

FREQUENTLY USED TERMS

Listed below are definitions of several of ExxonMobil's key business and financial performance measures and other terms. These definitions are provided to facilitate understanding of the terms and their calculation. In the case of financial measures that we believe constitute "non-GAAP financial measures" under Securities and Exchange Commission Regulation G, we provide a reconciliation to the most comparable Generally Accepted Accounting Principles (GAAP) measure and other information required by that rule.

Total shareholder return (TSR) ▪ Measures the change in value of an investment in stock over a specified period of time, assuming dividend reinvestment. We calculate shareholder return over a particular measurement period by: dividing (1) the sum of (a) the cumulative value of dividends received during the measurement period, assuming reinvestment, plus (b) the difference between the stock price at the end and at the beginning of the measurement period; by (2) the stock price at the beginning of the measurement period. For this purpose, we assume dividends are reinvested in stock at market prices at approximately the same time actual dividends are paid. Shareholder return is usually quoted on an annualized basis.

Capital and exploration expenditures (Capex) ▪ Represents the combined total of additions at cost to property, plant and equipment, and exploration expenses on a before-tax basis from the Summary statement of income. ExxonMobil's Capex includes its share of similar costs for equity companies. Capex excludes assets acquired in nonmonetary exchanges, the value of ExxonMobil shares used to acquire assets, and depreciation on the cost of exploration support equipment and facilities recorded to property, plant and equipment when acquired. While ExxonMobil's management is responsible for all investments and elements of net income, particular focus is placed on managing the controllable aspects of this group of expenditures.

Returns, investment returns, project returns ▪ Unless referring specifically to ROCE, references to returns, investment returns, project returns, and similar terms mean future discounted cash flow returns on future capital investments based on current company estimates. Investment returns exclude prior exploration and acquisition costs.

Heavy oil and oil sands ▪ Heavy oil includes heavy oil, extra heavy oil, and bitumen, as defined by the World Petroleum Congress in 1987 based on American Petroleum Institute (API) gravity and viscosity at reservoir conditions. Heavy oil has an API gravity between 10 and 22.3 degrees. The API gravity of extra heavy oil and bitumen is less than 10 degrees. Extra heavy oil has a viscosity less than 10,000 centipoise, whereas the viscosity of bitumen is greater than 10,000 centipoise. The term "oil sands" is used to indicate heavy oil (generally bitumen) that is recovered in a mining operation.

Divestments ▪ Divestments represent the unadjusted sale price specified in the applicable contract of sale as of the effective date for asset divestiture agreements which the corporation or one of its affiliates has executed since January 1, 2019. Actual final sale price and cash proceeds may differ in amount and timing from the divestment value depending on applicable contract terms.

Leverage ▪ Leverage is defined as "net debt/(net debt + market capitalization)."

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

Proved reserves ▪ Proved reserve figures in this document are determined in accordance with SEC definitions.

Resources, resource base, and recoverable resources ▪ Along with similar terms, refer to the total remaining estimated quantities of oil and natural gas that are expected to be ultimately recoverable. ExxonMobil refers to new discoveries and acquisitions of discovered resources as resource additions. The resource base includes quantities of oil and natural gas classified as proved reserves, as well as quantities that are not yet classified as proved reserves, but that are expected to be ultimately recoverable. The term "resource base" or similar terms is not intended to correspond to SEC definitions such as "probable" or "possible" reserves. The term "in-place" refers to those quantities of oil and natural gas estimated to be contained in known accumulations and includes recoverable and unrecoverable amounts.

Frequently Used Terms, continued

Volume effects ▪ 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.

Volume effects ▪ 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.

Volume effects ▪ 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.

Volume effects ▪ 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.

Volume effects ▪ Growth and other factors 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.

Frequently Used Terms, continued

CASH FLOW FROM OPERATIONS AND ASSET SALES	2019	2018	2017	2016	2015
<i>(millions of dollars)</i>					
Net cash provided by operating activities	29,716	36,014	30,066	22,082	30,344
Proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments	3,692	4,123	3,103	4,275	2,389
Cash flow from operations and asset sales	33,408	40,137	33,169	26,357	32,733

Cash flow from operations and asset sales is the sum of the net cash provided by operating activities and proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments from the Summary statement of cash flows. This cash flow reflects the total sources of cash from both operating the Corporation's assets and from the divesting of assets. The Corporation employs a long-standing and regular disciplined review process to ensure all assets are contributing to the Corporation's strategic objectives. Assets are divested when they are no longer meeting these objectives or are worth considerably more to others. Because of the regular nature of this activity, 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.

OPERATING COSTS	2019	2018	2017	2016	2015
<i>(millions of dollars)</i>					
Reconciliation of operating costs					
From ExxonMobil's Consolidated statement of income					
Total costs and other deductions	244,882	259,259	225,689	200,145	227,282
Less:					
Crude oil and product purchases	143,801	156,172	128,217	104,171	130,003
Interest expense	830	766	601	453	311
Other taxes and duties	30,525	32,663	30,104	29,020	30,309
Subtotal	69,726	69,658	66,767	66,501	66,659
ExxonMobil's share of equity company expenses	9,088	9,569	9,016	7,409	8,309
Total operating costs	78,814	79,227	75,783	73,910	74,968

Components of operating costs

From ExxonMobil's Consolidated statement of income					
Production and manufacturing expenses	36,826	36,682	32,690	30,448	33,951
Selling, general and administrative expenses	11,398	11,480	10,649	10,443	11,038
Depreciation and depletion	18,998	18,745	19,893	22,308	18,048
Exploration expenses, including dry holes	1,269	1,466	1,790	1,467	1,523
Non-service pension and postretirement benefit expense	1,235	1,285	1,745	1,835	2,099
Subtotal	69,726	69,658	66,767	66,501	66,659
ExxonMobil's share of equity company expenses	9,088	9,569	9,016	7,409	8,309
Total operating costs	78,814	79,227	75,783	73,910	74,968

Operating costs are the costs during the period to produce, manufacture, and otherwise prepare the company's products for sale - including energy, staffing, and maintenance costs. They exclude the cost of raw materials, taxes, and interest expense and are on a before-tax basis. While ExxonMobil's management is responsible for all revenue and expense elements of net income, operating costs, as defined above, represent the expenses most directly under management's control, and therefore are useful for investors and ExxonMobil management in evaluating management's performance.

Frequently Used Terms, continued

FREE CASH FLOW	2019	2018	2017	2016	2015
<i>(millions of dollars)</i>					
Net cash provided by operating activities	29,716	36,014	30,066	22,082	30,344
Additions to property, plant and equipment	(24,361)	(19,574)	(15,402)	(16,163)	(26,490)
Proceeds associated with sales of subsidiaries, property, plant and equipment, and sales and returns of investments	3,692	4,123	3,103	4,275	2,389
Additional investments and advances	(3,905)	(1,981)	(5,507)	(1,417)	(607)
Other investing activities including collection of advances	1,490	986	2,076	902	842
Free cash flow	6,632	19,568	14,336	9,679	6,478

Free cash flow is cash flow from operations and asset sales less additions to property, plant and equipment, and additional investments and advances, plus other investing activities, including collection of advances. This measure is useful when evaluating cash available for financing activities, including shareholder distributions, after investment in the business.

DISTRIBUTIONS TO SHAREHOLDERS	2019	2018	2017	2016	2015
<i>(millions of dollars)</i>					
Dividends paid to ExxonMobil shareholders	14,652	13,798	13,001	12,453	12,090
Cost of shares acquired to reduce shares outstanding	-	-	-	-	3,000
Distributions to ExxonMobil shareholders	14,652	13,798	13,001	12,453	15,090
Memo: Gross cost of shares acquired to offset shares or units settled in shares issued under benefit plans and programs	594	626	747	977	1,039

The Corporation distributes cash to shareholders in the form of both dividends and share purchases. Shares are acquired to reduce shares outstanding and offset shares or units settled in shares issued in conjunction with company benefit plans and programs. For purposes of calculating distributions to shareholders, the Corporation only includes the cost of those shares acquired to reduce shares outstanding.

CAPITAL EMPLOYED AT YEAR END	2019	2018	2017	2016	2015
<i>(millions of dollars)</i>					
Business uses: asset and liability perspective					
Total assets	362,597	346,196	348,691	330,314	336,758
Less liabilities and noncontrolling interests share of assets and liabilities					
Total current liabilities excluding notes and loans payable	(43,411)	(39,880)	(39,841)	(33,808)	(35,214)
Total long-term liabilities excluding long-term debt	(73,328)	(69,992)	(72,014)	(79,914)	(86,047)
Noncontrolling interests share of assets and liabilities	(8,839)	(7,958)	(8,298)	(8,031)	(8,286)
Add ExxonMobil share of debt-financed equity company net assets	3,906	3,914	3,929	4,233	4,447
Total capital employed	240,925	232,280	232,467	212,794	211,658
Total corporate sources: debt and equity perspective					
Notes and loans payable	20,578	17,258	17,930	13,830	18,762
Long-term debt	26,342	20,538	24,406	28,932	19,925
ExxonMobil share of equity	191,650	191,794	187,688	167,325	170,811
Less noncontrolling interests share of total debt	(1,551)	(1,224)	(1,486)	(1,526)	(2,287)
Add ExxonMobil share of equity company debt	3,906	3,914	3,929	4,233	4,447
Total capital employed	240,925	232,280	232,467	212,794	211,658

Capital employed is a measure of net investment. When viewed from the perspective of how the capital is used by the businesses, it includes ExxonMobil's net share of property, plant and equipment, and other assets, less liabilities, excluding both short-term and long-term debt. When viewed from the perspective of the sources of capital employed in total for the Corporation, it includes ExxonMobil's share of total debt and equity. Both of these views include ExxonMobil's share of amounts applicable to equity companies, which the Corporation believes should be included to provide a more comprehensive measure of capital employed.

Frequently Used Terms, continued

RETURN ON AVERAGE CAPITAL EMPLOYED (ROCE)	2019	2018	2017	2016	2015
<i>(millions of dollars)</i>					
Net income attributable to ExxonMobil	14,340	20,840	19,710	7,840	16,150
Financing costs (after tax)					
Gross third-party debt	(1,075)	(912)	(709)	(683)	(362)
ExxonMobil share of equity companies	(207)	(192)	(204)	(225)	(170)
All other financing costs – net	141	498	515	423	88
Total financing costs	(1,141)	(606)	(398)	(485)	(444)
Earnings excluding financing costs	15,481	21,446	20,108	8,325	16,594
Average capital employed	236,603	232,374	222,631	212,226	208,755
Return on average capital employed – corporate total	6.5%	9.2%	9.0%	3.9%	7.9%

ROCE is a performance measure ratio. From the perspective of the business segments, ROCE is annual business segment earnings divided by average business segment capital employed (average of beginning and end-of-year amounts). These segment earnings include ExxonMobil's share of segment earnings of equity companies, consistent with our capital employed definition, and exclude the cost of financing. The Corporation's total ROCE is net income attributable to ExxonMobil, excluding the after-tax cost of financing, divided by total corporate average capital employed. The Corporation has consistently applied its ROCE definition for many years and views it as the best measure of historical capital productivity in our capital-intensive, long-term industry, both to evaluate management's performance and to demonstrate to shareholders that capital has been used wisely over the long term. Additional measures, which are more cash-flow based, are used to make investment decisions. See page 6 for segment information relevant to ROCE.

AVERAGE CAPITAL EMPLOYED¹ BY BUSINESS

(millions of dollars)

	2019	2018	2017	2016	2015
Upstream					
United States	72,152	69,981	64,896	62,114	64,086
Non-U.S.	107,271	107,893	109,778	107,941	105,868
Total	179,423	177,874	174,674	170,055	169,954
Downstream					
United States	9,515	8,725	7,936	7,573	7,497
Non-U.S.	18,518	17,015	14,578	14,231	15,756
Total	28,033	25,740	22,514	21,804	23,253
Chemical					
United States	13,196	12,171	10,672	9,018	7,696
Non-U.S.	18,113	18,249	16,844	15,826	16,054
Total	31,309	30,420	27,516	24,844	23,750
Corporate and Financing	(2,162)	(1,660)	(2,073)	(4,477)	(8,202)
Corporate total	236,603	232,374	222,631	212,226	208,755
Average capital employed applicable to equity companies included above	40,322	38,150	35,941	34,190	34,248

¹ Average capital employed is the average of beginning-of-year and end-of-year business segment capital employed, including ExxonMobil's share of amounts applicable to equity companies.

RETURN ON AVERAGE CAPITAL EMPLOYED BY BUSINESS

(percent)

	2019	2018	2017	2016	2015
Upstream					
United States	0.7	2.5	10.2	(6.7)	(1.7)
Non-U.S.	13.0	11.4	6.1	4.0	7.7
Total	8.0	7.9	7.6	0.1	4.2
Downstream					
United States	18.0	33.9	24.5	14.4	25.4
Non-U.S.	3.3	17.9	25.0	21.8	29.6
Total	8.3	23.3	24.9	19.3	28.2
Chemical					
United States	1.6	13.5	20.5	20.8	31.0
Non-U.S.	2.1	9.4	13.8	17.3	12.7
Total	1.9	11.0	16.4	18.6	18.6
Corporate and Financing	N.A.	N.A.	N.A.	N.A.	N.A.
Corporate total	6.5	9.2	9.0	3.9	7.9

FUNCTIONAL EARNINGS¹

(millions of dollars)

Earnings (U.S. GAAP)	2019 quarters				2019	2018	2017	2016	2015
	First	Second	Third	Fourth					
Upstream									
United States	96	335	37	68	536	1,739	6,622	(4,151)	(1,079)
Non-U.S.	2,780	2,926	2,131	6,069	13,906	12,340	6,733	4,347	8,180
Total	2,876	3,261	2,168	6,137	14,442	14,079	13,355	196	7,101
Downstream									
United States	(161)	310	673	895	1,717	2,962	1,948	1,094	1,901
Non-U.S.	(95)	141	557	3	606	3,048	3,649	3,107	4,656
Total	(256)	451	1,230	898	2,323	6,010	5,597	4,201	6,557
Chemical									
United States	161	(6)	53	(2)	206	1,642	2,190	1,876	2,386
Non-U.S.	357	194	188	(353)	386	1,709	2,328	2,739	2,032
Total	518	188	241	(355)	592	3,351	4,518	4,615	4,418
Corporate and Financing	(788)	(770)	(469)	(990)	(3,017)	(2,600)	(3,760)	(1,172)	(1,926)
Net income attributable to ExxonMobil (U.S. GAAP)	2,350	3,130	3,170	5,690	14,340	20,840	19,710	7,840	16,150

¹ Unless indicated, references to earnings and Upstream, Downstream, Chemical, and Corporate and Financing segment earnings are ExxonMobil's share after excluding amounts attributable to noncontrolling interests.

TOTAL TAXES INCLUDING SALES-BASED TAXES

(millions of dollars)

	2019	2018	2017	2016	2015
Income taxes	5,282	9,532	(1,174)	(406)	5,415
Total other taxes and duties	33,186	35,230	32,459	31,375	32,834
Total taxes	38,468	44,762	31,285	30,969	38,249
Sales-based taxes	20,679	21,750	19,725	17,980	19,634
Total taxes including sales-based taxes	59,147	66,512	51,010	48,949	57,883

Total taxes including sales-based taxes is a broader indicator of the total tax burden on the Corporation's products and earnings, including certain sales and value-added taxes imposed on and concurrent with revenue-producing transactions with customers and collected on behalf of governmental authorities ("sales-based taxes"). It combines "Income taxes" and "Total other taxes and duties" with sales-based taxes, which are reported net in the income statement. We believe it is useful for the Corporation and its investors to understand the total tax burden imposed on the Corporation's products and earnings.

PP&E ADDS/INVESTMENTS & ADVANCES¹

(millions of dollars)

	2019	2018	2017	2016	2015
Additions to property, plant and equipment	24,361	19,574	15,402	16,163	26,490
Additional investments and advances	3,905	1,981	5,507	1,417	607
Other investing activities including collection of advances	(1,490)	(986)	(2,076)	(902)	(842)
PP&E Adds/Investments & Advances	26,776	20,569	18,833	16,678	26,255

¹ PP&E add/investments & advances derived from the Summary statement of cash flows.