

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended March 31, 2022

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-2256

Exxon Mobil Corporation

(Exact name of registrant as specified in its charter)

New Jersey

(State or other jurisdiction of incorporation or organization)

13-5409005

(I.R.S. Employer Identification Number)

5959 Las Colinas Boulevard, Irving, Texas 75039-2298

(Address of principal executive offices) (Zip Code)

(972) 940-6000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

| Title of Each Class | Trading Symbol | Name of Each Exchange on Which Registered |
|--|----------------|--|
| Common Stock, without par value | XOM | New York Stock Exchange |
| 0.142% Notes due 2024 | XOM24B | New York Stock Exchange |
| 0.524% Notes due 2028 | XOM28 | New York Stock Exchange |
| 0.835% Notes due 2032 | XOMB2 | New York Stock Exchange |
| 1.408% Notes due 2039 | XOMB9A | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|--------------------------|
| Large accelerated filer | <input checked="" type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input type="checkbox"/> | Smaller reporting company | <input type="checkbox"/> |
| | | Emerging growth company | <input type="checkbox"/> |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

| Class | Outstanding as of March 31, 2022 |
|--|----------------------------------|
| Common stock, without par value | 4,212,543,236 |

EXXON MOBIL CORPORATION
FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2022

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

EXXON MOBIL CORPORATION CONDENSED CONSOLIDATED STATEMENT OF INCOME (millions of dollars)

| | Three Months Ended March 31, | |
|--|---------------------------------|----------|
| | 2022 | 2021 |
| Revenues and other income | | |
| Sales and other operating revenue | 87,734 | 57,552 |
| Income from equity affiliates | 2,538 | 1,473 |
| Other income | 228 | 122 |
| Total revenues and other income | 90,500 | 59,147 |
| Costs and other deductions | | |
| Crude oil and product purchases | 52,388 | 32,601 |
| Production and manufacturing expenses | 10,241 | 8,062 |
| Selling, general and administrative expenses | 2,409 | 2,428 |
| Depreciation and depletion (including impairments) | 8,883 | 5,004 |
| Exploration expenses, including dry holes | 173 | 164 |
| Non-service pension and postretirement benefit expense | 108 | 378 |
| Interest expense | 188 | 258 |
| Other taxes and duties | 7,554 | 6,660 |
| Total costs and other deductions | 81,944 | 55,555 |
| Income (loss) before income taxes | 8,556 | 3,592 |
| Income taxes | 2,806 | 796 |
| Net income (loss) including noncontrolling interests | 5,750 | 2,796 |
| Net income (loss) attributable to noncontrolling interests | 270 | 66 |
| Net income (loss) attributable to ExxonMobil | 5,480 | 2,730 |
| Earnings (loss) per common share (dollars) | 1.28 | 0.64 |
| Earnings (loss) per common share - assuming dilution (dollars) | 1.28 | 0.64 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(millions of dollars)

| | Three Months Ended March 31, | |
|---|---|-------------|
| | 2022 | 2021 |
| Net income (loss) including noncontrolling interests | 5,750 | 2,796 |
| Other comprehensive income (loss) (net of income taxes) | | |
| Foreign exchange translation adjustment | 741 | 149 |
| Postretirement benefits reserves adjustment (excluding amortization) | 105 | 168 |
| Amortization and settlement of postretirement benefits reserves adjustment included in net periodic benefit costs | 93 | 378 |
| Total other comprehensive income (loss) | 939 | 695 |
| Comprehensive income (loss) including noncontrolling interests | 6,689 | 3,491 |
| Comprehensive income (loss) attributable to noncontrolling interests | 359 | 146 |
| Comprehensive income (loss) attributable to ExxonMobil | 6,330 | 3,345 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(millions of dollars)

| | March 31, 2022 | December 31, 2021 |
|--|-------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | 11,074 | 6,802 |
| Notes and accounts receivable – net | 42,142 | 32,383 |
| Inventories | | |
| Crude oil, products and merchandise | 18,074 | 14,519 |
| Materials and supplies | 4,103 | 4,261 |
| Other current assets | 1,862 | 1,189 |
| Total current assets | 77,255 | 59,154 |
| Investments, advances and long-term receivables | 46,329 | 45,195 |
| Property, plant and equipment – net | 212,773 | 216,552 |
| Other assets, including intangibles – net | 18,414 | 18,022 |
| Total Assets | 354,771 | 338,923 |
| Liabilities | | |
| Current liabilities | | |
| Notes and loans payable | 4,886 | 4,276 |
| Accounts payable and accrued liabilities | 63,501 | 50,766 |
| Income taxes payable | 3,672 | 1,601 |
| Total current liabilities | 72,059 | 56,643 |
| Long-term debt | 42,651 | 43,428 |
| Postretirement benefits reserves | 18,255 | 18,430 |
| Deferred income tax liabilities | 19,533 | 20,165 |
| Long-term obligations to equity companies | 2,875 | 2,857 |
| Other long-term obligations | 22,872 | 21,717 |
| Total Liabilities | 178,245 | 163,240 |
| Commitments and contingencies (Note 3) | | |
| Equity | | |
| Common stock without par value | | |
| (9,000 million shares authorized, 8,019 million shares issued) | 15,879 | 15,746 |
| Earnings reinvested | 393,779 | 392,059 |
| Accumulated other comprehensive income | (12,914) | (13,764) |
| Common stock held in treasury | | |
| (3,806 million shares at March 31, 2022 and | | |
| 3,780 million shares at December 31, 2021) | (227,529) | (225,464) |
| ExxonMobil share of equity | 169,215 | 168,577 |
| Noncontrolling interests | 7,311 | 7,106 |
| Total Equity | 176,526 | 175,683 |
| Total Liabilities and Equity | 354,771 | 338,923 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(millions of dollars)

| | Three Months Ended | |
|--|---------------------------|-------------|
| | March 31, | |
| | 2022 | 2021 |
| Cash flows from operating activities | | |
| Net income (loss) including noncontrolling interests | 5,750 | 2,796 |
| Depreciation and depletion (including impairments) | 8,883 | 5,004 |
| Changes in operational working capital, excluding cash and debt | 1,086 | 1,953 |
| All other items – net | (931) | (489) |
| Net cash provided by operating activities | 14,788 | 9,264 |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (3,911) | (2,400) |
| Proceeds from asset sales and returns of investments | 293 | 307 |
| Additional investments and advances | (417) | (349) |
| Other investing activities including collection of advances | 90 | 87 |
| Net cash used in investing activities | (3,945) | (2,355) |
| Cash flows from financing activities | | |
| Additions to short-term debt | — | 5,781 |
| Reductions in short-term debt | (2,098) | (10,849) |
| Additions/(reductions) in debt with three months or less maturity | 1,366 | 1,003 |
| Cash dividends to ExxonMobil shareholders | (3,760) | (3,720) |
| Cash dividends to noncontrolling interests | (60) | (52) |
| Changes in noncontrolling interests | (94) | 53 |
| Common stock acquired | (2,067) | (1) |
| Net cash used in financing activities | (6,713) | (7,785) |
| Effects of exchange rate changes on cash | 142 | 27 |
| Increase/(decrease) in cash and cash equivalents | 4,272 | (849) |
| Cash and cash equivalents at beginning of period | 6,802 | 4,364 |
| Cash and cash equivalents at end of period | 11,074 | 3,515 |
| Supplemental Disclosures | | |
| Income taxes paid | 1,798 | 855 |
| Cash interest paid | | |
| Included in cash flows from operating activities | 319 | 405 |
| Capitalized, included in cash flows from investing activities | 187 | 151 |
| Total cash interest paid | 506 | 556 |
| Noncash right of use assets recorded in exchange for lease liabilities | | |
| Operating leases | 240 | 265 |
| Finance leases | 656 | — |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(millions of dollars)

ExxonMobil Share of Equity

| | Common Stock | Earnings Reinvested | Accumulated Other Comprehensive Income | Common Stock Held in Treasury | ExxonMobil Share of Equity | Non-controlling Interests | Total Equity |
|------------------------------------|-------------------------|--------------------------------|---|--|---------------------------------------|--------------------------------------|---------------------|
| Balance as of December 31, 2020 | 15,688 | 383,943 | (16,705) | (225,776) | 157,150 | 6,980 | 164,130 |
| Amortization of stock-based awards | 202 | — | — | — | 202 | — | 202 |
| Other | (6) | — | — | — | (6) | 53 | 47 |
| Net income (loss) for the period | — | 2,730 | — | — | 2,730 | 66 | 2,796 |
| Dividends - common shares | — | (3,720) | — | — | (3,720) | (52) | (3,772) |
| Other comprehensive income (loss) | — | — | 615 | — | 615 | 80 | 695 |
| Acquisitions, at cost | — | — | — | (1) | (1) | — | (1) |
| Dispositions | — | — | — | 4 | 4 | — | 4 |
| Balance as of March 31, 2021 | 15,884 | 382,953 | (16,090) | (225,773) | 156,974 | 7,127 | 164,101 |
| Balance as of December 31, 2021 | 15,746 | 392,059 | (13,764) | (225,464) | 168,577 | 7,106 | 175,683 |
| Amortization of stock-based awards | 138 | — | — | — | 138 | — | 138 |
| Other | (5) | — | — | — | (5) | 14 | 9 |
| Net income (loss) for the period | — | 5,480 | — | — | 5,480 | 270 | 5,750 |
| Dividends - common shares | — | (3,760) | — | — | (3,760) | (60) | (3,820) |
| Other comprehensive income (loss) | — | — | 850 | — | 850 | 89 | 939 |
| Acquisitions, at cost | — | — | — | (2,067) | (2,067) | (108) | (2,175) |
| Dispositions | — | — | — | 2 | 2 | — | 2 |
| Balance as of March 31, 2022 | 15,879 | 393,779 | (12,914) | (227,529) | 169,215 | 7,311 | 176,526 |

| Common Stock Share Activity | Three Months Ended March 31, 2022 | | | Three Months Ended March 31, 2021 | | |
|------------------------------------|--|-------------------------|--------------------|--|-------------------------|--------------------|
| | Issued | Held in Treasury | Outstanding | Issued | Held in Treasury | Outstanding |
| | <i>(millions of shares)</i> | | | <i>(millions of shares)</i> | | |
| Balance as of December 31 | 8,019 | (3,780) | 4,239 | 8,019 | (3,786) | 4,233 |
| Acquisitions | — | (26) | (26) | — | — | — |
| Dispositions | — | — | — | — | 1 | 1 |
| Balance as of March 31 | 8,019 | (3,806) | 4,213 | 8,019 | (3,785) | 4,234 |

The information in the Notes to Condensed Consolidated Financial Statements is an integral part of these statements.

EXXON MOBIL CORPORATION

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Financial Statement Preparation

These unaudited condensed consolidated financial statements should be read in the context of the consolidated financial statements and notes thereto filed with the Securities and Exchange Commission in the Corporation's 2021 Annual Report on Form 10-K. In the opinion of the Corporation, 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. Prior data has been reclassified in certain cases to conform to the current presentation basis.

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

2. Russia

In early March, in response to Russia's military action in Ukraine, the Corporation announced that it plans to discontinue operations on the Sakhalin-1 project ("Sakhalin") and develop steps to exit the venture. In light of this, and given the considerable uncertainties surrounding the ongoing operation and future cash-flow generating capability of Sakhalin, an impairment assessment was required, and management determined that the carrying value of the asset group was not recoverable. As a result, the Corporation's first quarter earnings include after-tax charges of \$3.4 billion largely representing the impairment of its operations related to Sakhalin. On a before-tax basis, the charges amounted to \$4.6 billion, substantially all of which is reflected in the line captioned "Depreciation and depletion (including impairments)" on the Condensed Consolidated Statement of Income. The Corporation's exit from the project would result in quantities estimated at 150 million oil-equivalent barrels no longer qualifying as proved reserves, which represented less than one percent of the Corporation's 18.5 billion oil-equivalent barrels of proved reserves at year-end 2021.

The assessment of fair value required the use of Level 3 inputs and assumptions that are based on the views of a likely market participant. As of March 31, the pool of market participants for Russia-based upstream assets was assessed as extremely limited. In arriving at a fair value for its interest in Sakhalin, the Corporation considered, among other things, the current state of sanctions, the regulatory environment within Russia, the statements and actions of potential market participants, and the range and risks of future cash flows that a market participant might consider. Given these significant uncertainties, the likelihood of a third-party market participant agreeing to engage in a transaction for the Corporation's interest in Sakhalin, as of March 31, was judged to be remote.

3. Litigation and Other Contingencies

Litigation. A variety of claims have been made against ExxonMobil and certain of its consolidated subsidiaries in a number of pending lawsuits. Management has regular litigation reviews, including updates from corporate and outside counsel, to assess the need for accounting recognition or disclosure of these contingencies. The Corporation accrues an undiscounted liability for those contingencies where the incurrence of a loss is probable and the amount can be reasonably estimated. If a range of amounts can be reasonably estimated and no amount within the range is a better estimate than any other amount, then the minimum of the range is accrued. The Corporation does not record liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and which are significant, the Corporation discloses the nature of the contingency and, where feasible, an estimate of the possible loss. For purposes of our contingency disclosures, "significant" includes material matters, as well as other matters which management believes should be disclosed. ExxonMobil will continue to defend itself vigorously in these matters. Based on a consideration of all relevant facts and circumstances, the Corporation does not believe the ultimate outcome of any currently pending lawsuit against ExxonMobil will have a material adverse effect upon the Corporation's operations, financial condition, or financial statements taken as a whole.

Other Contingencies. The Corporation and certain of its consolidated subsidiaries were contingently liable at March 31, 2022, for guarantees relating to notes, loans and performance under contracts. Where guarantees for environmental remediation and other similar matters do not include a stated cap, the amounts reflect management's estimate of the maximum potential exposure. These guarantees are not reasonably likely to have a material effect on the Corporation's financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

| March 31, 2022 | | | |
|-----------------------|-----------------------------------|----------------------------------|-------|
| | Equity Company Obligations (1) | Other Third-Party Obligations | Total |
| (millions of dollars) | | | |
| Guarantees | | | |
| Debt-related | 1,152 | 145 | 1,297 |
| Other | 830 | 6,379 | 7,209 |
| Total | 1,982 | 6,524 | 8,506 |

(1) ExxonMobil share

Additionally, the Corporation and its affiliates have numerous long-term sales and purchase commitments in their various business activities, all of which are expected to be fulfilled with no adverse consequences material to the Corporation's operations or financial condition.

The operations and earnings of the Corporation and its affiliates throughout the world have been, and may in the future be, affected from time to time in varying degree by political developments and laws and regulations, such as forced divestiture of assets; restrictions on production, imports and exports; price controls; tax increases and retroactive tax claims; expropriation of property; cancellation of contract rights and environmental regulations. Both the likelihood of such occurrences and their overall effect upon the Corporation vary greatly from country to country and are not predictable.

4. Other Comprehensive Income Information

ExxonMobil Share of Accumulated Other Comprehensive Income

| | Cumulative Foreign Exchange Translation Adjustment | Postretirement Benefits Reserves Adjustment | Total |
|---|---|--|--------------|
| | <i>(millions of dollars)</i> | | |
| Balance as of December 31, 2020 | (10,614) | (6,091) | (16,705) |
| Current period change excluding amounts reclassified from accumulated other comprehensive income (1) | 88 | 158 | 246 |
| Amounts reclassified from accumulated other comprehensive income | — | 369 | 369 |
| Total change in accumulated other comprehensive income | 88 | 527 | 615 |
| Balance as of March 31, 2021 | (10,526) | (5,564) | (16,090) |
| Balance as of December 31, 2021 | (11,499) | (2,265) | (13,764) |
| Current period change excluding amounts reclassified from accumulated other comprehensive income (1) | 661 | 102 | 763 |
| Amounts reclassified from accumulated other comprehensive income | — | 87 | 87 |
| Total change in accumulated other comprehensive income | 661 | 189 | 850 |
| Balance as of March 31, 2022 | (10,838) | (2,076) | (12,914) |

(1) Cumulative Foreign Exchange Translation Adjustment includes net investment hedge gain/(loss) net of taxes of \$79 million and \$191 million in 2022 and 2021, respectively.

Amounts Reclassified Out of Accumulated Other Comprehensive Income - Before-tax Income/(Expense)

| Three Months Ended March 31, | |
|---|-------------|
| 2022 | 2021 |
| <i>(millions of dollars)</i> | |

| | | |
|--|-------|-------|
| Amortization and settlement of postretirement benefits reserves adjustment included in net periodic benefit costs (Statement of Income line: Non-service pension and postretirement benefit expense) | (120) | (484) |
|--|-------|-------|

Income Tax (Expense)/Credit For Components of Other Comprehensive Income

| Three Months Ended March 31, | |
|---|-------------|
| 2022 | 2021 |
| <i>(millions of dollars)</i> | |

| | | |
|--|------|-------|
| Foreign exchange translation adjustment | (22) | (53) |
| Postretirement benefits reserves adjustment (excluding amortization) | (40) | (58) |
| Amortization and settlement of postretirement benefits reserves adjustment included in net periodic benefit costs | (27) | (106) |
| Total | (89) | (217) |

5. Earnings Per Share

| | Three Months Ended March 31, | |
|--|---------------------------------|-------|
| | 2022 | 2021 |
| Earnings per common share | | |
| Net income (loss) attributable to ExxonMobil <i>(millions of dollars)</i> | 5,480 | 2,730 |
| Weighted average number of common shares outstanding <i>(millions of shares)</i> | 4,266 | 4,272 |
| Earnings (loss) per common share <i>(dollars) (1)</i> | 1.28 | 0.64 |
| Dividends paid per common share <i>(dollars)</i> | 0.88 | 0.87 |

(1) The calculation of earnings (loss) per common share and earnings (loss) per common share – assuming dilution are the same in each period shown.

6. Pension and Other Postretirement Benefits

| | Three Months Ended March 31, | |
|---|---------------------------------|-------|
| | 2022 | 2021 |
| | <i>(millions of dollars)</i> | |
| Components of net benefit cost | | |
| Pension Benefits - U.S. | | |
| Service cost | 179 | 225 |
| Interest cost | 129 | 139 |
| Expected return on plan assets | (140) | (180) |
| Amortization of actuarial loss/(gain) | 39 | 61 |
| Amortization of prior service cost | (7) | (6) |
| Net pension enhancement and curtailment/settlement cost | 37 | 298 |
| Net benefit cost | 237 | 537 |
| Pension Benefits - Non-U.S. | | |
| Service cost | 150 | 195 |
| Interest cost | 160 | 130 |
| Expected return on plan assets | (213) | (258) |
| Amortization of actuarial loss/(gain) | 47 | 108 |
| Amortization of prior service cost | 12 | 15 |
| Net pension enhancement and curtailment/settlement cost | — | 12 |
| Net benefit cost | 156 | 202 |
| Other Postretirement Benefits | | |
| Service cost | 40 | 49 |
| Interest cost | 55 | 56 |
| Expected return on plan assets | (3) | (5) |
| Amortization of actuarial loss/(gain) | 3 | 19 |
| Amortization of prior service cost | (11) | (11) |
| Net benefit cost | 84 | 108 |

7. Financial Instruments and Derivatives

Financial Instruments. The estimated fair value of financial instruments at March 31, 2022 and December 31, 2021, and the related hierarchy level for the fair value measurement was as follows:

| | | March 31, 2022 | | | | | | |
|--------------------|---|-----------------------|---------|---------|----------------------------------|--------------------------------|------------------------------|---|
| | | (millions of dollars) | | | | | | |
| | | Fair Value | | | Total Gross Assets & Liabilities | Effect of Counterparty Netting | Effect of Collateral Netting | Difference in Carrying Value and Fair Value |
| | | Level 1 | Level 2 | Level 3 | | | | |
| Assets | | | | | | | | |
| | Derivative assets (1) | 6,886 | 2,890 | — | 9,776 | (7,888) | (60) | — |
| | Advances to/receivables from equity companies (2)/(6) | — | 2,631 | 5,491 | 8,122 | — | — | 435 |
| | Other long-term financial assets (3) | 1,152 | — | 1,049 | 2,201 | — | — | 165 |
| Liabilities | | | | | | | | |
| | Derivative liabilities (4) | 7,459 | 3,940 | — | 11,399 | (7,888) | (632) | — |
| | Long-term debt (5) | 40,367 | 76 | 2 | 40,445 | — | — | (140) |
| | Long-term obligations to equity companies (6) | — | — | 2,969 | 2,969 | — | — | (94) |
| | Other long-term financial liabilities (7) | — | — | 886 | 886 | — | — | 53 |
| | | | | | | | | |
| | | December 31, 2021 | | | | | | |
| | | (millions of dollars) | | | | | | |
| | | Fair Value | | | Total Gross Assets & Liabilities | Effect of Counterparty Netting | Effect of Collateral Netting | Difference in Carrying Value and Fair Value |
| | | Level 1 | Level 2 | Level 3 | | | | |
| Assets | | | | | | | | |
| | Derivative assets (1) | 1,422 | 1,523 | — | 2,945 | (1,930) | (28) | — |
| | Advances to/receivables from equity companies (2)/(6) | — | 3,076 | 5,373 | 8,449 | — | — | (123) |
| | Other long-term financial assets (3) | 1,134 | — | 1,058 | 2,192 | — | — | 181 |
| Liabilities | | | | | | | | |
| | Derivative liabilities (4) | 1,701 | 2,594 | — | 4,295 | (1,930) | (306) | — |
| | Long-term debt (5) | 44,454 | 88 | 3 | 44,545 | — | — | (2,878) |
| | Long-term obligations to equity companies (6) | — | — | 3,084 | 3,084 | — | — | (227) |
| | Other long-term financial liabilities (7) | — | — | 902 | 902 | — | — | 58 |

(1) Included in the Balance Sheet lines: Notes and accounts receivable - net and Other assets, including intangibles - net

(2) Included in the Balance Sheet line: Investments, advances and long-term receivables

(3) Included in the Balance Sheet lines: Investments, advances and long-term receivables and Other assets, including intangibles - net

(4) Included in the Balance Sheet lines: Accounts payable and accrued liabilities and Other long-term obligations

(5) Excluding finance lease obligations

(6) Advances to/receivables from equity companies and long-term obligations to equity companies are mainly designated as hierarchy level 3 inputs. The fair value is calculated by discounting the remaining obligations by a rate consistent with the credit quality and industry of the company.

(7) Included in the Balance Sheet line: Other long-term obligations. Includes contingent consideration related to a prior year acquisition where fair value is based on expected drilling activities and discount rates.

At March 31, 2022 and December 31, 2021, respectively, the Corporation had \$1,347 million and \$641 million of collateral under master netting arrangements not offset against the derivatives on the Consolidated Balance Sheet, primarily related to initial margin requirements.

The Corporation may use non-derivative financial instruments, such as its foreign currency-denominated debt, as hedges of its net investments in certain foreign subsidiaries. Under this method, the change in the carrying value of the financial instruments due to foreign exchange fluctuations is reported in accumulated other comprehensive income. As of March 31, 2022, the Corporation has designated \$5.0 billion of its Euro-denominated long-term debt and related accrued interest as a net investment hedge of its European business. The net investment hedge is deemed to be perfectly effective.

The Corporation had undrawn short-term committed lines of credit of \$10.7 billion and undrawn long-term committed lines of credit of \$0.6 billion as of first quarter 2022.

Derivative Instruments. The Corporation's size, strong capital structure, geographic diversity and the complementary nature of the Upstream, Downstream and Chemical businesses reduce the Corporation's enterprise-wide risk from changes in commodity prices, currency rates and interest rates. In addition, the Corporation 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 "Sales and other operating revenue." The Corporation's commodity derivatives are not accounted for under hedge accounting. At times, the Corporation also enters into currency and interest rate derivatives, none of which are material to the Corporation's financial position as of March 31, 2022 and December 31, 2021, or results of operations for the periods ended March 31, 2022 and 2021.

Credit risk associated with the Corporation'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 Corporation maintains a system of controls that includes the authorization, reporting and monitoring of derivative activity.

The net notional long/(short) position of derivative instruments at March 31, 2022 and December 31, 2021, was as follows:

| | March 31, 2022 | December 31, 2021 |
|------------------------------|-------------------|----------------------|
| | <i>(millions)</i> | |
| Crude oil (barrels) | 91 | 82 |
| Petroleum products (barrels) | (37) | (48) |
| Natural gas (MMBTUs) | (101) | (115) |

Realized and unrealized gains/(losses) on derivative instruments that were recognized in the Consolidated Statement of Income are included in the following lines on a before-tax basis:

| | Three Months Ended March 31, | |
|-----------------------------------|---------------------------------|-------|
| | 2022 | 2021 |
| | <i>(millions of dollars)</i> | |
| Sales and other operating revenue | (2,535) | (512) |
| Crude oil and product purchases | (26) | 1 |
| Total | (2,561) | (511) |

8. Disclosures about Segments and Related Information

| | Three Months Ended March 31, | |
|---|---------------------------------|-------|
| | 2022 | 2021 |
| <i>(millions of dollars)</i> | | |
| Earnings (Loss) After Income Tax | | |
| Upstream | | |
| United States | 2,376 | 363 |
| Non-U.S. (1) | 2,112 | 2,191 |
| Downstream | | |
| United States | 685 | (113) |
| Non-U.S. | (353) | (277) |
| Chemical | | |
| United States | 819 | 715 |
| Non-U.S. | 535 | 700 |
| Corporate and Financing (1) | (694) | (849) |
| Corporate total | 5,480 | 2,730 |

(1) Results for 2022 include charges of \$3.3 billion in non-U.S. Upstream and \$0.1 billion in Corporate and Financing associated with the Corporation's interest in Sakhalin-1. (See Note 2 to Condensed Consolidated Financial Statements)

Sales and Other Operating Revenue

| | | |
|-------------------------|--------|--------|
| Upstream | | |
| United States | 2,656 | 1,885 |
| Non-U.S. | 6,343 | 3,094 |
| Downstream | | |
| United States | 25,356 | 16,078 |
| Non-U.S. | 43,609 | 28,613 |
| Chemical | | |
| United States | 3,982 | 3,091 |
| Non-U.S. | 5,781 | 4,887 |
| Corporate and Financing | 7 | (96) |
| Corporate total | 87,734 | 57,552 |

Intersegment Revenue

| | | |
|-------------------------|--------|-------|
| Upstream | | |
| United States | 6,191 | 3,323 |
| Non-U.S. | 10,835 | 6,817 |
| Downstream | | |
| United States | 8,261 | 3,953 |
| Non-U.S. | 9,503 | 5,381 |
| Chemical | | |
| United States | 2,863 | 1,950 |
| Non-U.S. | 2,213 | 1,231 |
| Corporate and Financing | 57 | 57 |

Geographic

Sales and Other Operating Revenue

| | Three Months Ended March 31, | |
|---|---------------------------------|--------|
| | 2022 | 2021 |
| | (millions of dollars) | |
| United States | 31,994 | 21,054 |
| Non-U.S. | 55,740 | 36,498 |
| Total | 87,734 | 57,552 |
| Significant Non-U.S. revenue sources include: (1) | | |
| United Kingdom | 7,548 | 2,943 |
| Canada | 6,995 | 4,258 |
| France | 4,356 | 2,782 |
| Singapore | 4,322 | 3,435 |
| Belgium | 2,836 | 1,989 |
| Italy | 2,836 | 1,865 |

(1) Revenue is determined by primary country of operations. Excludes certain sales and other operating revenues in Non-U.S. operations where attribution to a specific country is not practicable.

9. Divestment Activities

In February 2022, the Corporation signed an agreement with Seplat Energy Offshore Limited for the sale of Mobil Producing Nigeria Unlimited. The agreement is subject to certain conditions precedent and government approvals. If these are attained, the transaction would be expected to close no earlier than mid-year 2022. The agreed sales price is subject to interim period adjustments from January 1, 2021 to the closing date, and has potential for further adjustments based on commodity prices and production levels. Assuming a mid-2022 closing date and based on currently available information, the Corporation expects to recognize a loss of approximately \$500 million when and if the potential divestment ultimately meets held-for-sale criteria under ASC 360, following the resolution of certain conditions precedent noted above.

Following the end of the first quarter, the Corporation executed an agreement for the sale of ExxonMobil Exploration and Production Romania, consisting of certain unproved Upstream assets, to Romgaz S.A. The transaction is anticipated to close mid-year 2022, and the Corporation expects to recognize a gain on the sale of approximately \$300 million.

EXXON MOBIL CORPORATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

During the COVID-19 pandemic, industry investment to maintain and increase production capacity was restrained to preserve capital, resulting in underinvestment and supply tightness as demand for petroleum and petrochemical products recovered. Across late 2021 and early 2022, this dynamic, along with supply chain constraints, and a continuation of demand recovery led to a steady increase in oil and natural gas prices. In the first quarter of 2022, tightness in the oil and natural gas markets was further exacerbated by Russia's invasion of Ukraine and subsequent sanctions imposed upon business and other activities in Russia. The price of Brent crude oil and certain regional natural gas indicators increased to levels not seen for several years. Additionally, by the end of the first quarter, refining margins improved to levels above the 10-year range, and the tight supply and demand balance is expected to persist.

In early March, in response to Russia's military action in Ukraine, the Corporation announced that it plans to discontinue operations on the Sakhalin-1 project ("Sakhalin") and develop steps to exit the venture. The Corporation remains focused on protecting the safety of employees, operations, and the environment. The Corporation is complying with all applicable laws and sanctions and is currently engaged in transitioning Sakhalin-1 operating activities to another party.

The Corporation's first quarter results include after-tax charges of \$3.4 billion largely representing the impairment of its operations related to Sakhalin (see Note 2 to Condensed Consolidated Financial Statements). Efforts to transition operatorship to a third party and exit the venture is expected to result in limited hydrocarbon sales and cash flows for the Corporation's account during the second quarter of 2022, and none following that period. For reference, excluding the impact of impairments and other charges, after-tax earnings related to the Corporation's interest in Sakhalin in the first quarter were approximately \$0.2 billion, and combined oil and gas production was approximately 65 thousand oil-equivalent barrels per day. The Corporation's exit from the project would result in quantities estimated at 150 million oil-equivalent barrels no longer qualifying as proved reserves, which represented less than one percent of the Corporation's 18.5 billion oil-equivalent barrels of proved reserves at year-end 2021.

FUNCTIONAL EARNINGS SUMMARY

Earnings (loss) excluding Identified Items, are earnings (loss) excluding individually significant non-operational events with an absolute corporate total earnings impact of at least \$250 million in a given quarter. The earnings (loss) impact of an Identified Item for an individual segment in a given quarter may be less than \$250 million when the item impacts several segments or several periods. 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 Corporation 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. Earnings (loss) excluding Identified Items is not meant to be viewed in isolation or as a substitute for net income (loss) attributable to ExxonMobil as prepared in accordance with U.S. GAAP.

| Three Months Ended March 31, 2022 | Upstream | | Downstream | | Chemical | | Corporate and Financing | Total |
|--|------------------------------|----------|------------|----------|----------|----------|----------------------------|---------|
| | U.S. | Non-U.S. | U.S. | Non-U.S. | U.S. | Non-U.S. | | |
| | <i>(millions of dollars)</i> | | | | | | | |
| Earnings (loss) (U.S. GAAP) | 2,376 | 2,112 | 685 | (353) | 819 | 535 | (694) | 5,480 |
| Identified Items | | | | | | | | |
| Impairments | — | (2,877) | — | — | — | — | (98) | (2,975) |
| Other - Russia impacts | — | (378) | — | — | — | — | — | (378) |
| Earnings (loss) excluding Identified Items | 2,376 | 5,367 | 685 | (353) | 819 | 535 | (596) | 8,833 |

| Three Months Ended March 31, 2021 | Upstream | | Downstream | | Chemical | | Corporate and Financing | Total |
|--|------------------------------|----------|------------|----------|----------|----------|----------------------------|-------|
| | U.S. | Non-U.S. | U.S. | Non-U.S. | U.S. | Non-U.S. | | |
| | <i>(millions of dollars)</i> | | | | | | | |
| Earnings (loss) (U.S. GAAP) | 363 | 2,191 | (113) | (277) | 715 | 700 | (849) | 2,730 |
| Identified Items | | | | | | | | |
| Severance charges | — | — | — | — | — | — | (31) | (31) |
| Earnings (loss) excluding Identified Items | 363 | 2,191 | (113) | (277) | 715 | 700 | (818) | 2,761 |

References in this discussion to Corporate earnings (loss) mean net income (loss) attributable to ExxonMobil (U.S. GAAP) from the Consolidated Statement of Income. Unless otherwise indicated, references to earnings (loss), Upstream, Downstream,

Chemical and Corporate and Financing segment earnings (loss), and earnings (loss) per share are ExxonMobil's share after excluding amounts attributable to noncontrolling interests.

REVIEW OF FIRST QUARTER 2022 RESULTS

ExxonMobil's first quarter 2022 earnings were \$5.5 billion, or \$1.28 per diluted share, compared with earnings of \$2.7 billion a year earlier. The increase in earnings was driven by higher Upstream realizations and Downstream margins partly offset by charges related to the company's Russia Sakhalin-1 operation.

Oil-equivalent production was 3.7 million barrels per day, down 3 percent from the prior year. Excluding entitlement effects, divestments, and government mandates, oil-equivalent production was down 2 percent from the prior year.

The Corporation distributed \$3.8 billion in dividends to shareholders and bought back \$2.1 billion of common stock.

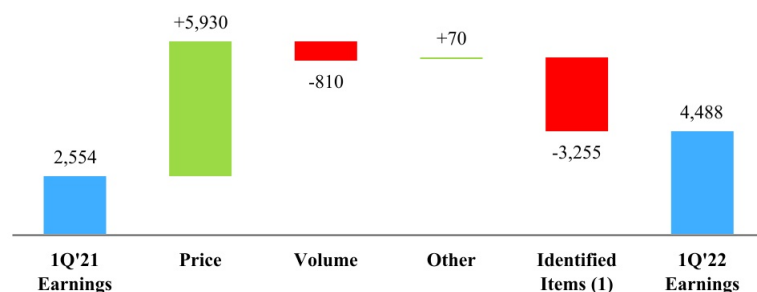
UPSTREAM

Upstream Financial Results

| | Three Months Ended March 31, | |
|--|---------------------------------|-------|
| | 2022 | 2021 |
| | <i>(millions of dollars)</i> | |
| Earnings (loss) (U.S. GAAP) | | |
| United States | 2,376 | 363 |
| Non-U.S. | 2,112 | 2,191 |
| Total | 4,488 | 2,554 |
| Identified Items (1) | | |
| United States | — | — |
| Non-U.S. | (3,255) | — |
| Total | (3,255) | — |
| Earnings (loss) excluding Identified Items (1) | | |
| United States | 2,376 | 363 |
| Non-U.S. | 5,367 | 2,191 |
| Total | 7,743 | 2,554 |

Upstream Earnings Factor Analysis

(millions of dollars)



Price – Higher realizations increased earnings by \$5,930 million as average realizations for crude oil increased 68%, while natural gas realizations increased 137%.

Volume – Unfavorable volume and mix effects decreased earnings by \$810 million reflecting impacts from the reduced Groningen production limit, higher downtime including the effects of weather, and lower entitlements due to prices, partly offset by growth in the Permian Basin and Guyana.

Other – All other items increased earnings by \$70 million.

Identified Items (1) – 1Q 2022 \$(3,255) million loss as a result of the company's decision to discontinue operations at the Russia Sakhalin-1 project.

(1) Refer to Functional Earnings Summary for definition of Identified Items and earnings (loss) excluding Identified Items.

Upstream Operational Results

| | | Three Months Ended March 31, | |
|---|-----------------------|--|-------|
| | | 2022 | 2021 |
| Production of crude oil, natural gas liquids, bitumen and synthetic oil | | | |
| Net production | | <i>(thousands of barrels daily)</i> | |
| | United States | 753 | 665 |
| | Canada/Other Americas | 474 | 575 |
| | Europe | 4 | 35 |
| | Africa | 257 | 253 |
| | Asia | 738 | 691 |
| | Australia/Oceania | 40 | 39 |
| | Worldwide | 2,266 | 2,258 |
| Natural gas production available for sale | | | |
| Net production | | <i>(millions of cubic feet daily)</i> | |
| | United States | 2,777 | 2,767 |
| | Canada/Other Americas | 182 | 216 |
| | Europe | 770 | 1,403 |
| | Africa | 58 | 24 |
| | Asia | 3,340 | 3,599 |
| | Australia/Oceania | 1,325 | 1,164 |
| | Worldwide | 8,452 | 9,173 |
| Oil-equivalent production <i>(1)</i> | | <i>(thousands of oil-equivalent barrels daily)</i> | |
| | | 3,675 | 3,787 |

(1) Natural gas is converted to an oil-equivalent basis at six million cubic feet per one thousand barrels.

1Q 2022 versus 1Q 2021

Liquids production – 2.3 million barrels per day increased 8 thousand barrels per day from 2021, reflecting easing government mandated curtailments, growth in the Permian Basin and Guyana, partly offset by higher downtime including the effects of weather, lower entitlements due to higher prices, and divestment impacts.

Natural gas production available for sale – 8.5 billion cubic feet per day decreased 721 million cubic feet per day from 2021, reflecting impacts from the reduced Groningen production limit, divestments, and entitlements.

Upstream Additional Information

| | Three Months Ended March 31 <i>(thousands of barrels daily)</i> |
|---|---|
| Volumes reconciliation (Oil-equivalent production) (1) | |
| 2021 | 3,787 |
| Entitlements - Net Interest | (30) |
| Entitlements - Price / Spend / Other | (44) |
| Government Mandates | 113 |
| Divestments | (62) |
| Other | (89) |
| 2022 | 3,675 |

(1) Natural gas is converted to an oil-equivalent basis at six million cubic feet per one thousand barrels.

Listed below are descriptions of ExxonMobil's volumes reconciliation factors which are provided to facilitate understanding of the terms.

Entitlements - Net Interest are changes to ExxonMobil's share of production volumes caused by non-operational changes to volume-determining factors. These factors consist of net interest changes specified in Production Sharing Contracts (PSCs) which typically occur when cumulative investment returns or production volumes achieve defined thresholds, changes in equity upon achieving pay-out in partner investment carry situations, equity redeterminations as specified in venture agreements, or as a result of the termination or expiry of a concession. Once a net interest change has occurred, it typically will not be reversed by subsequent events, such as lower crude oil prices.

Entitlements - Price, Spend and Other are changes to ExxonMobil's share of production volumes resulting from temporary changes to non-operational volume-determining factors. These factors include changes in oil and gas prices or spending levels from one period to another. According to the terms of contractual arrangements or government royalty regimes, price or spending variability can increase or decrease royalty burdens and/or volumes attributable to ExxonMobil. For example, at higher prices, fewer barrels are required for ExxonMobil to recover its costs. These effects generally vary from period to period with field spending patterns or market prices for oil and natural gas. Such factors can also include other temporary changes in net interest as dictated by specific provisions in production agreements.

Government Mandates are changes to ExxonMobil's sustainable production levels due to temporary non-operational production limits imposed by governments, generally upon a sector, type or method of production.

Divestments are reductions in ExxonMobil's production arising from commercial arrangements to fully or partially reduce equity in a field or asset in exchange for financial or other economic consideration.

Other comprise all other operational and non-operational factors not covered by the above definitions that may affect volumes attributable to ExxonMobil. Such factors include, but are not limited to, production enhancements from project and work program activities, acquisitions including additions from asset exchanges, downtime, market demand, natural field decline, and any fiscal or commercial terms that do not affect entitlements.

DOWNSTREAM

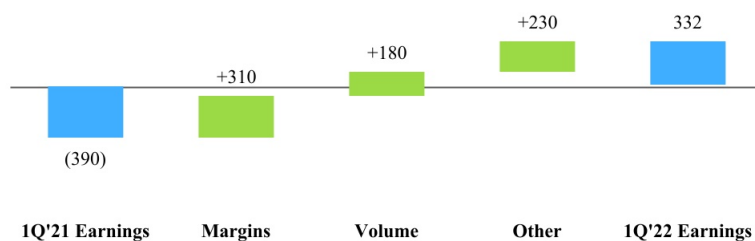
Downstream Financial Results

| | Three Months Ended March 31, | |
|---|---------------------------------|-------|
| | 2022 | 2021 |
| Earnings (loss) (U.S. GAAP) | <i>(millions of dollars)</i> | |
| United States | 685 | (113) |
| Non-U.S. | (353) | (277) |
| Total | 332 | (390) |
| Earnings (loss) excluding Identified Items <i>(1)</i> | | |
| United States | 685 | (113) |
| Non-U.S. | (353) | (277) |
| Total | 332 | (390) |

(1) Refer to Functional Earnings Summary for definition of Identified Items and earnings (loss) excluding Identified Items.

Downstream Earnings Factor Analysis

(millions of dollars)



Margins – Higher margins increased earnings by \$310 million. Improved refining margins were partially offset by unfavorable unsettled derivative impacts.

Volume – Favorable volume and mix effects increased earnings by \$180 million, primarily due to the absence of prior year reliability impacts from winter storm Uri.

Other – All other items increased earnings by \$230 million, driven by the absence of terminal conversion impacts in the prior year quarter.

Downstream Operational Results

| | | Three Months Ended March 31, | |
|-------------------------------------|--|-------------------------------------|-------|
| | | 2022 | 2021 |
| | | <i>(thousands of barrels daily)</i> | |
| Refinery throughput | | | |
| United States | | 1,685 | 1,532 |
| Canada | | 399 | 364 |
| Europe | | 1,193 | 1,153 |
| Asia Pacific | | 537 | 545 |
| Other | | 169 | 157 |
| Worldwide | | 3,983 | 3,751 |
| Petroleum product sales <i>(1)</i> | | | |
| United States | | 2,256 | 2,077 |
| Canada | | 442 | 409 |
| Europe | | 1,345 | 1,272 |
| Asia Pacific | | 644 | 665 |
| Other | | 471 | 458 |
| Worldwide | | 5,158 | 4,881 |
| Gasoline, naphthas | | 2,114 | 1,996 |
| Heating oils, kerosene, diesel oils | | 1,722 | 1,692 |
| Aviation fuels | | 289 | 183 |
| Heavy fuels | | 249 | 257 |
| Specialty petroleum products | | 784 | 753 |
| Worldwide | | 5,158 | 4,881 |

(1) Data reported net of purchases/sales contracts with the same counterparty.

CHEMICAL

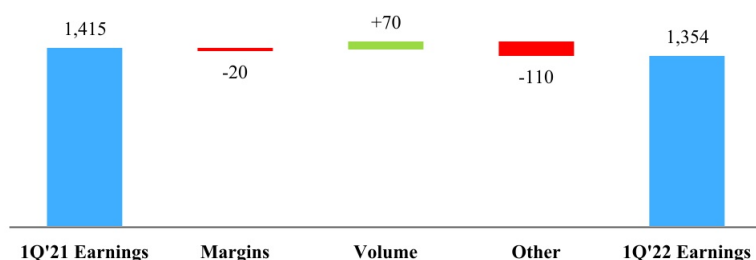
Chemical Financial Results

| | | Three Months Ended March 31, | |
|---|--|---------------------------------|-------|
| | | 2022 | 2021 |
| | | <i>(millions of dollars)</i> | |
| Earnings (loss) (U.S. GAAP) | | | |
| United States | | 819 | 715 |
| Non-U.S. | | 535 | 700 |
| Total | | 1,354 | 1,415 |
| Earnings (loss) excluding Identified Items <i>(2)</i> | | | |
| United States | | 819 | 715 |
| Non-U.S. | | 535 | 700 |
| Total | | 1,354 | 1,415 |

(2) Refer to Functional Earnings Summary for definition of Identified Items and earnings (loss) excluding Identified Items.

Chemical Earnings Factor Analysis

(millions of dollars)



Margins – Lower margins decreased earnings by \$20 million.

Volume – Favorable volume and mix effects increased earnings by \$70 million, primarily due to higher U.S. sales.

Other – All other items decreased earnings by \$110 million, primarily driven by increased project and planned maintenance spend.

Chemical Operational Results

Chemical prime product sales (1)

United States
Non-U.S.
Worldwide

| Three Months Ended March 31, | |
|---------------------------------|-------|
| 2022 | 2021 |
| (thousands of metric tons) | |
| 2,704 | 2,190 |
| 4,033 | 4,256 |
| 6,737 | 6,446 |

(1) Data reported net of purchases/sales contracts with the same counterparty.

CORPORATE AND FINANCING

Corporate and Financing Financial Results

Earnings (loss) (U.S. GAAP)
Identified Items (1)
Earnings (loss) excluding Identified Items (1)

| Three Months Ended March 31, | |
|---------------------------------|-------|
| 2022 | 2021 |
| (millions of dollars) | |
| (694) | (849) |
| (98) | (31) |
| (596) | (818) |

Corporate and Financing expenses were \$694 million for the first quarter of 2022, down \$155 million from the first quarter of 2021, reflecting lower pension-related corporate costs and the absence of prior year severance charges, partly offset by Russia Sakhalin impacts.

(1) Refer to Functional Earnings Summary for definition of Identified Items and earnings (loss) excluding Identified Items.

LIQUIDITY AND CAPITAL RESOURCES

| | Three Months Ended March 31, | |
|---|---------------------------------|---------|
| | 2022 | 2021 |
| | (millions of dollars) | |
| Net cash provided by/(used in) | | |
| Operating activities | 14,788 | 9,264 |
| Investing activities | (3,945) | (2,355) |
| Financing activities | (6,713) | (7,785) |
| Effect of exchange rate changes | 142 | 27 |
| Increase/(decrease) in cash and cash equivalents | 4,272 | (849) |
| Cash and cash equivalents (at end of period) | 11,074 | 3,515 |
| Cash flow from operations and asset sales | | |
| Net cash provided by operating activities (U.S. GAAP) | 14,788 | 9,264 |
| Proceeds associated with sales of subsidiaries, property, plant & equipment, and sales and returns of investments | 293 | 307 |
| Cash flow from operations and asset sales | 15,081 | 9,571 |

Because of the ongoing nature of our asset management and divestment program, we believe it is useful for investors to consider proceeds associated with asset sales together with cash provided by operating activities when evaluating cash available for investment in the business and financing activities, including shareholder distributions.

Cash flow from operations and asset sales in the first quarter of 2022 was \$15.1 billion, an increase of \$5.5 billion from the comparable 2021 period primarily reflecting higher earnings.

Cash provided by operating activities totaled \$14.8 billion for the first three months of 2022, \$5.5 billion higher than 2021. Net income including noncontrolling interests was \$5.8 billion, an increase of \$3.0 billion from the prior year period. The adjustment for the noncash provision of \$8.9 billion for depreciation and depletion was up \$3.9 billion from 2021. Changes in operational working capital were a contribution of \$1.1 billion, compared to a contribution of \$2.0 billion in the prior year period. All other items net decreased cash flows by \$0.9 billion in 2022 versus a reduction of \$0.5 billion in 2021. See the Condensed Consolidated Statement of Cash Flows for additional details.

Investing activities for the first three months of 2022 used net cash of \$3.9 billion, an increase of \$1.6 billion compared to the prior year. Spending for additions to property, plant and equipment of \$3.9 billion was \$1.5 billion higher than 2021. Proceeds from asset sales of \$0.3 billion were essentially flat with the prior year. Net investments and advances increased \$0.1 billion to \$0.3 billion.

Net cash used in financing activities was \$6.7 billion in the first three months of 2022, including \$2.1 billion for the purchase of 26.2 million shares of ExxonMobil stock, as the Corporation initiated its previously announced buyback program in the quarter. This compares to net cash used in financing activities of \$7.8 billion in the prior year, reflecting long-term debt repayments of \$4.1 billion during the first three months of 2021. On April 29, 2022, the company announced that it is increasing its share repurchase program from up to \$10 billion to a total of up to \$30 billion through 2023. The stock repurchase program does not obligate the company to acquire any particular amount of common stock, and it may be discontinued or resumed at any time. The timing and amount of shares actually repurchased in the future will depend on market, business, and other factors.

Total debt at the end of the first quarter of 2022 was \$47.5 billion compared to \$47.7 billion at year-end 2021. The Corporation's debt to total capital ratio was 21.2 percent at the end of the first quarter of 2022 compared to 21.4 percent at year-end 2021. The net debt to capital ratio was 17.1 percent at the end of the first quarter, a decrease of 1.8 percentage points from year-end 2021. The Corporation's capital allocation priorities continue to be investing in advantaged projects, strengthening the balance sheet and paying a reliable dividend.

The Corporation has access to significant capacity of long-term and short-term liquidity. In addition to cash balances, commercial paper continues to provide short-term liquidity, and is reflected in "Notes and loans payable" on the Consolidated Balance Sheet. Cash and cash equivalents was \$11.1 billion at the end of the first quarter of 2022. The Corporation had undrawn short-term committed lines of credit of \$10.7 billion and undrawn long-term committed lines of credit of \$0.6 billion as of first quarter 2022.

The Corporation distributed a total of \$3.8 billion to shareholders in the first three months of 2022 through dividends.

The Corporation, as part of its ongoing asset management program, continues to evaluate its mix of assets for potential upgrade. Because of the ongoing nature of this program, dispositions will continue to be made from time to time which will result in

either gains or losses. Additionally, the Corporation continues to evaluate opportunities to enhance its business portfolio through acquisitions of assets or companies, and enters into such transactions from time to time. Key criteria for evaluating acquisitions include potential for future growth and attractive current valuations. Acquisitions may be made with cash, shares of the Corporation's common stock, or both.

Litigation and other contingencies are discussed in Note 3 to the unaudited condensed consolidated financial statements.

TAXES

| | Three Months Ended March 31, | |
|---|---------------------------------|-------|
| | 2022 | 2021 |
| | <i>(millions of dollars)</i> | |
| Income taxes | 2,806 | 796 |
| <i>Effective income tax rate</i> | 40 % | 33 % |
| Total other taxes and duties <i>(1)</i> | 8,449 | 7,283 |
| Total | 11,255 | 8,079 |

(1) Includes "Other taxes and duties" plus taxes that are included in "Production and manufacturing expenses" and "Selling, general and administrative expenses".

Total taxes were \$11.3 billion for the first quarter of 2022, an increase of \$3.2 billion from 2021. Income tax expense was \$2.8 billion compared to \$0.8 billion in the prior year reflecting higher commodity prices. The effective income tax rate of 40 percent compared to 33 percent in the prior year period primarily due to a change in mix of results in jurisdictions with varying tax rates. Total other taxes and duties increased by \$1.2 billion to \$8.4 billion.

In the United States, the Corporation has various ongoing U.S. federal income tax positions at issue with the Internal Revenue Service (IRS) for tax years beginning in 2006. The Corporation filed a refund suit for tax years 2006-2009 in U.S. federal district court (District Court) with respect to the positions at issue for those years. On February 24, 2020, the Corporation received an adverse ruling on this suit. The IRS has asserted penalties associated with several of those positions. The Corporation has not recognized the penalties as an expense because the Corporation does not expect the penalties to be sustained under applicable law. On January 13, 2021, the District Court ruled that no penalties apply to the Corporation's positions in this suit. The Corporation and the government have appealed the District Court's rulings to the U.S. Court of Appeals for the Fifth Circuit (Fifth Circuit). Proceedings in the Fifth Circuit are continuing.

On March 4, 2022, the Corporation also filed a refund suit for tax years 2010-2011 in District Court with respect to the positions at issue for those years. The Corporation has not recognized asserted penalties for 2010-2011 as an expense because the Corporation does not expect the penalties to be sustained under applicable law. Unfavorable resolution of all positions at issue with the IRS would not have a material adverse effect on the Corporation's operations or financial condition.

CAPITAL AND EXPLORATION EXPENDITURES

| | Three Months Ended March 31, | |
|---|---------------------------------|-------|
| | 2022 | 2021 |
| | <i>(millions of dollars)</i> | |
| Upstream (including exploration expenses) | 3,879 | 2,357 |
| Downstream | 577 | 470 |
| Chemical | 448 | 306 |
| Other | — | — |
| Total | 4,904 | 3,133 |

Capital and exploration expenditures in the first quarter of 2022 were \$4.9 billion, up 57 percent from the first quarter of 2021. The Corporation plans to invest in the range of \$21 billion to \$24 billion in 2022. Actual spending could vary depending on the progress of individual projects and property acquisitions.

FORWARD-LOOKING STATEMENTS

Statements related to outlooks; projections; descriptions of strategic, operating, and financial plans and objectives; statements of future ambitions and plans; and other statements of future events or conditions, are forward-looking statements. Actual future results, including financial and operating performance; total capital expenditures and mix, including allocations of capital to low carbon solutions; cost reductions and efficiency gains, including the ability to meet or exceed announced cost and expense reduction objectives; cash flow, dividends and shareholder returns, including the timing and amounts of share repurchases; future debt levels and credit ratings; business and project plans, timing, costs, capacities and returns; and resource recoveries and production rates could differ materially due to a number of factors. These include global or regional changes in the supply and demand for oil, natural gas, petrochemicals, and feedstocks and other market conditions that impact prices and differentials for our products; variable impacts of trading activities on our margins and results each quarter; actions of competitors and commercial counterparties; the outcome of commercial negotiations, including final agreed terms and conditions; the ability to access debt markets; the ultimate impacts of COVID-19, including the extent and nature of further outbreaks and the effects of government responses on people and economies; reservoir performance, including variability and timing factors applicable to unconventional resources; the outcome of exploration projects; timely completion of development and other construction projects; final management approval of future projects and any changes in the scope, terms, or costs of such projects as approved; changes in law, taxes, or regulation including environmental regulations, trade sanctions, and timely granting of governmental permits and certifications; government policies and support and market demand for low carbon technologies; war, and other political or security disturbances; opportunities for potential investments or divestments and satisfaction of applicable conditions to closing, including regulatory approvals; the capture of efficiencies within and between business lines and the ability to maintain near-term cost reductions as ongoing efficiencies; unforeseen technical or operating difficulties and unplanned maintenance; the development and competitiveness of alternative energy and emission reduction technologies; the results of research programs and the ability to bring new technologies to commercial scale on a cost-competitive basis; and other factors discussed under Item 1A. Risk Factors of ExxonMobil's 2021 Form 10-K.

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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information about market risks for the three months ended March 31, 2022, does not differ materially from that discussed under Item 7A of the registrant's Annual Report on Form 10-K for 2021.

Item 4. Controls and Procedures

As indicated in the certifications in Exhibit 31 of this report, the Corporation's Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer have evaluated the Corporation's disclosure controls and procedures as of March 31, 2022. Based on that evaluation, these officers have concluded that the Corporation's disclosure controls and procedures are effective in ensuring that information required to be disclosed by the Corporation in the reports that it files or submits under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to them in a manner that allows for timely decisions regarding required disclosures and are effective in ensuring that such information is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. There were no changes during the Corporation's last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

ExxonMobil has elected to use a \$1 million threshold for disclosing environmental proceedings.

On February 22, 2022, the Oil Conservation Division of the New Mexico Department of Energy, Minerals and Natural Resources (the “Department”) announced that it issued notices of violation and cumulative associated administrative civil penalties of \$2,247,100 to XTO Permian Operating, LLC (“XTO”) alleging XTO failed to comply with certain operational and reporting requirements relating to four salt water disposal wells. A hearing is scheduled for May 18, 2022, but may be delayed by the Department in order to negotiate a potential resolution.

Refer to the relevant portions of Note 3 of this Quarterly Report on Form 10-Q for further information on legal proceedings.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchase of Equity Securities for Quarter Ended March 31, 2022

| Period | Total Number of Shares Purchased ⁽¹⁾ | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾ | Approximate Dollar Value of Shares that May Yet Be Purchased Under the Program (Billions of dollars) |
|---------------|---|------------------------------|---|--|
| January 2022 | 5,764,362 | \$70.75 | 5,639,871 | \$29.6 |
| February 2022 | 8,320,607 | \$78.69 | 8,320,607 | \$28.9 |
| March 2022 | 12,197,886 | \$82.32 | 12,197,886 | \$27.9 |
| Total | 26,282,855 | \$78.63 | 26,158,364 | |

During the first quarter, the Corporation did not issue or sell any unregistered equity securities.

(1) Includes shares withheld from participants in the company's incentive program for personal income taxes.

(2) In its earnings release dated April 29, 2022, the Corporation stated that the company has increased its share repurchase program from up to \$10 billion to a total of up to \$30 billion through 2023. Purchases in the first quarter of 2022 were made under terms intended to qualify for exemption under Rules 10b-18 and 10b5-1.

Item 6. Exhibits

See Index to Exhibits of this report.

INDEX TO EXHIBITS

| Exhibit | Description |
|----------------------|--|
| 31.1 | Certification (pursuant to Securities Exchange Act Rule 13a-14(a)) by Chief Executive Officer. |
| 31.2 | Certification (pursuant to Securities Exchange Act Rule 13a-14(a)) by Chief Financial Officer. |
| 31.3 | Certification (pursuant to Securities Exchange Act Rule 13a-14(a)) by Principal Accounting Officer. |
| 32.1 | Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Chief Executive Officer. |
| 32.2 | Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Chief Financial Officer. |
| 32.3 | Section 1350 Certification (pursuant to Sarbanes-Oxley Section 906) by Principal Accounting Officer. |
| 101 | Interactive Data Files (formatted as Inline XBRL). |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

EXXON MOBIL CORPORATION

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXXON MOBIL CORPORATION

Date: May 4, 2022

By:

/s/ LEN M. FOX

Len M. Fox
Vice President, Controller and
Principal Accounting Officer