



**Third Quarter 2024**

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

**For the nine months ended September 30, 2024**

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

millions of Canadian dollars	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
<b>Revenues and other income</b>				
Revenues (a)	13,215	13,873	38,812	37,694
Investment and other income (note 3)	44	47	113	166
<b>Total revenues and other income</b>	<b>13,259</b>	<b>13,920</b>	<b>38,925</b>	<b>37,860</b>
<b>Expenses</b>				
Exploration	1	1	3	3
Purchases of crude oil and products (b)	8,734	8,748	25,296	24,082
Production and manufacturing (c)	1,517	1,666	4,870	5,207
Selling and general (c)	223	237	690	629
Federal excise tax and fuel charge	661	654	1,908	1,781
Depreciation and depletion	508	475	1,454	1,418
Non-service pension and postretirement benefit	1	20	3	60
Financing (d) (note 5)	11	19	37	51
<b>Total expenses</b>	<b>11,656</b>	<b>11,820</b>	<b>34,261</b>	<b>33,231</b>
<b>Income (loss) before income taxes</b>	<b>1,603</b>	<b>2,100</b>	<b>4,664</b>	<b>4,629</b>
<b>Income taxes</b>	<b>366</b>	<b>499</b>	<b>1,099</b>	<b>1,105</b>
<b>Net income (loss)</b>	<b>1,237</b>	<b>1,601</b>	<b>3,565</b>	<b>3,524</b>
<b>Per share information</b> (Canadian dollars)				
Net income (loss) per common share - basic (note 9)	2.33	2.77	6.67	6.05
Net income (loss) per common share - diluted (note 9)	2.33	2.76	6.66	6.04
(a) Amounts from related parties included in revenues.	2,999	3,553	8,674	10,245
(b) Amounts to related parties included in purchases of crude oil and products.	1,199	1,228	3,022	3,270
(c) Amounts to related parties included in production and manufacturing, and selling and general expenses.	121	121	406	381
(d) Amounts to related parties included in financing.	40	44	127	124

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	Third Quarter		Nine Months to September 30	
	<b>2024</b>	2023	<b>2024</b>	2023
<b>Net income (loss)</b>	<b>1,237</b>	1,601	<b>3,565</b>	3,524
Other comprehensive income (loss), net of income taxes				
Postretirement benefits liability adjustment (excluding amortization)	—	—	4	21
Amortization of postretirement benefits liability adjustment included in net benefit costs	13	9	38	29
<b>Total other comprehensive income (loss)</b>	<b>13</b>	9	<b>42</b>	50
<b>Comprehensive income (loss)</b>	<b>1,250</b>	1,610	<b>3,607</b>	3,574

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 Sep 30	As at Dec 31
millions of Canadian dollars	<b>2024</b>	2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	1,490	864
Accounts receivable - net (a)	5,524	4,482
Inventories of crude oil and products	1,415	1,944
Materials, supplies and prepaid expenses	978	1,008
Total current assets	9,407	8,298
Investments and long-term receivables (b)	1,072	1,062
Property, plant and equipment, less accumulated depreciation and depletion	57,614 (26,789)	56,200 (25,365)
Property, plant and equipment - net	30,825	30,835
Goodwill	166	166
Other assets, including intangibles - net	1,059	838
<b>Total assets</b>	<b>42,529</b>	<b>41,199</b>
<b>Liabilities</b>		
Current liabilities		
Notes and loans payable	118	121
Accounts payable and accrued liabilities (a) (note 7)	6,353	6,231
Income taxes payable	45	251
Total current liabilities	6,516	6,603
Long-term debt (c) (note 6)	3,997	4,011
Other long-term obligations (note 7)	3,977	3,851
Deferred income tax liabilities	4,400	4,512
<b>Total liabilities</b>	<b>18,890</b>	<b>18,977</b>
<b>Shareholders' equity</b>		
Common shares at stated value (d) (note 9)	969	992
Earnings reinvested	23,305	21,907
Accumulated other comprehensive income (loss) (note 10)	(635)	(677)
<b>Total shareholders' equity</b>	<b>23,639</b>	<b>22,222</b>
<b>Total liabilities and shareholders' equity</b>	<b>42,529</b>	<b>41,199</b>
(a) Accounts receivable - net included net amounts receivable from related parties.	820	1,048
(b) Investments and long-term receivables included amounts from related parties.	267	283
(c) Long-term debt included amounts to related parties.	3,447	3,447
(d) Number of common shares authorized (millions).	1,100	1,100
Number of common shares outstanding (millions).	523	536

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

Approved by the directors November 4, 2024

*/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	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
<b>Common shares at stated value</b> (note 9)				
At beginning of period	992	1,079	992	1,079
Share purchases at stated value	(23)	(32)	(23)	(32)
At end of period	969	1,047	969	1,047
<b>Earnings reinvested</b>				
At beginning of period	23,592	23,220	21,907	21,846
Net income (loss) for the period	1,237	1,601	3,565	3,524
Share purchases in excess of stated value	(1,207)	(1,310)	(1,207)	(1,310)
Dividends declared	(317)	(288)	(960)	(837)
At end of period	23,305	23,223	23,305	23,223
<b>Accumulated other comprehensive income (loss)</b> (note 10)				
At beginning of period	(648)	(471)	(677)	(512)
Other comprehensive income (loss)	13	9	42	50
At end of period	(635)	(462)	(635)	(462)
<b>Shareholders' equity at end of period</b>	<b>23,639</b>	<b>23,808</b>	<b>23,639</b>	<b>23,808</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)

millions of Canadian dollars	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
<b>Operating activities</b>				
Net income (loss)	1,237	1,601	3,565	3,524
Adjustments for non-cash items:				
Depreciation and depletion	508	475	1,454	1,418
(Gain) loss on asset sales (note 3)	(2)	3	(5)	(19)
Deferred income taxes and other	53	(168)	(186)	(239)
Changes in operating assets and liabilities:				
Accounts receivable	548	(805)	(1,040)	(671)
Inventories, materials, supplies and prepaid expenses	502	(330)	552	(389)
Income taxes payable	(47)	234	(208)	(2,164)
Accounts payable and accrued liabilities	(1,313)	1,314	62	1,011
All other items - net (b)	1	35	(2)	(48)
<b>Cash flows from (used in) operating activities</b>	<b>1,487</b>	<b>2,359</b>	<b>4,192</b>	<b>2,423</b>
<b>Investing activities</b>				
Additions to property, plant and equipment	(486)	(387)	(1,444)	(1,315)
Proceeds from asset sales (note 3)	—	6	7	29
Loans to equity companies - net	2	1	16	3
<b>Cash flows from (used in) investing activities</b>	<b>(484)</b>	<b>(380)</b>	<b>(1,421)</b>	<b>(1,283)</b>
<b>Financing activities</b>				
Finance lease obligations - reduction (note 6)	(5)	(5)	(18)	(16)
Dividends paid	(322)	(292)	(921)	(815)
Common shares purchased (note 9)	(1,206)	(1,342)	(1,206)	(1,342)
<b>Cash flows from (used in) financing activities</b>	<b>(1,533)</b>	<b>(1,639)</b>	<b>(2,145)</b>	<b>(2,173)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(530)</b>	<b>340</b>	<b>626</b>	<b>(1,033)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,020</b>	<b>2,376</b>	<b>864</b>	<b>3,749</b>
<b>Cash and cash equivalents at end of period (a)</b>	<b>1,490</b>	<b>2,716</b>	<b>1,490</b>	<b>2,716</b>
(a) Cash equivalents are all highly liquid securities with maturity of three months or less.				
(b) Includes contributions to registered pension plans.	(37)	(43)	(112)	(129)
Income taxes (paid) refunded.	(423)	(438)	(1,557)	(3,627)
Interest (paid), net of capitalization.	(11)	(15)	(37)	(52)

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 2023 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 nine months ended September 30, 2024, are not necessarily indicative of the operations to be expected for the full year.

All amounts are in Canadian dollars unless otherwise indicated.

## 2. Business segments

Third Quarter millions of Canadian dollars	Upstream		Downstream (d)		Chemical (d)	
	2024	2023	2024	2023	2024	2023
<b>Revenues and other income</b>						
Revenues (a) (b)	24	43	12,997	13,540	194	290
Intersegment sales	4,583	4,768	1,562	1,560	60	92
Investment and other income (note 3)	2	(4)	11	12	1	—
	<b>4,609</b>	<b>4,807</b>	<b>14,570</b>	<b>15,112</b>	<b>255</b>	<b>382</b>
<b>Expenses</b>						
Exploration	1	1	—	—	—	—
Purchases of crude oil and products	1,766	1,852	13,014	13,061	157	254
Production and manufacturing	1,050	1,187	423	405	36	74
Selling and general	—	—	170	177	22	21
Federal excise tax and fuel charge	—	—	660	653	1	1
Depreciation and depletion	447	418	48	46	3	2
Non-service pension and postretirement benefit	—	—	—	—	—	—
Financing (note 5)	2	3	—	—	—	—
<b>Total expenses</b>	<b>3,266</b>	<b>3,461</b>	<b>14,315</b>	<b>14,342</b>	<b>219</b>	<b>352</b>
<b>Income (loss) before income taxes</b>	<b>1,343</b>	<b>1,346</b>	<b>255</b>	<b>770</b>	<b>36</b>	<b>30</b>
<b>Income tax expense (benefit)</b>	<b>316</b>	<b>318</b>	<b>50</b>	<b>184</b>	<b>8</b>	<b>7</b>
<b>Net income (loss)</b>	<b>1,027</b>	<b>1,028</b>	<b>205</b>	<b>586</b>	<b>28</b>	<b>23</b>
<b>Cash flows from (used in) operating activities</b>	<b>1,298</b>	<b>1,771</b>	<b>164</b>	<b>378</b>	<b>49</b>	<b>74</b>
<b>Capital and exploration expenditures (c)</b>	<b>300</b>	<b>244</b>	<b>133</b>	<b>103</b>	<b>3</b>	<b>2</b>

Third Quarter millions of Canadian dollars	Corporate and other		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023
<b>Revenues and other income</b>						
Revenues (a) (b)	—	—	—	—	13,215	13,873
Intersegment sales	—	—	(6,205)	(6,420)	—	—
Investment and other income (note 3)	30	39	—	—	44	47
	<b>30</b>	<b>39</b>	<b>(6,205)</b>	<b>(6,420)</b>	<b>13,259</b>	<b>13,920</b>
<b>Expenses</b>						
Exploration	—	—	—	—	1	1
Purchases of crude oil and products	—	—	(6,203)	(6,419)	8,734	8,748
Production and manufacturing	8	—	—	—	1,517	1,666
Selling and general	33	40	(2)	(1)	223	237
Federal excise tax and fuel charge	—	—	—	—	661	654
Depreciation and depletion	10	9	—	—	508	475
Non-service pension and postretirement benefit	1	20	—	—	1	20
Financing (note 5)	9	16	—	—	11	19
<b>Total expenses</b>	<b>61</b>	<b>85</b>	<b>(6,205)</b>	<b>(6,420)</b>	<b>11,656</b>	<b>11,820</b>
<b>Income (loss) before income taxes</b>	<b>(31)</b>	<b>(46)</b>	<b>—</b>	<b>—</b>	<b>1,603</b>	<b>2,100</b>
<b>Income tax expense (benefit)</b>	<b>(8)</b>	<b>(10)</b>	<b>—</b>	<b>—</b>	<b>366</b>	<b>499</b>
<b>Net income (loss)</b>	<b>(23)</b>	<b>(36)</b>	<b>—</b>	<b>—</b>	<b>1,237</b>	<b>1,601</b>
<b>Cash flows from (used in) operating activities</b>	<b>(24)</b>	<b>136</b>	<b>—</b>	<b>—</b>	<b>1,487</b>	<b>2,359</b>
<b>Capital and exploration expenditures (c)</b>	<b>50</b>	<b>38</b>	<b>—</b>	<b>—</b>	<b>486</b>	<b>387</b>



## IMPERIAL OIL LIMITED

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- (a) Includes export sales to the United States of \$2,631 million (2023 - \$2,180 million).
- (b) Revenues include both revenue within the scope of ASC 606 and outside the scope of ASC 606. Trade receivables in "Accounts receivable – net" reported on the Consolidated balance sheet include both receivables within the scope of ASC 606 and 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. Contractual terms, credit quality and type of customer are generally similar between contracts within the scope of ASC 606 and those outside it.

Revenues millions of Canadian dollars	Third Quarter	
	2024	2023
Revenue from contracts with customers	10,404	12,271
Revenue outside the scope of ASC 606	2,811	1,602
<b>Total</b>	<b>13,215</b>	<b>13,873</b>

- (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.
- (d) In the third quarter of 2024, benzene and aromatic solvents are reported under the Downstream segment, whereas in the third quarter of 2023, they were reported under the Chemicals segment. The company has determined that the impact of this change is not material; therefore, the comparative period has not been recast.

**IMPERIAL OIL LIMITED**

Nine Months to September 30 millions of Canadian dollars	Upstream		Downstream (d)		Chemical (d)	
	2024	2023	2024	2023	2024	2023
<b>Revenues and other income</b>						
Revenues (a) (b)	95	180	37,862	36,534	855	980
Intersegment sales	13,227	11,909	4,949	4,748	235	272
Investment and other income (note 3)	7	8	32	47	2	—
	<b>13,329</b>	<b>12,097</b>	<b>42,843</b>	<b>41,329</b>	<b>1,092</b>	<b>1,252</b>
<b>Expenses</b>						
Exploration	3	3	—	—	—	—
Purchases of crude oil and products	5,479	4,827	37,549	35,390	673	791
Production and manufacturing	3,441	3,730	1,279	1,291	137	186
Selling and general	—	—	503	494	71	69
Federal excise tax and fuel charge	—	—	1,905	1,778	3	3
Depreciation and depletion	1,275	1,250	139	135	11	10
Non-service pension and postretirement benefit	—	—	—	—	—	—
Financing (note 5)	4	3	—	—	—	—
<b>Total expenses</b>	<b>10,202</b>	<b>9,813</b>	<b>41,375</b>	<b>39,088</b>	<b>895</b>	<b>1,059</b>
<b>Income (loss) before income taxes</b>	<b>3,127</b>	<b>2,284</b>	<b>1,468</b>	<b>2,241</b>	<b>197</b>	<b>193</b>
<b>Income tax expense (benefit)</b>	<b>743</b>	<b>542</b>	<b>338</b>	<b>535</b>	<b>47</b>	<b>46</b>
<b>Net income (loss)</b>	<b>2,384</b>	<b>1,742</b>	<b>1,130</b>	<b>1,706</b>	<b>150</b>	<b>147</b>
<b>Cash flows from (used in) operating activities</b>	<b>3,351</b>	<b>1,946</b>	<b>555</b>	<b>187</b>	<b>120</b>	<b>97</b>
<b>Capital and exploration expenditures (c)</b>	<b>857</b>	<b>868</b>	<b>435</b>	<b>329</b>	<b>11</b>	<b>11</b>
<b>Total assets as at September 30</b>	<b>28,186</b>	<b>28,356</b>	<b>11,104</b>	<b>10,912</b>	<b>452</b>	<b>441</b>

Nine Months to September 30 millions of Canadian dollars	Corporate and other		Eliminations		Consolidated	
	2024	2023	2024	2023	2024	2023
<b>Revenues and other income</b>						
Revenues (a) (b)	—	—	—	—	38,812	37,694
Intersegment sales	—	—	(18,411)	(16,929)	—	—
Investment and other income (note 3)	72	111	—	—	113	166
	<b>72</b>	<b>111</b>	<b>(18,411)</b>	<b>(16,929)</b>	<b>38,925</b>	<b>37,860</b>
<b>Expenses</b>						
Exploration	—	—	—	—	3	3
Purchases of crude oil and products	—	—	(18,405)	(16,926)	25,296	24,082
Production and manufacturing	13	—	—	—	4,870	5,207
Selling and general	122	69	(6)	(3)	690	629
Federal excise tax and fuel charge	—	—	—	—	1,908	1,781
Depreciation and depletion	29	23	—	—	1,454	1,418
Non-service pension and postretirement benefit	3	60	—	—	3	60
Financing (note 5)	33	48	—	—	37	51
<b>Total expenses</b>	<b>200</b>	<b>200</b>	<b>(18,411)</b>	<b>(16,929)</b>	<b>34,261</b>	<b>33,231</b>
<b>Income (loss) before income taxes</b>	<b>(128)</b>	<b>(89)</b>	<b>—</b>	<b>—</b>	<b>4,664</b>	<b>4,629</b>
<b>Income tax expense (benefit)</b>	<b>(29)</b>	<b>(18)</b>	<b>—</b>	<b>—</b>	<b>1,099</b>	<b>1,105</b>
<b>Net income (loss)</b>	<b>(99)</b>	<b>(71)</b>	<b>—</b>	<b>—</b>	<b>3,565</b>	<b>3,524</b>
<b>Cash flows from (used in) operating activities</b>	<b>166</b>	<b>193</b>	<b>—</b>	<b>—</b>	<b>4,192</b>	<b>2,423</b>
<b>Capital and exploration expenditures (c)</b>	<b>141</b>	<b>101</b>	<b>—</b>	<b>—</b>	<b>1,444</b>	<b>1,309</b>
<b>Total assets as at September 30</b>	<b>2,942</b>	<b>4,346</b>	<b>(155)</b>	<b>(469)</b>	<b>42,529</b>	<b>43,586</b>

## IMPERIAL OIL LIMITED

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- (a) Includes export sales to the United States of \$7,641 million (2023 - \$6,589 million).
- (b) Revenues include both revenue within the scope of ASC 606 and outside the scope of ASC 606. Trade receivables in "Accounts receivable – net" reported on the Consolidated balance sheet include both receivables within the scope of ASC 606 and 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. Contractual terms, credit quality and type of customer are generally similar between contracts within the scope of ASC 606 and those outside it.

Revenues millions of Canadian dollars	Nine Months to September 30	
	2024	2023
Revenue from contracts with customers	30,915	33,713
Revenue outside the scope of ASC 606	7,897	3,981
<b>Total</b>	<b>38,812</b>	<b>37,694</b>

- (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.
- (d) In 2024, benzene and aromatic solvents are reported under the Downstream segment, whereas in 2023, they were reported under the Chemicals segment. The company has determined that the impact of this change is not material; therefore, the comparative period has not been recast.

### 3. Investment and other income

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

millions of Canadian dollars	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
Proceeds from asset sales	—	6	7	29
Book value of asset sales	(2)	9	2	10
Gain (loss) on asset sales, before tax	2	(3)	5	19
Gain (loss) on asset sales, after tax	2	(2)	5	16

### 4. Employee retirement benefits

The components of net benefit cost were as follows:

millions of Canadian dollars	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
Pension benefits:				
Service cost	47	41	139	122
Interest cost	91	94	274	280
Expected return on plan assets	(113)	(94)	(340)	(280)
Amortization of prior service cost	7	5	21	13
Amortization of actuarial loss (gain)	11	10	35	32
Net benefit cost	43	56	129	167
Other postretirement benefits:				
Service cost	3	3	10	9
Interest cost	7	7	19	21
Amortization of actuarial loss (gain)	(2)	(2)	(6)	(6)
Net benefit cost	8	8	23	24

### 5. Financing costs

millions of Canadian dollars	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
Debt-related interest	48	53	152	148
Capitalized interest	(39)	(37)	(119)	(100)
Net interest expense	9	16	33	48
Other interest	2	3	4	3
Total financing	11	19	37	51

## 6. Long-term debt

	As at Sep 30	As at Dec 31
millions of Canadian dollars	<b>2024</b>	2023
Long-term debt	<b>3,447</b>	3,447
Finance leases	<b>550</b>	564
<b>Total long-term debt</b>	<b>3,997</b>	4,011

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

## 7. Other long-term obligations

	As at Sep 30	As at Dec 31
millions of Canadian dollars	<b>2024</b>	2023
Employee retirement benefits (a)	<b>934</b>	954
Asset retirement obligations and other environmental liabilities (b)	<b>2,604</b>	2,564
Share-based incentive compensation liabilities	<b>165</b>	90
Operating lease liability (c)	<b>149</b>	111
Other obligations	<b>125</b>	132
<b>Total other long-term obligations</b>	<b>3,977</b>	3,851

(a) Total recorded employee retirement benefits obligations also included \$62 million in current liabilities (2023 - \$62 million).

(b) Total asset retirement obligations and other environmental liabilities also included \$221 million in current liabilities (2023 - \$235 million).

(c) Total operating lease liability also included \$98 million in current liabilities (2023 - \$87 million). In addition to the total operating lease liability, undiscounted commitments for leases not yet commenced totalled \$58 million (2023 - \$54 million).

## 8. Financial and derivative instruments

### Financial instruments

The fair value of the company's financial instruments is determined by reference to various market data and other appropriate valuation techniques. There are no material differences between the fair value of the company's financial instruments and the recorded carrying value. At September 30, 2024 and December 31, 2023, the fair value of long-term debt (\$3,447 million, excluding finance lease obligations) was primarily a level 2 measurement.

### Derivative instruments

The company's size, strong capital structure and the complementary nature of its business segments reduce the company's enterprise-wide risk from changes in commodity prices, currency rates and interest rates. In addition, the company uses commodity-based contracts, including derivatives, to manage commodity price risk and to generate returns from trading. Commodity contracts held for trading purposes are presented in the Consolidated statement of income on a net basis in the line "Revenues" and in the Consolidated statement of cash flows in "Cash flows from (used in) operating activities". The company's commodity 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. The company maintains a system of controls that includes the authorization, reporting and monitoring of derivative activity.

The net notional long/(short) position of derivative instruments was:

	As at Sep 30	As at Dec 31
thousands of barrels	<b>2024</b>	2023
Crude	<b>5,243</b>	(4,450)
Products	<b>(418)</b>	(490)

Realized and unrealized gain/(loss) on derivative instruments recognized in the Consolidated statement of income is included in the following lines on a before-tax basis:

	Third Quarter		Nine Months to September 30	
millions of Canadian dollars	<b>2024</b>	2023	<b>2024</b>	2023
Revenues	<b>(34)</b>	6	<b>(47)</b>	(7)

## IMPERIAL OIL LIMITED

The estimated fair value of derivative instruments, and the related hierarchy level for the fair value measurement, were as follows:

At September 30, 2024

millions of Canadian dollars

	Fair value				Effect of counterparty netting	Effect of collateral netting	Net carrying value
	Level 1	Level 2	Level 3	Total			
<b>Assets</b>							
Derivative assets (a)	87	17	—	104	(86)	(1)	17
<b>Liabilities</b>							
Derivative liabilities (b)	86	37	—	123	(86)	—	37

(a) Included in the Consolidated balance sheet line: "Materials, supplies and prepaid expenses", "Accounts receivable - net" and "Other assets, including intangibles - net".

(b) Included in the Consolidated balance sheet line: "Accounts payable and accrued liabilities" and "Other long-term obligations".

At December 31, 2023

millions of Canadian dollars

	Fair value				Effect of counterparty netting	Effect of collateral netting	Net carrying value
	Level 1	Level 2	Level 3	Total			
<b>Assets</b>							
Derivative assets (a)	28	18	—	46	(16)	(12)	18
<b>Liabilities</b>							
Derivative liabilities (b)	16	31	—	47	(16)	—	31

(a) Included in the Consolidated balance sheet line: "Materials, supplies and prepaid expenses", "Accounts receivable - net" and "Other assets, including intangibles - net".

(b) Included in the Consolidated balance sheet line: "Accounts payable and accrued liabilities" and "Other long-term obligations".

At September 30, 2024 and December 31, 2023, the company had \$25 million and \$24 million, respectively, of collateral under a master netting arrangement not offset against the derivatives on the Consolidated balance sheet in "Accounts receivable - net", primarily related to initial margin requirements.

## 9. Common shares

	As at Sep 30 <b>2024</b>	As at Dec 31 2023
thousands of shares		
Authorized	<b>1,100,000</b>	1,100,000
Outstanding	<b>523,403</b>	535,837

The current 12-month normal course issuer bid program came into effect June 29, 2024 under which Imperial has continued its existing share purchase program. The program enables the company to purchase up to a maximum of 26,791,840 common shares (5 percent of the total shares on June 15, 2024) which includes shares purchased under the normal course issuer bid from Exxon Mobil Corporation. As in the past, Exxon Mobil Corporation has advised the company that it intends to participate to maintain its ownership percentage at approximately 69.6 percent. Imperial plans to accelerate its share purchases under the normal course issuer bid program, and anticipates repurchasing all remaining allowable shares prior to year end. Purchase plans may be modified at any time without prior notice.

The excess of the purchase cost over the stated value of shares purchased has been recorded as a distribution of earnings reinvested.

The company's common share activities are summarized below:

	Thousands of shares	Millions of dollars
Balance as at December 31, 2022	584,153	1,079
Purchases at stated value	(48,316)	(87)
Balance as at December 31, 2023	535,837	992
Purchases at stated value	<b>(12,434)</b>	<b>(23)</b>
<b>Balance as at September 30, 2024</b>	<b>523,403</b>	<b>969</b>

The following table provides the calculation of basic and diluted earnings per common share and the dividends declared by the company on its outstanding common shares:

	Third Quarter		Nine Months to September 30	
	<b>2024</b>	2023	<b>2024</b>	2023
<b>Net income (loss) per common share – basic</b>				
Net income (loss) (millions of Canadian dollars)	<b>1,237</b>	1,601	<b>3,565</b>	3,524
Weighted-average number of common shares outstanding (millions of shares)	<b>530.6</b>	578.0	<b>534.1</b>	582.1
Net income (loss) per common share (dollars)	<b>2.33</b>	2.77	<b>6.67</b>	6.05
<b>Net income (loss) per common share – diluted</b>				
Net income (loss) (millions of Canadian dollars)	<b>1,237</b>	1,601	<b>3,565</b>	3,524
Weighted-average number of common shares outstanding (millions of shares)	<b>530.6</b>	578.0	<b>534.1</b>	582.1
Effect of employee share-based awards (millions of shares)	<b>1.3</b>	1.3	<b>1.2</b>	1.2
Weighted-average number of common shares outstanding, assuming dilution (millions of shares)	<b>531.9</b>	579.3	<b>535.3</b>	583.3
Net income (loss) per common share (dollars)	<b>2.33</b>	2.76	<b>6.66</b>	6.04
<b>Dividends per common share – declared (dollars)</b>	<b>0.60</b>	0.50	<b>1.80</b>	1.44



## 10. Other comprehensive income (loss) information

### Changes in accumulated other comprehensive income (loss):

millions of Canadian dollars	2024	2023
Balance at January 1	(677)	(512)
Postretirement benefits liability adjustment:		
Current period change excluding amounts reclassified from accumulated other comprehensive income	4	21
Amounts reclassified from accumulated other comprehensive income	38	29
Balance at September 30	(635)	(462)

### Amounts reclassified out of accumulated other comprehensive income (loss) – before-tax income (expense):

millions of Canadian dollars	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
Amortization of postretirement benefits liability adjustment included in net benefit cost (a)	(16)	(13)	(50)	(39)

(a) This accumulated other comprehensive income component is included in the computation of net benefit cost (note 4).

### Income tax expense (credit) for components of other comprehensive income (loss):

millions of Canadian dollars	Third Quarter		Nine Months to September 30	
	2024	2023	2024	2023
Postretirement benefits liability adjustments:				
Postretirement benefits liability adjustment (excluding amortization)	1	—	1	7
Amortization of postretirement benefits liability adjustment included in net benefit cost	3	4	12	10
Total	4	4	13	17

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

### Non-GAAP financial measures and other specified financial measures

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

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

#### **Net income (loss) excluding identified items**

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

#### **Reconciliation of net income (loss) excluding identified items**

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

## Recent business environment

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

## Operating results

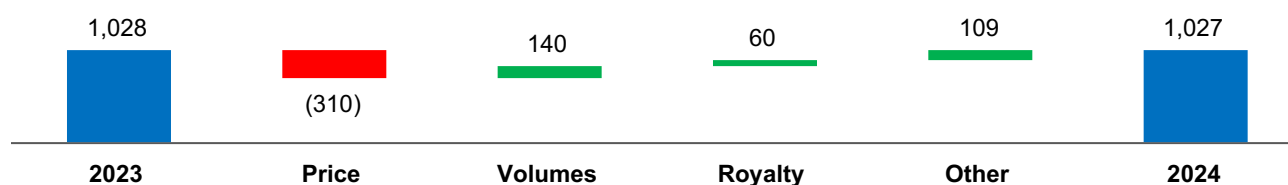
### Third quarter 2024 vs. third quarter 2023

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

## Upstream

### Net income (loss) factor analysis

millions of Canadian dollars



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

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

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

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

## Marker prices and average realizations

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

## IMPERIAL OIL LIMITED

### Production

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

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

### Downstream

#### Net income (loss) factor analysis

millions of Canadian dollars



Margins – Lower margins primarily reflect weaker market conditions.

#### Refinery utilization and petroleum product sales

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

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

### Chemicals

#### Net income (loss) factor analysis

millions of Canadian dollars



## IMPERIAL OIL LIMITED

### Corporate and other

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

### Liquidity and capital resources

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

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

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

Cash flows used in financing activities primarily reflect:

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

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

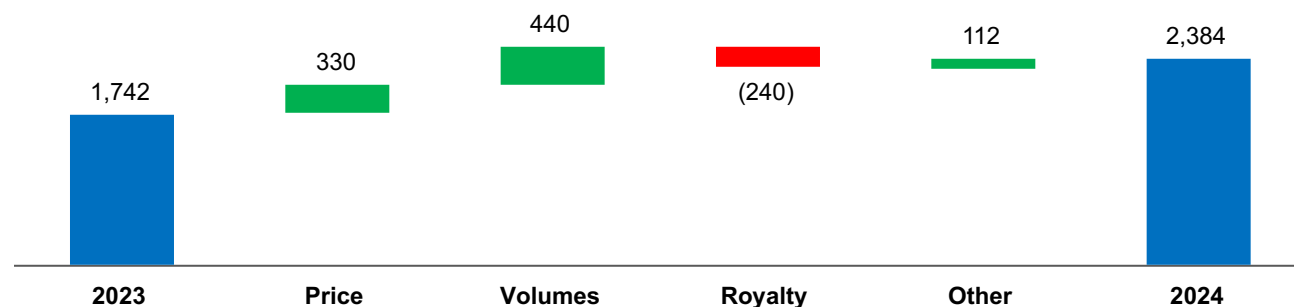
**Nine months 2024 vs. nine months 2023**

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

**Upstream**

**Net income (loss) factor analysis**

millions of Canadian dollars



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

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

Royalty – Higher royalties were primarily driven by higher volumes.

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

**Marker prices and average realizations**

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

## IMPERIAL OIL LIMITED

### Production

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

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

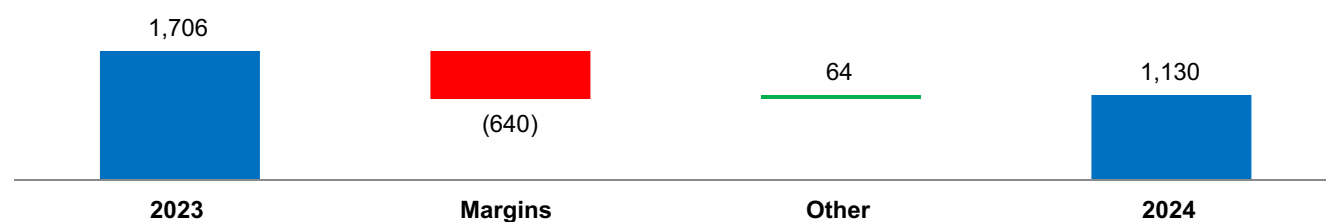
Higher production at Kearl was primarily driven by improved mine fleet productivity and optimized turnaround.

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

### Downstream

#### Net income (loss) factor analysis

millions of Canadian dollars



Margins – Lower margins primarily reflect weaker market conditions.

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

#### Refinery utilization and petroleum product sales

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

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

### Chemicals

#### Net income (loss) factor analysis

millions of Canadian dollars



**Corporate and other**

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

**Liquidity and capital resources**

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

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

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

Cash flows used in financing activities primarily reflect:

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

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

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

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

**Contractual obligations**

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



## Forward-looking statements

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

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

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

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

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

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

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