



**Second Quarter 2022**

**Financial statements and management's  
discussion and analysis of financial condition  
and operating results**

**For the six months ended June 30, 2022**

**Consolidated statement of income (U.S. GAAP, unaudited)**

millions of Canadian dollars	Second Quarter		Six Months to June 30	
	2022	2021	2022	2021
<b>Revenues and other income</b>				
Revenues (a)	17,285	8,007	29,942	14,999
Investment and other income (note 3)	22	40	51	46
<b>Total revenues and other income</b>	<b>17,307</b>	<b>8,047</b>	<b>29,993</b>	<b>15,045</b>
<b>Expenses</b>				
Exploration	1	2	3	4
Purchases of crude oil and products (b)	11,021	4,867	19,371	8,754
Production and manufacturing (c)	1,908	1,569	3,567	3,054
Selling and general (c)	191	200	416	389
Federal excise tax and fuel charge	553	465	1,032	869
Depreciation and depletion	451	450	877	944
Non-service pension and postretirement benefit	5	10	9	21
Financing (d) (note 5)	11	13	18	27
<b>Total expenses</b>	<b>14,141</b>	<b>7,576</b>	<b>25,293</b>	<b>14,062</b>
<b>Income (loss) before income taxes</b>	<b>3,166</b>	<b>471</b>	<b>4,700</b>	<b>983</b>
<b>Income taxes</b>	<b>757</b>	<b>105</b>	<b>1,118</b>	<b>225</b>
<b>Net income (loss)</b>	<b>2,409</b>	<b>366</b>	<b>3,582</b>	<b>758</b>
<b>Per share information</b> (Canadian dollars)				
Net income (loss) per common share - basic (note 9)	3.63	0.51	5.37	1.04
Net income (loss) per common share - diluted (note 9)	3.63	0.50	5.36	1.04
(a) Amounts from related parties included in revenues.	5,175	1,405	9,134	2,913
(b) Amounts to related parties included in purchases of crude oil and products.	1,129	666	1,779	1,181
(c) Amounts to related parties included in production and manufacturing, and selling and general expenses.	116	106	234	222
(d) Amounts to related parties included in financing (note 5).	13	10	17	21

The information in the notes to consolidated financial statements is an integral part of these statements.

**IMPERIAL OIL LIMITED**

**Consolidated statement of comprehensive income (U.S. GAAP, unaudited)**

millions of Canadian dollars	Second Quarter		Six Months to June 30	
	<b>2022</b>	2021	<b>2022</b>	2021
<b>Net income (loss)</b>	<b>2,409</b>	366	<b>3,582</b>	758
Other comprehensive income (loss), net of income taxes				
Postretirement benefits liability adjustment (excluding amortization)	-	-	<b>24</b>	54
Amortization of postretirement benefits liability adjustment included in net benefit costs	<b>21</b>	33	<b>42</b>	66
<b>Total other comprehensive income (loss)</b>	<b>21</b>	33	<b>66</b>	120
<b>Comprehensive income (loss)</b>	<b>2,430</b>	399	<b>3,648</b>	878

The information in the notes to consolidated financial statements is an integral part of these statements.

## Consolidated balance sheet (U.S. GAAP, unaudited)

	As at June 30 <b>2022</b>	As at Dec 31 2021
millions of Canadian dollars		
<b>Assets</b>		
Current assets		
Cash	2,867	2,153
Accounts receivable - net (a)	6,839	3,869
Inventories of crude oil and products	1,394	1,102
Materials, supplies and prepaid expenses	789	689
Total current assets	11,889	7,813
Investments and long-term receivables (b)	754	757
Property, plant and equipment, less accumulated depreciation and depletion	57,222 (26,256)	56,762 (25,522)
Property, plant and equipment, net (note 11)	30,966	31,240
Goodwill	166	166
Other assets, including intangibles - net	1,117	806
<b>Total assets</b>	<b>44,892</b>	<b>40,782</b>
<b>Liabilities</b>		
Current liabilities		
Notes and loans payable	122	122
Accounts payable and accrued liabilities (a) (note 7)	7,947	5,184
Income taxes payable	2,018	248
Total current liabilities	10,087	5,554
Long-term debt (c) (note 6)	5,044	5,054
Other long-term obligations (note 7)	3,453	3,897
Deferred income tax liabilities	4,329	4,542
<b>Total liabilities</b>	<b>22,913</b>	<b>19,047</b>
<b>Shareholders' equity</b>		
Common shares at stated value (d) (note 9)	1,177	1,252
Earnings reinvested	21,913	21,660
Accumulated other comprehensive income (loss) (note 10)	(1,111)	(1,177)
<b>Total shareholders' equity</b>	<b>21,979</b>	<b>21,735</b>
<b>Total liabilities and shareholders' equity</b>	<b>44,892</b>	<b>40,782</b>

(a) Accounts receivable - net included net amounts receivable from related parties of \$1,888 million (2021 - \$1,031 million).

(b) Investments and long-term receivables included amounts from related parties of \$296 million (2021 - \$298 million).

(c) Long-term debt included amounts to related parties of \$4,447 million (2021 - \$4,447 million).

(d) Number of common shares authorized and outstanding were 1,100 million and 637 million, respectively (2021 - 1,100 million and 678 million, respectively).

The information in the notes to consolidated financial statements is an integral part of these statements.

Approved by the directors August 3, 2022

*/s/ Bradley W. Corson*

Chairman, president and  
chief executive officer

*/s/ Daniel E. Lyons*

Senior vice-president,  
finance and administration, and controller

**Consolidated statement of shareholders' equity (U.S. GAAP, unaudited)**

millions of Canadian dollars	Second Quarter		Six Months to June 30	
	2022	2021	2022	2021
<b>Common shares at stated value</b> (note 9)				
At beginning of period	1,237	1,357	1,252	1,357
Share purchases at stated value	(60)	(55)	(75)	(55)
At end of period	1,177	1,302	1,177	1,302
<b>Earnings reinvested</b>				
At beginning of period	22,171	22,281	21,660	22,050
Net income (loss) for the period	2,409	366	3,582	758
Share purchases in excess of stated value	(2,440)	(1,116)	(2,874)	(1,116)
Dividends declared	(227)	(195)	(455)	(356)
At end of period	21,913	21,336	21,913	21,336
<b>Accumulated other comprehensive income (loss)</b> (note 10)				
At beginning of period	(1,132)	(1,902)	(1,177)	(1,989)
Other comprehensive income (loss)	21	33	66	120
At end of period	(1,111)	(1,869)	(1,111)	(1,869)
<b>Shareholders' equity at end of period</b>	<b>21,979</b>	<b>20,769</b>	<b>21,979</b>	<b>20,769</b>

The information in the notes to consolidated financial statements is an integral part of these statements.

**Consolidated statement of cash flows (U.S. GAAP, unaudited)**

Inflow (outflow) millions of Canadian dollars	Second Quarter		Six Months to June 30	
	2022	2021	2022	2021
<b>Operating activities</b>				
Net income (loss)	2,409	366	3,582	758
Adjustments for non-cash items:				
Depreciation and depletion	451	450	877	944
(Gain) loss on asset sales (note 3)	(4)	(24)	(24)	(27)
Deferred income taxes and other	(149)	76	(480)	136
Changes in operating assets and liabilities:				
Accounts receivable	(1,426)	(775)	(2,970)	(1,244)
Inventories, materials, supplies and prepaid expenses	(27)	58	(391)	(101)
Income taxes payable	853	21	1,312	42
Accounts payable and accrued liabilities	499	655	2,643	1,239
All other items - net (c)	76	25	47	150
<b>Cash flows from (used in) operating activities</b>	<b>2,682</b>	<b>852</b>	<b>4,596</b>	<b>1,897</b>
<b>Investing activities</b>				
Additions to property, plant and equipment	(333)	(241)	(637)	(408)
Proceeds from asset sales (note 3) (b)	102	35	126	42
Loans to equity companies - net	1	(1)	2	12
<b>Cash flows from (used in) investing activities</b>	<b>(230)</b>	<b>(207)</b>	<b>(509)</b>	<b>(354)</b>
<b>Financing activities</b>				
Short-term debt - net	-	-	-	(36)
Reduction in finance lease obligations (note 6)	(6)	(4)	(11)	(8)
Dividends paid	(228)	(161)	(413)	(323)
Common shares purchased (note 9)	(2,500)	(1,171)	(2,949)	(1,171)
<b>Cash flows from (used in) financing activities</b>	<b>(2,734)</b>	<b>(1,336)</b>	<b>(3,373)</b>	<b>(1,538)</b>
<b>Increase (decrease) in cash</b>	<b>(282)</b>	<b>(691)</b>	<b>714</b>	<b>5</b>
<b>Cash at beginning of period</b>	<b>3,149</b>	<b>1,467</b>	<b>2,153</b>	<b>771</b>
<b>Cash at end of period (a)</b>	<b>2,867</b>	<b>776</b>	<b>2,867</b>	<b>776</b>
(a) Cash is composed of cash in bank and cash equivalents at cost. Cash equivalents are all highly liquid securities with maturity of three months or less when purchased.				
(b) Included \$94 million deposit for the potential sale of XTO Energy Canada (note 11).				
(c) Included contributions to registered pension plans.	(46)	(42)	(96)	(70)
Income taxes (paid) refunded.	(52)	27	(275)	28
Interest (paid), net of capitalization.	(10)	(14)	(22)	(27)

The information in the notes to consolidated financial statements is an integral part of these statements.

## Notes to consolidated financial statements (unaudited)

### 1. Basis of financial statement preparation

These unaudited consolidated financial statements have been prepared in accordance with United States Generally Accepted Accounting Principles (GAAP) and follow the same accounting policies and methods of computation as, and should be read in conjunction with, the most recent annual consolidated financial statements filed with the U.S. Securities and Exchange Commission (SEC) in the company's 2021 annual report on Form 10-K. In the opinion of the company, the information furnished herein reflects all known accruals and adjustments necessary for a fair statement of the results for the periods reported herein. All such adjustments are of a normal recurring nature.

The company's exploration and production activities are accounted for under the "successful efforts" method.

The results for the six months ended June 30, 2022, are not necessarily indicative of the operations to be expected for the full year.

All amounts are in Canadian dollars unless otherwise indicated.

**IMPERIAL OIL LIMITED**

## 2. Business segments

Second Quarter millions of Canadian dollars	Upstream		Downstream		Chemical	
	<b>2022</b>	2021	<b>2022</b>	2021	<b>2022</b>	2021
<b>Revenues and other income</b>						
Revenues (a) (b)	<b>119</b>	2,616	<b>16,752</b>	5,015	<b>414</b>	376
Intersegment sales	<b>5,827</b>	1,312	<b>2,024</b>	788	<b>149</b>	79
Investment and other income (note 3)	<b>3</b>	6	<b>9</b>	28	<b>-</b>	1
	<b>5,949</b>	3,934	<b>18,785</b>	5,831	<b>563</b>	456
<b>Expenses</b>						
Exploration	<b>1</b>	2	<b>-</b>	-	<b>-</b>	-
Purchases of crude oil and products	<b>2,357</b>	2,044	<b>16,261</b>	4,760	<b>401</b>	240
Production and manufacturing	<b>1,423</b>	1,166	<b>418</b>	357	<b>67</b>	46
Selling and general	<b>-</b>	-	<b>153</b>	142	<b>22</b>	22
Federal excise tax and fuel charge	<b>-</b>	-	<b>553</b>	465	<b>-</b>	-
Depreciation and depletion	<b>395</b>	399	<b>45</b>	39	<b>4</b>	5
Non-service pension and postretirement benefit	<b>-</b>	-	<b>-</b>	-	<b>-</b>	-
Financing (note 5)	<b>1</b>	-	<b>-</b>	-	<b>-</b>	-
<b>Total expenses</b>	<b>4,177</b>	3,611	<b>17,430</b>	5,763	<b>494</b>	313
<b>Income (loss) before income taxes</b>	<b>1,772</b>	323	<b>1,355</b>	68	<b>69</b>	143
<b>Income tax expense (benefit)</b>	<b>426</b>	76	<b>322</b>	8	<b>16</b>	34
<b>Net income (loss)</b>	<b>1,346</b>	247	<b>1,033</b>	60	<b>53</b>	109
<b>Cash flows from (used in) operating activities</b>	<b>2,087</b>	595	<b>641</b>	136	<b>64</b>	111
<b>Capital and exploration expenditures (c)</b>	<b>233</b>	130	<b>69</b>	120	<b>2</b>	2

Second Quarter millions of Canadian dollars	Corporate and other		Eliminations		Consolidated	
	<b>2022</b>	2021	<b>2022</b>	2021	<b>2022</b>	2021
<b>Revenues and other income</b>						
Revenues (a) (b)	<b>-</b>	-	<b>-</b>	-	<b>17,285</b>	8,007
Intersegment sales	<b>-</b>	-	<b>(8,000)</b>	(2,179)	<b>-</b>	-
Investment and other income (note 3)	<b>10</b>	5	<b>-</b>	-	<b>22</b>	40
	<b>10</b>	5	<b>(8,000)</b>	(2,179)	<b>17,307</b>	8,047
<b>Expenses</b>						
Exploration	<b>-</b>	-	<b>-</b>	-	<b>1</b>	2
Purchases of crude oil and products	<b>-</b>	-	<b>(7,998)</b>	(2,177)	<b>11,021</b>	4,867
Production and manufacturing	<b>-</b>	-	<b>-</b>	-	<b>1,908</b>	1,569
Selling and general	<b>18</b>	38	<b>(2)</b>	(2)	<b>191</b>	200
Federal excise tax and fuel charge	<b>-</b>	-	<b>-</b>	-	<b>553</b>	465
Depreciation and depletion	<b>7</b>	7	<b>-</b>	-	<b>451</b>	450
Non-service pension and postretirement benefit	<b>5</b>	10	<b>-</b>	-	<b>5</b>	10
Financing (note 5)	<b>10</b>	13	<b>-</b>	-	<b>11</b>	13
<b>Total expenses</b>	<b>40</b>	68	<b>(8,000)</b>	(2,179)	<b>14,141</b>	7,576
<b>Income (loss) before income taxes</b>	<b>(30)</b>	(63)	<b>-</b>	-	<b>3,166</b>	471
<b>Income tax expense (benefit)</b>	<b>(7)</b>	(13)	<b>-</b>	-	<b>757</b>	105
<b>Net income (loss)</b>	<b>(23)</b>	(50)	<b>-</b>	-	<b>2,409</b>	366
<b>Cash flows from (used in) operating activities</b>	<b>(110)</b>	10	<b>-</b>	-	<b>2,682</b>	852
<b>Capital and exploration expenditures (c)</b>	<b>10</b>	7	<b>-</b>	-	<b>314</b>	259

## IMPERIAL OIL LIMITED

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- (a) Included export sales to the United States of \$3,871 million (2021 - \$1,544 million).
- (b) Includes approximately 13% related to revenue outside the scope of ASC 606 "Revenue from Contracts with Customers" for the three months ended June 30, 2022. Trade receivables in Accounts receivable – net reported on the Balance Sheet include both receivables within the scope of ASC 606 and those outside the scope of ASC 606. Revenue and receivables outside the scope of ASC 606 primarily relate to physically settled commodity contracts accounted for as derivatives. Credit quality and type of customer are generally similar between those revenues and receivables within the scope of ASC 606 and those outside it.
- (c) Capital and exploration expenditures (CAPEX) include exploration expenses, additions to property, plant and equipment, additions to finance leases, additional investments and acquisitions and the company's share of similar costs for equity companies. CAPEX excludes the purchase of carbon emission credits.

**IMPERIAL OIL LIMITED**

Six Months to June 30 millions of Canadian dollars	Upstream		Downstream		Chemical	
	2022	2021	2022	2021	2022	2021
<b>Revenues and other income</b>						
Revenues (a) (b)	218	4,758	28,943	9,542	781	699
Intersegment sales	10,258	2,663	3,857	1,561	253	132
Investment and other income (note 3)	7	6	30	33	-	1
	<b>10,483</b>	<b>7,427</b>	<b>32,830</b>	<b>11,136</b>	<b>1,034</b>	<b>832</b>
<b>Expenses</b>						
Exploration	3	4	-	-	-	-
Purchases of crude oil and products	4,247	3,878	28,773	8,780	716	449
Production and manufacturing	2,672	2,275	774	683	121	96
Selling and general	-	-	300	275	45	47
Federal excise tax and fuel charge	-	-	1,032	869	-	-
Depreciation and depletion	768	844	86	78	9	9
Non-service pension and postretirement benefit	-	-	-	-	-	-
Financing (note 5)	1	1	-	-	-	-
<b>Total expenses</b>	<b>7,691</b>	<b>7,002</b>	<b>30,965</b>	<b>10,685</b>	<b>891</b>	<b>601</b>
<b>Income (loss) before income taxes</b>	<b>2,792</b>	<b>425</b>	<b>1,865</b>	<b>451</b>	<b>143</b>	<b>231</b>
<b>Income tax expense (benefit)</b>	<b>664</b>	<b>99</b>	<b>443</b>	<b>99</b>	<b>34</b>	<b>55</b>
<b>Net income (loss)</b>	<b>2,128</b>	<b>326</b>	<b>1,422</b>	<b>352</b>	<b>109</b>	<b>176</b>
<b>Cash flows from (used in) operating activities</b>	<b>3,534</b>	<b>1,126</b>	<b>1,016</b>	<b>598</b>	<b>131</b>	<b>173</b>
<b>Capital and exploration expenditures (c)</b>	<b>455</b>	<b>215</b>	<b>137</b>	<b>188</b>	<b>3</b>	<b>4</b>
<b>Total assets as at June 30 (note 11)</b>	<b>28,961</b>	<b>31,931</b>	<b>11,649</b>	<b>5,352</b>	<b>505</b>	<b>481</b>

Six Months to June 30 millions of Canadian dollars	Corporate and other		Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021
<b>Revenues and other income</b>						
Revenues (a) (b)	-	-	-	-	29,942	14,999
Intersegment sales	-	-	(14,368)	(4,356)	-	-
Investment and other income (note 3)	14	6	-	-	51	46
	<b>14</b>	<b>6</b>	<b>(14,368)</b>	<b>(4,356)</b>	<b>29,993</b>	<b>15,045</b>
<b>Expenses</b>						
Exploration	-	-	-	-	3	4
Purchases of crude oil and products	-	-	(14,365)	(4,353)	19,371	8,754
Production and manufacturing	-	-	-	-	3,567	3,054
Selling and general	74	70	(3)	(3)	416	389
Federal excise tax and fuel charge	-	-	-	-	1,032	869
Depreciation and depletion	14	13	-	-	877	944
Non-service pension and postretirement benefit	9	21	-	-	9	21
Financing (note 5)	17	26	-	-	18	27
<b>Total expenses</b>	<b>114</b>	<b>130</b>	<b>(14,368)</b>	<b>(4,356)</b>	<b>25,293</b>	<b>14,062</b>
<b>Income (loss) before income taxes</b>	<b>(100)</b>	<b>(124)</b>	<b>-</b>	<b>-</b>	<b>4,700</b>	<b>983</b>
<b>Income tax expense (benefit)</b>	<b>(23)</b>	<b>(28)</b>	<b>-</b>	<b>-</b>	<b>1,118</b>	<b>225</b>
<b>Net income (loss)</b>	<b>(77)</b>	<b>(96)</b>	<b>-</b>	<b>-</b>	<b>3,582</b>	<b>758</b>
<b>Cash flows from (used in) operating activities</b>	<b>(85)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,596</b>	<b>1,897</b>
<b>Capital and exploration expenditures (c)</b>	<b>15</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>610</b>	<b>422</b>
<b>Total assets as at June 30 (note 11)</b>	<b>4,016</b>	<b>1,606</b>	<b>(239)</b>	<b>(431)</b>	<b>44,892</b>	<b>38,939</b>

## IMPERIAL OIL LIMITED

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- (a) Included export sales to the United States of \$6,375 million (2021 - \$3,113 million).
- (b) Includes approximately 11% related to revenue outside the scope of ASC 606 "Revenue from Contracts with Customers" for the six months ended June 30, 2022. Trade receivables in Accounts receivable – net reported on the Balance Sheet include both receivables within the scope of ASC 606 and those outside the scope of ASC 606. Revenue and receivables outside the scope of ASC 606 primarily relate to physically settled commodity contracts accounted for as derivatives. Credit quality and type of customer are generally similar between those revenues and receivables within the scope of ASC 606 and those outside it.
- (c) Capital and exploration expenditures (CAPEX) include exploration expenses, additions to property, plant and equipment, additions to finance leases, additional investments and acquisitions and the company's share of similar costs for equity companies. CAPEX excludes the purchase of carbon emission credits.

### 3. Investment and other income

Investment and other income included gains and losses on asset sales as follows:

millions of Canadian dollars	Second Quarter		Six Months to June 30	
	2022	2021	2022	2021
Proceeds from asset sales	8	35	32	42
Book value of asset sales	4	11	8	15
Gain (loss) on asset sales, before tax	4	24	24	27
Gain (loss) on asset sales, after tax	3	22	19	24

### 4. Employee retirement benefits

The components of net benefit cost were as follows:

millions of Canadian dollars	Second Quarter		Six Months to June 30	
	2022	2021	2022	2021
Pension benefits:				
Service cost	70	81	140	162
Interest cost	74	68	147	136
Expected return on plan assets	(103)	(107)	(206)	(214)
Amortization of prior service cost	4	4	8	8
Amortization of actuarial loss (gain)	21	36	43	72
Net benefit cost	66	82	132	164
Other postretirement benefits:				
Service cost	5	7	11	14
Interest cost	6	5	12	11
Amortization of actuarial loss (gain)	3	4	5	8
Net benefit cost	14	16	28	33

### 5. Financing costs

millions of Canadian dollars	Second Quarter		Six Months to June 30	
	2022	2021	2022	2021
Debt-related interest	20	20	32	41
Capitalized interest	(10)	(7)	(15)	(15)
Net interest expense	10	13	17	26
Other interest	1	-	1	1
Total financing	11	13	18	27

In June 2022, the company reduced its existing \$500 million committed long-term line of credit to \$250 million and extended the maturity date to June 30, 2023. The company also extended one of its \$250 million committed long-term lines of credit to June 30, 2024. The company has not drawn on any of its outstanding \$750 million of available credit facilities.

## 6. Long-term debt

	As at June 30 <b>2022</b>	As at Dec 31 2021
millions of Canadian dollars		
Long-term debt	<b>4,447</b>	4,447
Finance leases	<b>597</b>	607
<b>Total long-term debt</b>	<b>5,044</b>	5,054

## 7. Other long-term obligations

	As at June 30 <b>2022</b>	As at Dec 31 2021
millions of Canadian dollars		
Employee retirement benefits (a)	<b>1,323</b>	1,362
Asset retirement obligations and other environmental liabilities (b)	<b>1,733</b>	1,713
Share-based incentive compensation liabilities	<b>119</b>	79
Operating lease liability (c)	<b>122</b>	147
Other obligations	<b>156</b>	596
<b>Total other long-term obligations</b>	<b>3,453</b>	3,897

- (a) Total recorded employee retirement benefits obligations also included \$56 million in current liabilities (2021 - \$56 million).
- (b) Total asset retirement obligations and other environmental liabilities also included \$102 million in current liabilities (2021 - \$102 million).
- (c) Total operating lease liability also included \$86 million in current liabilities (2021 - \$102 million). In addition to the total operating lease liability, additional undiscounted commitments for leases not yet commenced totalled \$11 million (2021 - \$5 million).

















## IMPERIAL OIL LIMITED

### Corporate and other

millions of Canadian dollars	Second Quarter	
	2022	2021
Net income (loss) (U.S. GAAP)	<b>(23)</b>	(50)

### Liquidity and capital resources

millions of Canadian dollars	Second Quarter	
	2022	2021
Cash flow generated from (used in):		
Operating activities	<b>2,682</b>	852
Investing activities	<b>(230)</b>	(207)
Financing activities	<b>(2,734)</b>	(1,336)
Increase (decrease) in cash and cash equivalents	<b>(282)</b>	(691)
Cash and cash equivalents at period end	<b>2,867</b>	776

Cash flow generated from operating activities primarily reflects higher Upstream realizations and improved Downstream margins.

Cash flow used in investing activities primarily reflects higher additions to property, plant and equipment.

Cash flow used in financing activities primarily reflects:

millions of Canadian dollars, unless noted	Second Quarter	
	2022	2021
Dividends paid	<b>228</b>	161
Per share dividend paid (dollars)	<b>0.34</b>	0.22
Share repurchases (a)	<b>2,500</b>	1,171
Number of shares purchased (millions) (a)	<b>32.5</b>	29.5

(a) Share repurchases were made under the company's substantial issuer bid that commenced on May 6, 2022 and expired on June 10, 2022. Includes shares purchased from Exxon Mobil Corporation by way of a proportionate tender to maintain its ownership percentage at approximately 69.6 percent.

On May 6, 2022, the company commenced a substantial issuer bid pursuant to which it offered to purchase for cancellation up to \$2.5 billion of its common shares through a modified Dutch auction and proportionate tender offer. The substantial issuer bid was completed on June 15, 2022, with the company taking up and paying for 32,467,532 common shares at a price of \$77.00 per share, for an aggregate purchase of \$2.5 billion and 4.9 percent of Imperial's issued and outstanding shares as the close of business on May 2, 2022. This included 22,597,379 shares purchased from Exxon Mobil Corporation by way of a proportionate tender to maintain its ownership percentage at approximately 69.6 percent.

On June 27, 2022, the company announced by news release that it had received final approval from the Toronto Stock Exchange for a new normal course issuer bid and will continue its existing share purchase program. The program enables the company to purchase up to a maximum of 31,833,809 common shares during the period June 29, 2022 to June 28, 2023. This maximum includes shares purchased under the normal course issuer bid and from Exxon Mobil Corporation concurrent with, but outside of the normal course issuer bid. As in the past, Exxon Mobil Corporation has advised the company that it intends to participate to maintain its ownership percentage at approximately 69.6 percent. The program will end should the company purchase the maximum allowable number of shares, or on June 28, 2023. Imperial plans to accelerate its share purchases under the normal course issuer bid program, and anticipates repurchasing all remaining allowable shares by the end of October 2022. Purchase plans may be modified at any time without prior notice.

In June 2022, the company reduced its existing \$500 million committed long-term line of credit to \$250 million and extended the maturity date to June 30, 2023. The company also extended one of its \$250 million committed long-term lines of credit to June 30, 2024. The company has not drawn on any of its outstanding \$750 million of available credit facilities.

## IMPERIAL OIL LIMITED

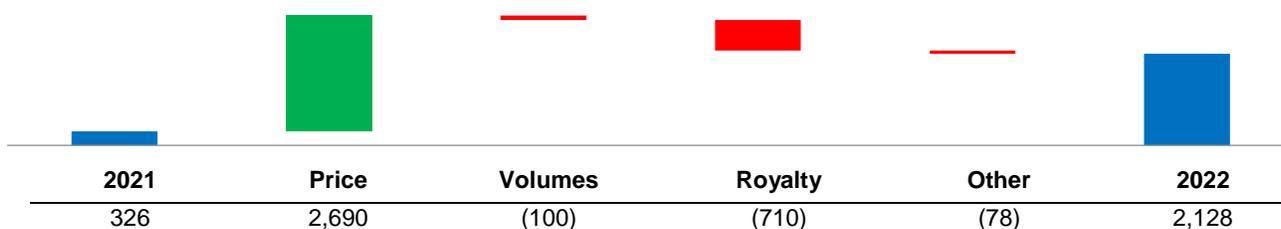
### Six months 2022 vs. six months 2021

millions of Canadian dollars, unless noted	Six Months	
	2022	2021
Net income (loss) (U.S. GAAP)	<b>3,582</b>	758
Net income (loss) per common share, assuming dilution (dollars)	<b>5.36</b>	1.04

### Upstream

#### Net income (loss) factor analysis

millions of Canadian dollars



Price – Higher realizations were generally in line with increases in marker prices, driven primarily by increased demand and supply chain constraints. Average bitumen realizations increased by \$49.08 per barrel generally in line with WCS, and synthetic crude oil realizations increased by \$58.99 per barrel generally in line with WTI.

Volumes – Lower volumes primarily driven by downtime at Kearl, partially offset by the timing of turnaround activities at Syncrude.

Royalty – Higher royalties primarily driven by improved commodity prices.

Other – Includes higher operating expenses of about \$220 million, primarily higher energy prices, partially offset by favourable foreign exchange impacts of about \$60 million.

### Average realizations and marker prices

Canadian dollars, unless noted	Six Months	
	2022	2021
West Texas Intermediate (US\$ per barrel)	<b>101.77</b>	62.22
Western Canada Select (US\$ per barrel)	<b>88.13</b>	50.14
WTI/WCS Spread (US\$ per barrel)	<b>13.64</b>	12.08
Bitumen (per barrel)	<b>101.53</b>	52.45
Synthetic crude oil (per barrel)	<b>131.41</b>	72.42
Average foreign exchange rate (US\$)	<b>0.79</b>	0.80

## IMPERIAL OIL LIMITED

### Production

thousands of barrels per day	Six Months	
	2022	2021
Kearl (Imperial's share)	146	180
Cold Lake	142	141
Syncrude (a)	79	63

Kearl total gross production (thousands of barrels per day)	205	253
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(a) In 2022, Syncrude gross production included about 2 thousand barrels per day of bitumen (2021 - rounded to 0 thousand barrels per day) that was exported to the operator's facilities using an existing interconnect pipeline.

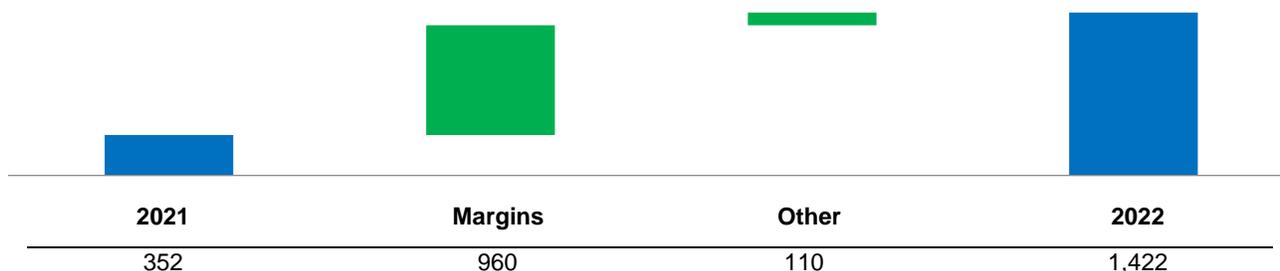
Lower production at Kearl was primarily a result of downtime.

Higher production at Syncrude was primarily a result of the timing of turnaround activities.

### Downstream

#### Net income (loss) factor analysis

millions of Canadian dollars



Margins – Higher margins primarily reflect improved market conditions.

Other – Includes lower turnaround impacts of about \$130 million, reflecting the absence of turnaround activities at Strathcona refinery, partially offset by higher operating expenses of about \$90 million, primarily higher energy costs.

#### Refinery utilization and petroleum product sales

thousands of barrels per day, unless noted	Six Months	
	2022	2021
Refinery throughput	406	348
Refinery capacity utilization (percent)	95	81
Petroleum product sales	464	421

Improved refinery throughput in 2022 was primarily driven by reduced turnaround activity and increased demand.

Improved petroleum product sales in 2022 primarily reflects increased demand.

## IMPERIAL OIL LIMITED

### Chemicals

#### Net income (loss) factor analysis

millions of Canadian dollars



### Corporate and other

millions of Canadian dollars	Six Months	
	2022	2021
Net income (loss) (U.S. GAAP)	<b>(77)</b>	(96)

### Liquidity and capital resources

millions of Canadian dollars	Six Months	
	2022	2021
Cash flow generated from (used in):		
Operating activities	<b>4,596</b>	1,897
Investing activities	<b>(509)</b>	(354)
Financing activities	<b>(3,373)</b>	(1,538)
Increase (decrease) in cash and cash equivalents	<b>714</b>	5

Cash flow generated from operating activities primarily reflects higher Upstream realizations, improved Downstream margins and favourable working capital impacts.

Cash flow used in investing activities primarily reflects higher additions to property, plant and equipment.

Cash flow used in financing activities primarily reflects:

millions of Canadian dollars, unless noted	Six Months	
	2022	2021
Dividends paid	<b>413</b>	323
Per share dividend paid (dollars)	<b>0.61</b>	0.44
Share repurchases (a)	<b>2,949</b>	1,171
Number of shares purchased (millions) (a)	<b>41.4</b>	29.5

(a) Share repurchases were made under the company's normal course issuer bid program and substantial issuer bid that commenced on May 6, 2022 and expired on June 10, 2022. Includes shares purchased from Exxon Mobil Corporation concurrent with, but outside of the normal course issuer bid, and by way of a proportionate tender under the company's substantial issuer bid.

## Forward-looking statements

Statements of future events or conditions in this report, including projections, targets, expectations, estimates, and business plans are forward-looking statements. Forward-looking statements can be identified by words such as believe, anticipate, intend, propose, plan, goal, seek, project, predict, target, estimate, expect, strategy, outlook, schedule, future, continue, likely, may, should, will and similar references to future periods. Forward-looking statements in this release include, but are not limited to, references to the use of derivative instruments and effectiveness of risk mitigation; purchases under the normal course issuer bid, including plans to accelerate completion by the end of October 2022; the sale of XTO Energy Canada and expected closing timing, adjustments and estimated cash flow and gain; and the expectation of commodity and product price volatility.

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 demand growth and energy source, supply and mix; production rates, growth and mix; project plans, timing, costs, technical evaluations and capacities and the company's ability to effectively execute on these plans and operate its assets; for shareholder returns, assumptions such as cash flow forecasts, financing sources and capital structure, participation of the company's majority shareholder and the results of periodic and ongoing evaluation of alternate uses of capital; capital and environmental expenditures; that regulatory approvals related to the sale of XTO Energy Canada will be received in a timely manner and the sale will close as anticipated; the adoption and impact of new facilities or technologies on reductions to GHG emissions intensity; receipt of regulatory approvals; applicable laws and government policies, including with respect to climate change and GHG emissions reductions; progression of COVID-19 and its impacts on Imperial's ability to operate its assets; and commodity prices, foreign exchange rates and general market conditions could differ materially depending on a number of factors.

These factors include global, regional or local changes in supply and demand for oil, natural gas, and petroleum and petrochemical products and resulting price, differential and margin impacts, including foreign government action with respect to supply levels and prices, the impact of COVID-19 on demand and the occurrence of wars; availability and allocation of capital; unanticipated technical or operational difficulties; operational hazards and risks; the receipt, in a timely manner, of regulatory and third-party approvals; project management and schedules and timely completion of projects; management effectiveness and disaster response preparedness, including business continuity plans in response to COVID-19; availability and performance of third-party service providers, including in light of restrictions related to COVID-19; the results of research programs and new technologies, and ability to bring new technologies to commercial scale on a cost-competitive basis; environmental risks inherent in oil and gas exploration and production activities; political or regulatory events, including changes in law or government policy such as tax laws, production curtailment and actions in response to COVID-19; cybersecurity incidents, including increased reliance on remote working arrangements; currency exchange rates; general economic conditions; and other factors discussed in Item 1A risk factors and Item 7 management's discussion and analysis of financial condition and results of operations of Imperial Oil Limited's most recent annual report on Form 10-K and subsequent interim reports.

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

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

## **Quantitative and qualitative disclosures about market risk**

Information about market risks for the six months ended June 30, 2022, does not differ materially from that discussed on page 33 of the company's annual report on Form 10-K for the year ended December 31, 2021 and on page 23 of the Form 10-Q for the quarter ended March 31, 2022.