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BP Capital Markets B.V.
(Trade register Chamber of Commerce Rotterdam: 80003354)

Annual Report 2022

Docusign Envelope ID: 716EB989-401A-4ACD-90CA-CF011CFFA746

BP Capital Markets B.V.

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BP Capital Markets B.V.

The Board of Director's Report

The Board of Directors of BP Capital Markets B.V. (further named 'the Company') hereby presents its Board of Directors report, financial statements and other information for the year ended 31 December 2022.

General information

BP Capital Markets B.V. established on August 7, 2020, is a wholly owned subsidiary of BP International Limited, Middlesex, England. The Ultimate parent company is BP p.l.c., UK, which together with its subsidiaries forms the "BP Group". The Company's registered office is Chertsey Road, Sunbury-on-Thames, Middlesex TW16 7BP, UK. The object of the Company is to borrow, lend and raise funds, including issuing promissory notes, debentures or other securities, including bonds, as well as entering into related agreements as well as financing companies. BP Capital Markets B.V. has issued 1,000 ordinary shares of US$1 each, which are held legally and beneficially by BP International Limited.

Financial information

On 7 August 2020 the Company established and launched a €40 billion Debt Issuance Programme ('Programme') unconditionally and irrevocably guaranteed by BP p.l.c., described in a base prospectus of 28 August 2020 that has been revised, supplemented, or amended on 27 November 2020, 6 August 2021, 5 August 2022.

On 4 December 2020, a first tranche of Bonds ('First Tranche') was issued at the London Stock Exchange (LSE) under this programme for an amount of €750 million ($799.4 million) at a nominal interest rate of 0.933%. Interest on the first Tranche is due on 4 December of each year until the maturity date of 4 December 2040.

On 21 September 2021, a second tranche of Bonds ('Second Tranche') was issued at the London Stock Exchange (LSE) under the programme for an amount of €750 million ($799.4 million) at a nominal interest rate of 1.467%. Interest on the Second Tranche is due on 21 September of each year until the maturity date of 21 September 2041.

The proceeds received by the Company of the above tranches are directly deposited with BP International Limited, a fully owned subsidiary of BP p.l.c. As the principal in-house bank for the BP Group, BP International Limited has very strong access to callable funds which provides assurance to bp businesses that have deficit balances that there is little likelihood that their debt should be called. All amounts due to bond holders from the Company are unconditionally and irrevocably guaranteed by BP p.l.c.

Similarly, entities holding a surplus with BP International Limited can be assured that access to their funds, called at short notice, could confidently be expected. BP p.l.c. provides an unconditional and irrevocable guarantee for the benefit of all bond holders with respect to the prescribed and punctual repayment of the Bonds (including interest) issued by BP Capital Markets B.V.

The Company has negative equity of $65,792 (2021: negative equity of $59,520) and realized a loss after tax amounting to $6,272 (2021: realized a profit after tax of $159,814) as a result of the audit fees. The accumulation of net losses has been considered by the Company and does not impact the going concern of the Company. Refer to paragraph "going concern" on page 6.

No dividends were paid during the current year (2021: no dividends). The Board of Directors will propose to the shareholders to appropriate the result of the current year to the retained earnings.

Solvency and liquidity

The key financial indicators during the years are shown below. These help the board to assess the Company's performance and liquidity position.

	2022	2021
Solvency (equity / total debt)	-0.0041%	-0.0035%
Quick ratio	46%	45%

Quick ratio is defined as currents assets (excluding stocks, debtors falling due after one year, derivatives and other financial instruments falling due after one year and deferred tax assets) divided by current liabilities.

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Significant risks and uncertainties

The Company as intermediate finance company is subject to, but also leverages from bp's system of internal control. Some risks are managed centrally on behalf of the Company others are managed locally by the Company and its leadership team. As such below risk management paragraph, should be read in conjunction with bp's global system of internal control as published in bp Annual Report and Form 20F 2022.

Liquidity, financial capacity and financial, including credit exposure

Failure to work within the financial framework set by the BP Group could impact the BP Group as well as the Company's ability to operate and result in financial loss. Credit rating downgrades could potentially increase financing costs and limit access to financing or engagement in the Company's trading activities on acceptable terms, which could put pressure on the group's liquidity.

Digital infrastructure and cybersecurity

The energy industry is subject to fast-evolving risks, including ransomware, from cyber threat actors, including nation states, criminals, terrorists, hacktivists, and insiders. Current geopolitical factors have increased these risks. There is also growing regulation around data protection and data privacy. A breach or failure of our or third parties' digital infrastructure — including control systems — due to breaches of our cyber defences, or those of third parties, negligence, intentional misconduct, or other reasons, could seriously disrupt our operations. This could result in the loss or misuse of data or sensitive information, including employees' and customers' personal data, injury to people, disruption to our business, harm to the environment or our assets, legal or regulatory breaches, legal liability and significant costs including fines, cost of remediation or reputational consequences. Furthermore, the rapid detection of attempts to gain unauthorized access to our digital infrastructure, often through the use of sophisticated and co-ordinated means, is a challenge and any delay or failure to detect could compound these potential harms.

Climate change and the transition to a lower carbon economy

Laws, regulations, policies, obligations, government actions, social attitudes and customer preferences relating to climate change and the transition to a lower carbon economy, including the pace of change to any of these factors, and also the pace of the transition itself, could have adverse impacts on our business including on our access to and realization of competitive opportunities in any of our strategic focus areas, a decline in demand for, or constraints on our ability to sell certain products, constraints on production and supply, adverse litigation and regulatory or litigation outcomes, increased costs from compliance and increased provisions for environmental and legal liabilities. Changes in investor preferences and sentiment could affect our access to capital markets and our attractiveness to potential investors, potentially resulting in reduced access to financing, increased financing costs and impacts upon our business plans and financial performance. Depending on the nature and speed of any such changes and our response, these changes could increase costs, reduce the Company's profitability, reduce demand for certain products, limit our access to new opportunities, require us to write down certain assets or curtail or cease certain operations, and affect investor sentiment, our access to capital markets, our competitiveness and financial performance.

Insurance

The BP Group generally purchases insurance only in situations where this is legally and contractually required. Some risks are insured with third parties and reinsured by group insurance companies. Uninsured losses could have a material adverse effect on the BP Group financial position which in turn could adversely affect the Company.

Compliance and control risks

Ethical misconduct and non-compliance

Incidents of ethical misconduct or non-compliance with applicable laws and regulations, including anti- bribery and corruption, competition and antitrust, and anti-fraud laws, trade restrictions or other sanctions, could damage the Company's reputation, and result in litigation, regulatory action, penalties and potentially affect our license to operate. In relation to trade restrictions or other sanctions, current geopolitical factors have increased these risks.

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Regulation

Changes in the law and regulation, including how they are interpreted and enforced, could increase costs, constrain the Company's operations, and affect its business plans and financial performance.

Treasury and treasury trading activities

Ineffective oversight of treasury and trading activities could-lead to business disruption, financial loss, regulatory intervention, fines, or damage to the Company's reputation.

Reporting

External reporting of financial and non-financial data relies on the integrity of the control environment, BP Group's systems and people operating them. Failure to report data accurately and in compliance with applicable standards could result in regulatory action, legal liability, and reputational damage.

Financial risk management

The Company is exposed to a number of different financial risks arising from natural business exposures as well as its use of financial instruments including market risks relating to foreign currency exchange rates, interest rates, credit risk and liquidity risk.

Corporate governance

The Company's Supervisory Board consists of Solly Ozrovech and Kathryn Berry, however, the management team consists of J.A. Hodgson, G.N. Admans and C.T. de la Peña Bethencourt. Management has various Senior roles within bp and relevant Treasury experience.

Throughout the year, bp's management, the leadership team, the board, and relevant committees provide oversight of how principal risks to bp are identified, assessed, and managed. They support appropriate governance of risk management including having relevant policies in place to help manage risks. Such oversight may include internal audit reports, group risk reports and reviews of the outcomes of business processes including strategy, planning and resource and capital allocation. BP's Group risk team analyses the group's risk profile and maintains the group's risk management system. bp's internal audit team provides independent assurance to the chief executive and board as to whether the group's system of internal control is adequately designed and operating effectively to respond appropriately to the risks that are significant to bp.

Internal control

The Company leverages from BP p.l.c's (hereinafter "bp") system of internal control. The Company's management and leadership team manages, monitors and reports on the principal risks and uncertainties they have identified that can impact the ability to deliver bp's strategy.
bp's system of internal control is a holistic set of internal controls that includes policies, processes, management systems, organizational structures, culture, and behaviours employed to conduct bp's business and manage associated risks.

Impairment

In 2022 (2021 $Nil) there were no impairment indicators.

Research and development

The Company does not invest in research and development, as the sole purpose is to arrange financing for related entities.

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Significant risks and uncertainties (continued)

Compliance and control risks (continued)

Environmental and personnel-related information

The Company is committed to preserving the environment and to promoting carbon neutrality. The Company's policy remains consistent with bp's environmental values and goals to reach Net Zero 2050. There is no financial clause. In respect of personnel, we refer to note 11 of the financial statements.

Future outlook

The Company has no new financing activities planned for the near future. The Company will continue to explore financing activities with BP International Limited and with regard to the Programme. BP Capital Markets B.V. is an issuing entity under the BP p.l.c. $40 billion debt issuance programme. As an issuing entity, the Company will continue to execute its role, with the determination of any new issuances being at the discretion of BP p.l.c. group management teams in light of the capital requirements of the BP Group as a whole. Refer to paragraph, 'subsequent events'.
From January 1, 2025, the EU Corporate Sustainability Reporting Directive come into effect for large companies.

Going concern

The Company has assessed the going-concern assumptions, during the preparation of the financial statements. Liquidity and financing are managed within bp under pooled group-wide arrangements which include the Company. As part of assessing the going concern basis of preparation for the Company, the ability and intent of the BP Group to support the Company has been taken into consideration. The most recent BP Group financial statements of 2022, continue to be prepared on a going concern basis. Additionally, refer to above paragraph, 'future outlook'.

Diversity

The Company recognizes the importance of diversity, including gender, at the board and all levels of the group. We are committed to increasing diversity across our operations and have a wide range of activities to support the development and promotion of talented individuals, regardless of gender and social and ethnic background. The code of conduct (CoC) references the policy, requiring employees to report any human rights abuse in our operations or in those of our business partners. The CoC is an integral part of our HR-policies and applies to all employees, officers, and members of the board.

New Dutch legislation, effective per 1 January 2022, requires companies to draw up appropriate and ambitious targets for the gender balance in the Supervisory Board, Board of Directors, and their sub-top and to draw up an action plan. The Company pursues a policy of having at least 40% of the seats on the board of management held by women. The board strives to give appropriate weight to gender diversity in the nomination and appointment process of future vacancies while considering the overall profile and selection criteria for (re)appointments of suitable candidates.

Subsequent events

On 12 May 2023, a third tranche of Bonds ('Third Tranche') was issued at the London Stock Exchange (LSE) under the programme for an amount of € 750 million ($799.4 million) at a nominal interest rate of 3.773%. Interest on the third Tranche is due on 12 May of each year until the maturity date of 12 May 2030.

On 12 May 2023, a fourth tranche of Bonds ('Third Tranche') was issued at the London Stock Exchange (LSE) under the programme for an amount of € 750 million ($799.4 million) at a nominal interest rate of 4.323%. Interest on the fourth Tranche is due on 12 May of each year until the maturity date of 12 May 2035.

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Jayne Hodgson
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J A Hodgson
Director
July 18, 2024

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Gary Admans
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G N Admans
Director

Signed by:
Carlos de la Peña
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C.T. de la Peña Bethencourt
Director

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BP Capital Markets B.V.

Balance Sheet At December 31, 2022
(After proposed appropriation of the net result for the year)

Assets	***Notes***	**2022**	**2021**
		USD	USD
Fixed Assets			
Financial fixed assets	***3***	1,598,806,230	1,698,369,570
Current Assets	***4***		
Amounts due from BP Group companies		4,192,050	4,429,454
Total Assets		1,602,998,280	1,702,799,024
Shareholders' Equity And Liabilities			
Shareholders' Equity			
Share capital	***5***	1,000	1,000
Retained earnings / (accumulated losses)	***6***	(66,792)	(60,520)
		(65,792)	(59,520)
Long-Term Liabilities			
Financial debt	***7***	1,594,045,787	1,693,036,881
Current Liabilities	***8***		
Amounts due to BP Group companies		4,862,161	5,464,467
Accrued expenses and other liabilities		4,156,124	4,357,196
		9,018,285	9,821,663
Total Shareholders' Equity And Liabilities		1,602,998,280	1,702,799,024

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BP Capital Markets B.V.

Income Statement For The Year Ended December 31, 2022

	Notes	2022	2021
		USD	USD
Financial Income and Expenses			
Group interest income	***13***	19,208,791	12,114,482
Group interest expense	***13***	(16,886)	(2,156)
External interest expense	***14***	(19,173,901)	(12,092,262)
Foreign currency result		18,258	24,180
Finance Result		36,262	44,244
General and administrative expenses	***15***	(61,264)	(118,333)
Guarantee fee expense	***16***	(3,907,929)	(2,522,318)
Other income	***13***	3,926,659	2,756,221
Operating Result Before Taxation		(6,272)	159,814
Taxation			
Current taxation	***17***	0	0
Net (loss) / Profit After Taxation		(6,272)	159,814

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BP Capital Markets B.V.

Notes To The Financial Statements

1. General

A. Reporting entity and relationship with parent company

BP Capital Markets B.V. ("the Company"), established on August 7, 2020, is a wholly-owned subsidiary of BP International Limited, Middlesex, England. The Ultimate parent company is BP p.l.c., UK, which together with its subsidiaries forms the "BP Group". Registered office: Chertsey Road, Sunbury-on-Thames, Middlesex TW16 7BP, UK. The first fiscal year started on August 7, 2020 and ended on December 31, 2020. The object of the Company is to borrow, lend and raise funds, including issuing promissory notes, debentures or other securities, including bonds, as well as entering into related agreements as well as financing companies. BP Capital Markets B.V. has issued 1,000 ordinary shares of US$1 each, which are held legally and beneficially by BP International Limited. On 7 August 2020 the Company established and launched a €40 billion Debt Issuance Programme ('Programme') unconditionally and irrevocably guaranteed by BP p.l.c. All amounts due to bond holders from the Company are unconditionally and irrevocably guaranteed by BP p.l.c.

The Board has assessed the going-concern assumptions, during the preparation of the financial statements. The board believes that no events or conditions give rise to doubt about the ability of the Company to continue in operation in the next 12 months from the date of signing the BP Capital Markets B.V.'s financial statements for the year ended December 31, 2022. This conclusion is drawn based on knowledge of the Company, the estimated economic outlook and identified risks and uncertainties in relation thereto. Based on this analysis the use of the going concern assumption remains appropriate.

B. Financial reporting period

These financial statements cover the year 2022, which ended at the balance sheet date of 31 December 2022.

C. Basis of preparation

The annual accounts have been prepared in accordance with Part 9 of the Book 2 of the Dutch Civil code.

The financial statements are prepared in US Dollars (USD), the functional currency of the entity which is in line with the functional currency of the parent company financial activities.

Net result and equity are based on historic cost. Income and expenses are accounted for on accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Balances in the annual accounts, whose valuation is not otherwise explained, are stated at nominal value.

D. Going concern

The directors consider it appropriate, to adopt the going concern basis of accounting in preparing the financial statements. The current economic and geopolitical environment were considered as part of the going concern assessment.

Liquidity and financing is managed within the BP Group under pooled group-wide arrangements which include the company. As part of the going concern basis of preparation for the company, the ability and intent of the BP Group to support the company has also been taken into consideration. The most recent BP Group financial statements continue to be prepared on a going concern basis. Forecast liquidity of the BP Group has been assessed under a number of stressed scenarios, including a significant decline in oil prices over the 12-month period from the date these financial statements were approved. Reverse stress tests performed indicated that the BP Group will continue to operate as a going concern for at least 12 months from the date of approval of the financial statements even if the Brent price fell to zero. In addition, BP Group management have confirmed the existing intra-group funding and liquidity arrangements as currently constituted are expected to be maintained for the foreseeable future, being no less than twelve months from the approval of these financial statements. No material uncertainties over going concern or significant judgements or estimates on the assessment were identified. Accordingly, the company will be able to draw on support from the BP Group for the foreseeable future and these financial statements have therefore been prepared on a going concern basis. For further information on financial risk factors, including credit risk and liquidity risk, see page 15.

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1. General (continued)

E. Debt issuance programme

On 7 August 2020 the Company established and launched a € 40 billion Debt Issuance Programme ('Programme'), described in a base prospectus of 28 August 2020 that has been revised, supplemented or amended on 27 November 2020, 6 August 2021, 5 August 2022.

On 4 December 2020, a first tranche of Bonds ('First Tranche') was issued at the London Stock Exchange (LSE) under this programme for an amount of € 750 million ($799.4 million) at a nominal interest rate of 0.933%. Interest on the First Tranche is due on 4 December of each year until the maturity date of 4 December 2040.

On 21 September 2021, a second tranche of Bonds ('Second Tranche') was issued at the London Stock Exchange (LSE) under the programme for an amount of € 750 million ($799.4 million) at a nominal interest rate of 1.467%. Interest on the Second Tranche is due on 21 September of each year until the maturity date of 21 September 2041.

The proceeds of the First Tranche and Second Tranche are lent to BP International Limited. BP p.l.c. provided an unconditional and irrevocable guarantee for the benefit of all Bondholders with respect to the prescribed and punctual repayment of the Bonds (including interest) issued by BP Capital Markets B.V.

2. Accounting policies

A. General

The accounting policies applied for measuring assets and liabilities and profit determination are based on the historical cost convention, unless otherwise stated in the further principles.

An asset is recognised in the balance sheet when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. A liability is recognised in the balance sheet when it is expected to result in an outflow from the entity of resources embodying economic benefits and the amount of the obligation can be measured with sufficient reliability.

Income is recognised in the profit and loss account when an increase in future economic potential related to an increase in an asset or a decrease of a liability has arisen, the size of which can be measured reliably. Expenses are recognised when a decrease in the economic potential related to a decrease in an asset or an increase of a liability has arisen, the size of which can be measured with sufficient reliability.

If a transaction results in a transfer of future economic benefits and or when all risks relating to assets or liabilities transfer to a third party, the asset or liability is no longer included in the balance sheet. Assets and liabilities are not included in the balance sheet if economic benefits are not probable and/or cannot be measured with sufficient reliability.

Revenues and expenses are allocated to the period to which they relate.

B. Functional and presentation currency

The functional and presentation currency of the financial statements is US dollars. The functional currency is the currency of the primary economic environment in which an entity operates and is normally the currency in which the entity primarily generates and expends cash.

Transactions in currencies other than US Dollars, are translated into US Dollars at the exchange rate prevailing at the transaction date.

At balance sheet date all assets and liabilities arising in currencies other than US Dollars, are translated into US Dollars at year end rates of the exchange. The resulting gains or losses are recognized in the profit and loss account.

C. Use of estimates

The preparation of the financial statements requires the Management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. Actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

The following accounting policies are in the opinion of management the most critical for the purpose of presenting the financial position.

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2. Accounting policies (continued)

D. Financial instruments

Financial instruments include loans granted, other receivables, cash items, loans and other financing commitments, trade payables and other amounts payable.

A financial asset or liability is recognised when the contractual rights or obligations in respect of that instrument arise. A financial instrument is no longer recognised when the benefits and risks are transferred, or the contract matured.

Financial instruments are initially stated at fair value, including discount or premium and directly attributable transaction costs.

After initial recognition, financial instruments are valued in the manner described in the notes below.

The Company has no (embedded) derivative financial instruments.

E. Loans to group companies

Loans to group companies are carried at amortised cost on the basis of the effective interest method, less impairment losses.

F. Long-term liabilities

Long-term liabilities are stated after their initial recognition at amortised cost on the basis of the effective interest rate method.

G. Impairment of financial assets

At each balance sheet date, the Company assesses whether there is objective evidence that financial assets are impaired.

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in the statement of comprehensive income.

H. Financial fixed assets

Loans to related parties are included at amortised cost using the effective interest method, less impairment losses.

I. Receivables

The accounting policies applied for the valuation of trade and other receivables and securities are described under the heading ‘Financial instruments’.

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2. Accounting policies (continued)

J. Shareholders' equity

Financial instruments that are designated as equity instruments by virtue of the economic reality are presented under shareholders' equity. Payments to holders of these instruments are deducted from the shareholders' equity as part of the profit distribution.

Financial instruments that are designated as a financial liability by virtue of the economic reality are presented under liabilities. Interest, dividends, income and expenditure with respect to these financial instruments are recognised in the profit and loss as financial income or expense.

K. Long-term liabilities

Long term debts are measured at amortised cost. Per RJ 254.111 the linear amortisation method is applied when determining the amortised cost rather than applying the effective interest method, as the linear amortisation does not lead to significant differences compared to the application of the effective interest method.

L. Current liabilities

The valuation of current liabilities is explained under the heading 'Financial instruments'.

M. Financial income and expenses

Financial income and expenses consist of interest income and expense and amortisation of the financing costs. Interest income and expenses are recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest charges, allowance is made for transaction costs on loans received. Financing costs are amortised over the duration of the loan and interest rate cap contracts.

N. Corporate income tax

The Company is tax resident in the UK. The taxes on income are computed on the commercial result, taking into account differences between book income and taxable income. Deferred Tax Assets are recognized to the extent that it is probable that they will be recovered. The Company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010 and receives free group relief from other group members.

O. Cash flow statement

No cash flow statement is included in the annual accounts in view of the fact that the Company is part of a group whose cash flow statement includes the cash flows of the Company. For this purpose a reference can be made to the consolidated cash flow statement of BP p.l.c. included in the annual report of BP p.l.c. A copy of the annual report of BP p.l.c. is filed at the Trade Register of Rotterdam.

P. Determination of fair values

The fair value of a financial instrument is the price for which an asset can be transferred or a liability can be settled between knowledgeable and well willing parties at arm's length.

A number of the accounting policies and disclosures require the determination of fair values, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Bearer Bonds
The fair value of the listed bearer Bonds, which is determined for disclosure purposes, is determined by reference to their quoted bid price at the reporting date. If no quoted bid price at the reporting date is available, the fair value is based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

(b) Note
The fair value of the note, which is determined for disclosure purposes, is calculated derived from the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date of the bearer Bonds.

(c) Other assets and liabilities
For other assets and liabilities carrying value is assumed to reflect the fair value.

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2. Accounting policies (continued)

3. Financial fixed assets

These comprise loans:	2022 EUR	2022 USD	2021 USD
Opening	1,500,000,000	1,698,369,570	921,602,363
Additions	-	-	882,250,000
Translation adjustments		(99,563,340)	(105,482,793)
	1,500,000,000	1,598,806,230	1,698,369,570

	Currency	Nominal EUR	2022 USD	2021 USD
Loan receivable from BP International Limited. Due in 2040 (*)	EUR	750,000,000	799,403,115	849,184,785
Loan receivable from BP International Limited. Due in 2041 (**)	EUR	750,000,000	799,403,115	849,184,785
			1,598,806,230	1,698,369,570

Loans to BP International Limited

(*) The loan receivable from BP International Limited amounting to $799,403,115 (EUR 750,000,000) started on 4 December 2020 with fixed interest rate of 0.951% having maturity date on 4 December 2040. USD/EUR exchange rate used per 31 December 2022 is 0.93820.

(*) The loan receivable from BP International Limited amounting to $799,403,115 (EUR 750,000,000) started on 21 September 2021 with fixed interest rate of 1.485904% having maturity date on 21 September 2041. USD/EUR exchange rate used per 31 December 2022 is 0.93820.

4. Current assets

Current receivables are by nature short term (less than one year). The current receivables consist of interest accrual $3.9 million on loans to BP International Limited and cash pool receivable of $0.29 million.

5. Share capital

Movements in share capital are as follows:	2022 USD	2021 USD
Opening balance	1,000	1,000
Closing balance	1,000	1,000

The share capital comprises of 1,000 shares of USD 1 each, which are all fully paid up.

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6. Retained earnings / (accumulated losses)

The movements in the retained earnings / (accumulated losses) are as follows:	**2022**	**2021**
	USD	USD
Opening balance	(60,520)	(220,334)
Net result	(6,272)	159,814
Closing balance	(66,792)	(60,520)

Proposed appropriation of the result for the year:

The management proposes that the result for the year 2022 will be added to the retained earnings / (accumulated losses). This proposal has been reflected in the accounts.

7. Financial debt

The movements in financial debt are as follows:

	2022	**2022**	**2021**	**2021**	**2022**	**2021**
	Nominal amount	Deferred finance fees	Nominal amount	Deferred finance fees	Total	Total
	USD	USD	USD	USD	USD	USD
Opening balance	1,698,369,570	(5,332,689)	921,602,363	(2,983,727)	1,693,036,881	918,618,635
Additions	-	-	882,250,000	(2,867,313)	-	879,382,688
Translation adjustments	(99,563,340)	316,241	(105,482,793)	334,122	(99,247,099)	(105,148,671)
Amortisation		256,004		184,229	256,004	184,229
Total long term debt:	1,598,806,230	(4,760,443)	1,698,369,570	(5,332,689)	1,594,045,787	1,693,036,881

	Currency	**Nominal**	**2022**	**2021**
		EUR	USD	USD
Guaranteed Notes due 2040	EUR	750,000,000	799,403,115	849,184,785
Guaranteed Notes due 2041	EUR	750,000,000	799,403,115	849,184,785
Deferred finance fees			(4,760,443)	(5,332,689)
			1,594,045,787	1,693,036,881

On 4 December 2020 the Company issued Bonds at the London stock exchange (LSE) totalling € 750 million ($799.4 million) as part of the Debt Issuance Programme. The Bonds mature on 4 December 2040. The Bonds carry a fixed interest of 0.933%, payable annually on 4 December till maturity date. The accrued interest is recognised under current liabilities. The financing costs amounted to € 2.4 million ($ 2.7million). The fees are amortised over 20 years.

On 21 September 2021 the Company issued Bonds at the London stock exchange (LSE) totalling € 750 million ($799.4 million) as part of the Debt Issuance Programme. The Bonds mature on 21 September 2041. The Bonds carry a fixed interest of 1.467%, payable annually on 21 September till maturity date. The accrued interest is recognised under current liabilities. The financing costs amounted to € 2.4 million ($ 2.7million). The fees are amortised over 20 years.

All amounts due to bond holders from the Company are unconditionally and irrevocably guaranteed by BP p.l.c.

8. Current liabilities

Current liabilities are by nature short term (less than one year). The current liabilities consist of cash pool (EUR) balance payable to BP International Limited $4.86 million, interest accrual for $3.85 million on Bonds issued and audit fee accrual payable to Deloitte $0.31 million.

9. Commitments and contingencies not included in the balance sheet

The Company has no commitments and contingencies apart from the ones included on the balance sheet.

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10. Financial instruments

General

During the normal course of business, the Company uses various financial instruments that expose it to credit and liquidity risks. To control these risks, the Company has instituted a policy including a code of conduct and procedures that are intended to limit the risks of unpredictable adverse developments in the financial markets and thus for the financial performance of the Company.

With respect to the activities, the Company faces the following main risks:

- Credit risk;
- Liquidity risk; and
- Interest rate risk.

Credit risk

The Company has two (2021: two) significant loans receivable from BP International Limited (related party) for a total nominal value of € 1.5 billion (2021: € 1.5 billion). Failure to work within the financial framework set by the BP Group could impact the BP Group as well as the company's ability to operate and result in financial loss. Credit rating downgrades could potentially increase financing costs and limit access to financing or engagement in the company's trading activities on acceptable terms, which could put pressure on the group's liquidity.

Other risks that the Group faces that could impact the financial performance, are the risks of not obtaining regulatory approvals to make new investments in the oil network or not being able to complete investment projects, the development of oil demand and environmental and health and safety risks.

The Board of Directors has made, in close cooperation with the Management of the Group, an assessment of the above risks and the expected cash flows of the Group during the period of the loan. Based on this and the credit rating for the Group, the Board of Directors has concluded that the overall credit risk is low.

Liquidity risk

The main liquidity risk that the Company faces is that it does not have sufficient cash to pay the interest and principal on the Bonds when these are due. The Board of Directors therefore closely monitors the liquidity position of the Company in the days prior to the interest due date and maturity date to ensure that it will collect the interest and principal from BP International Limited prior to the interest due date and maturity date.

The interest receipt from the loans and the interest payment dates of the Bonds are contractually aligned, as are the maturity dates. The Board of Directors therefore considers the liquidity risk to be low.

Interest rate risk

The interest rate on the first and second tranche of Bonds issued on the market was fixed at 0.933% and 1.467%. The interest on the loans to BP International Limited for the first and second tranche of Bonds was fixed at 0.951% and 1.4859%. The Board of Directors considers the interest rate risk as low due to the fixed interest rates and the mark-up on loans receivables versus payables at arm's length.

The fair value of all other financial instruments approximates their nominal value.

11. Salaries, social charges and pension costs

The Company did not employ any personnel during 2022.

12. Interest income and expenses

Interest income and expenses are recognised in the income statement for all interest bearing instruments on an accrual basis using the effective interest method.

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13. Intergroup transactions	**2022**	**2021**
	USD	USD
Interest income	19,208,791	12,114,482
Guarantee fee	3,907,929	2,522,318
Interest expense	(16,886)	(2,156)
Other income	18,730	233,903
	23,118,564	14,868,547

During the year the Company entered into transactions in the ordinary course of business with BP Group companies which are mainly related to interest income and expense. The transactions with BP Group companies are carried out at arm's length basis.
Guarantee fee income is calculated as per the Service Agreement ("The Agreement") dated 30th November 2020 between BP Capital Markets B.V. and BP International Limited (see note 16).

14. External interest expense	**2022**	**2021**
	USD	USD
External interest expense	18,917,896	11,908,033
Deferred cost amortisation	256,005	184,229
	19,173,901	12,092,262

External interest expense is related to the interest on bonds issued at London Stock Exchange (LSE) by BP Capital Markets BV.

15. General and administrative expenses	**2022**	**2021**
	USD	USD
Audit fees	53,601	60,296
Miscellaneous expenses	7,663	58,037
	61,264	118,333

16. Guarantee fee	**2022**	**2021**
	USD	USD
Guarantee fee expense	(3,907,929)	(2,522,318)

An Agreement was entered into as of 30 November 2020 by and between BP p.l.c., a company organized under the laws of England and Wales ("BP"), BP Capital Markets By, a Netherlands registered company ("BPCMBV") and BP International Limited, a company), organized under the laws of England and Wales ("BPI").

WHEREAS, BPCMBV carries on financing activities and will enter into various debt securities agreements (the "Agreements") from time to time with its debt security investors, and debt security investors will enter into such Agreements on the condition that BP unconditionally and irrevocably guarantees the full and prompt payments by BPCMBV of the principal of, redemption premium, if any, interest on, and any amounts due under, the debt security obligations under the Agreements (the "Guarantees").

As per the agreement, guarantee fee is calculated quarterly on the guaranteed amount outstanding during the year (guaranteed 100% by BP p.l.c.).
The guarantee fee is charged at 0.221% on the Guarantee provided in 2020.
The guarantee fee is charged at 0.218% on the Guarantee provided in 2021.
The above guarantees remain outstanding as of 31st December 2022.
As a result of the agreement, any guarantee fee expenses incurred by BP Capital Markets B.V. from BP p.l.c. are charged through in full to BP International Limited resulting in a nil net impact to the profits of BP Capital Markets B.V. (see note 13).

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17. Current taxation

The Company is resident in UK. No current nor deferred tax is applicable. The Company is a member of a group for the purposes of relief within Part 5, Corporation Tax Act 2010 and receives free group relief from other group members.

18. Subsequent events

On 12 May 2023, a third tranche of Bonds ('Third Tranche') was issued at the London Stock Exchange (LSE) under the programme for an amount of € 750 million ($799.4 million) at a nominal interest rate of 3.773%. Interest on the third Tranche is due on 12 May of each year until the maturity date of 12 May 2030.

On 12 May 2023, a fourth tranche of Bonds ('Third Tranche') was issued at the London Stock Exchange (LSE) under the programme for an amount of € 750 million ($799.4 million) at a nominal interest rate of 4.323%. Interest on the fourth Tranche is due on 12 May of each year until the maturity date of 12 May 2035.

19. Director's remuneration

None of the directors received any fees or remuneration for their qualifying services as a director of the company during the financial year 2022 (2021 $Nil). Please note that this is not at arm's length.

Managing directors:

DocuSigned by:
Jayne Hodgson
0C8EF29C9EB94D5...
J A Hodgson

DocuSigned by:
Gary Admans
D2A34B01282A4B0...
G N Admans

Signed by:
Carlos de la Peña
DB99C265199C4E9...
C.T. de la Peña Bethencourt

Supervisory Board members

Signed by:
Solly Ozrovech
96504099CCB249A...
Solly Ozrovech

Signed by:
Kathryn Berry
E173438B429C4F8...
Kathryn Berry

July 18, 2024

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BP Capital Markets B.V.

Other information

Statutory arrangements and proposed appropriation of the result of the Year

Under article 18 of the Company's Articles of Association, the profit is at the disposal of the General Meeting of Shareholders, which can allocate said profit either wholly or partly to the formation of – or addition to – one or more general or special reserve funds.