budgeting cycle.

Because the lifespans of the vast majority of the company's major assets are measured in decades, the future cash flows of these assets are predominantly based on long-term oil and natural gas commodity prices and industry margins, development and production costs. Significant reductions in the company's view of oil or natural gas commodity prices or margin ranges, especially the longer-term prices and margins, and changes in the development plans, including decisions to defer, reduce or eliminate planned capital spending, can be an indicator of potential impairment. Other events or changes in circumstances, including indicators outlined in *ASC 360,* can be indicators of potential impairment as well.

In general, the company does not view temporarily low prices or margins as an indication of impairment. Management believes that prices over the long term must be sufficient to generate investments in energy supply to meet global demand. Although prices will occasionally drop significantly, industry prices over the long term will continue to be driven by market supply and demand fundamentals. On the supply side, industry production from mature fields is declining. This is being offset by investments to generate production from new discoveries, field developments, and technology and efficiency advancements. OPEC+ investment activities and production policies also have an impact on world oil supplies. The demand side is largely a function of general economic activities, alternative energy sources and levels of prosperity. During the lifespan of its major

assets, the company expects that oil and gas prices and industry margins will experience significant volatility. Consequently, these assets will experience periods of higher earnings and periods of lower earnings, or even losses. In assessing whether events or changes in circumstances indicate the carrying value of an asset may not be recoverable, the company considers recent periods of operating losses in the context of its longer-term view of prices and margins.

Global Outlook and cash flow assessment
The annual planning and budgeting process, known as the company plan, is the mechanism by which resources (capital, operating expenses and people) are allocated across the company. The foundation for the energy supply and demand assumptions supporting the company plan begins with Exxon Mobil Corporation's *Global Outlook* (the Outlook), which contains demand and supply projections based on its assessment of current trends in technology, government policies, consumer preferences, geopolitics, economic development, and other factors.

Reflective of the existing global policy environment, the Outlook does not attempt to project the degree of necessary future policy and technology advancement and deployment for the world to meet net zero by 2050. As future policies and technology advancements emerge, they will be incorporated into the Outlook, and consequently, the company's business plans will be updated accordingly.

If events or changes in circumstances indicate that the carrying value of an asset may not be recoverable, the company estimates the future undiscounted cash flows of the affected properties to judge the recoverability of carrying amounts. In performing this assessment, assets are grouped at the lowest level for which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. Cash flows used in recoverability assessments are based on the assumptions developed in the company plan, which is reviewed and approved by the board of directors, and are consistent with the criteria management uses to evaluate investment opportunities. These evaluations make use of the company's assumptions of future capital allocations, crude oil and natural gas commodity prices including price differentials, refining and chemical margins, volumes, development and operating costs, including greenhouse gas emissions prices, and foreign currency exchange rates. Volumes are based on projected field and facility production profiles, throughput, or sales. Management's estimate of upstream production volumes used for projected cash flows makes use of proved reserve quantities and may include risk-adjusted unproved reserve quantities. The greenhouse gas emission prices reflect existing or anticipated policy actions of applicable provincial and federal governments. While third-party scenarios may be used to test the resiliency of company's businesses or strategies, they are not used as a basis for developing future cash flows for impairment assessments.

Fair value of impaired assets
An asset group is impaired if its estimated future undiscounted cash flows are less than the asset group's carrying value. Impairments are measured by the excess of the carrying value over fair value. The assessment of fair value is based on the views of a likely market participant. The principal parameters used to establish fair value include estimates of acreage values and flowing production metrics from comparable market transactions, market-based estimates of historical cash flow multiples, and discounted cash flows. Inputs and assumptions used in discounted cash flow models include estimates of future production volumes, throughput and product sales volumes, commodity prices (which are consistent with the average of third-party industry experts and government agencies), refining and chemical margins, drilling and development costs, operating costs, and discount rates which are reflective of the characteristics of the asset group.

Other impairment estimates
Unproved properties are assessed periodically to determine whether they have been impaired. Significant unproved properties are assessed for impairment individually, and valuation allowances against the capitalized costs are recorded based on the company's future development plans, the estimated economic chance of success and the length of time that the company expects to hold the properties. Properties that are not individually significant are aggregated by groups and amortized based on development risk and average holding period.

Long-lived assets that are held for sale are evaluated for possible impairment by comparing the carrying value of the asset with its fair value less the cost to sell. If the net book value exceeds the fair value less cost to sell, the assets are considered impaired and adjusted to the lower value. Judgment is required to determine if assets are held for sale, and to determine the fair value less cost to sell.

Investments accounted for by the equity method are assessed for possible impairment when events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. Examples of key indicators include a history of operating losses, negative earnings and cash flow outlook, significant downward revisions to oil and gas reserves, and the financial condition and prospects for the investee's business segment or geographic region. If the decline in value of the investment is other than temporary, the carrying value of the investment is written down to fair value. In the absence of market prices for the investment, discounted cash flows are used to assess fair value, which requires significant judgment.

Recent impairments
In 2025, the company signed an agreement to sell the Calgary Imperial Campus which resulted in a non-cash impairment charge of $306 million after-tax in the Corporate and other segment.

Factors which could put further assets at risk of impairment in the future include reductions in the company's price or margin outlooks, changes in the allocation of capital or development plans, reduced long-term demand for the company's products and operating cost increases which exceed the pace of efficiencies or the pace of oil and natural gas price increases or margins. However, due to the inherent difficulty in predicting future commodity prices or margins, and the relationship between industry prices and costs, it is not practicable to reasonably estimate the existence or range of any potential future impairment charges related to the company's long-lived assets.

Supplemental information regarding oil and gas results of operations, capitalized costs and reserves is provided following the notes to consolidated financial statements.

Pension benefits
The company's pension plan is managed in compliance with the requirements of governmental authorities and meets funding levels as determined by independent third-party actuaries. Pension accounting requires explicit assumptions regarding, among others, the discount rate for the benefit obligations, the expected rate of return on plan assets and the long-term rate of future compensation increases. All pension assumptions are reviewed annually by senior management. These assumptions are adjusted only as appropriate to reflect long-term changes in market rates and outlook. The long-term expected rate of return on plan assets of 4.4 percent used in 2025 compares to actual returns of 4.5 percent and 5.6 percent achieved over the last 10- and 20-year periods respectively, ending December 31, 2025. If different assumptions are used, the obligation and expense could increase or decrease as a result. As an indication of the company's potential exposure to changes in the critical assumptions, such as the expected rate of return on plan assets, a reduction of 1 percent in the long-term rate of return on plan assets would increase the annual pension expense by approximately $85 million before tax. At the company, differences between actual returns on plan assets and the long-term expected returns are not recorded in pension expense in the year the differences occur. Such differences are deferred, along with other actuarial gains and losses, and are amortized into pension expense over the expected average remaining service life of employees. Employee benefits expense represented about 1 percent of total expenses in 2025.

Asset retirement obligations
The company is subject to retirement obligations for certain assets. The fair values of these obligations are recorded as liabilities on a discounted basis, which is typically at the time the assets are installed. In the estimation of fair value, the company uses assumptions and judgments regarding such factors as the existence of a legal obligation for an asset retirement obligation, technical assessments of the assets, estimated amounts and timing of settlements, discount rates, and inflation rates. Note 5 to the consolidated financial statements provides a three-year continuity table detailing the changes in asset retirement obligations.

Tax contingencies
The operations of the company are complex, and related tax interpretations, regulations and legislation are continually changing.

The benefits of uncertain tax positions that the company has taken or expects to take in its income tax returns are recognized in the financial statements if management concludes that it is more likely than not that the position will be sustained with the tax authorities. For a position that is likely to be sustained, the benefit recognized in the financial statements is measured at the largest amount that is greater than 50 percent likely of being realized. Significant management judgment is required in the accounting for income tax contingencies and tax disputes because the outcomes are often difficult to predict. The company's unrecognized tax benefits and a description of open tax years are summarized in note 3 to the consolidated financial statements.