

Supplementary Information – First quarter 2022

The information below has been provided to enhance understanding of the terminology and performance measures that have been used in the accompanying presentations.

Group measures

The following measures or associated adjustments are defined in Glossary on pages 33-38 of our first-quarter 2022 results announcement:

- Underlying replacement RC profit or loss / Underlying RC profit or loss before interest and tax.
- Working capital.
- Net debt.
- Inventory holding gains and losses.
- Fair value accounting effects.
- Surplus cash flow.
- Cash balance point.
- Adjusted EBITDA. For convenience and mobility, also see page 31.
- Adjusting items.
- Consolidation adjustment – UPII.
- Underlying ETR.

Adjusted EBIDA

Adjusted EBIDA is a non-GAAP measure and is defined as profit or loss for the period, adjusting for finance costs and net finance expense relating to pensions and other post-retirement benefits and taxation, inventory holding gains or losses before tax, adjusting items before interest and tax, and taxation on an underlying RC basis, and adding back depreciation, depletion and amortization (pre-tax) and exploration expenditure written-off (net of adjusting items, pre-tax). bp believes that adjusted EBIDA is a useful measure for investors because it is a measure closely tracked by management to evaluate bp's operating performance and to make financial, strategic and operating decisions and because it may help investors to understand and evaluate, in the same manner as management, the underlying trends in bp's operational performance on a comparable basis, period on period. The nearest equivalent measure on an IFRS basis is profit or loss for the period.

Adjusted EBIDA per share compound annual growth rate (CAGR)

Non-GAAP measure. Adjusted EBIDA per share is calculated based on the shares in issue at period end.

Return on average capital employed (ROACE)

Non-GAAP measure. ROACE is defined as underlying replacement cost profit, which is defined as profit or loss attributable to bp shareholders adjusted for inventory holding gains and losses, adjusting items and related taxation on inventory holding gains and losses and adjusting items total taxation, after adding back non-controlling interest and interest expense net of tax, divided by the average of the beginning and ending balances of total equity plus finance debt, excluding cash and cash equivalents and goodwill as presented on the group balance sheet over the periods presented. Interest expense is finance costs as presented on the group income statement, excluding lease interest and the unwinding of the discount on provisions and other payables before tax. bp believes it is helpful to disclose the ROACE because this measure gives an indication of the company's capital efficiency. The nearest GAAP measures of the numerator and denominator are profit or loss for the period attributable to bp shareholders and total equity respectively.

Capital employed

Capital employed is defined as total equity plus finance debt.

	31 December
\$ billion	2021
Finance debt	61.2
Total equity	90.4
Capital employed	151.6
Less: Goodwill	12.4
Cash and cash equivalents	30.7
	108.5

Convenience and mobility measures

Convenience, retail fuels and electrification gross margin

Non-GAAP measure. Convenience, retail fuels and electrification gross margin is calculated as RC profit before interest and tax for the customers & products segment, excluding RC profit before interest and tax for the refining & trading and petrochemicals businesses, and adjusting items« (as defined above) for the convenience & mobility business to derive underlying RC profit before interest and tax for the convenience & mobility business; subtracting underlying RC profit before interest and tax for the Castrol business; adding back depreciation, depletion and amortization, production and manufacturing, distribution and administration expenses for convenience & mobility (excluding Castrol); subtracting earnings from equity-accounted entities in the convenience & mobility business (excluding Castrol) and gross margin for aviation, B2B and midstream businesses. Margin share for convenience and electrification is the ratio of convenience and electrification gross margin to total gross margin for convenience, retail fuels and electrification.

bp believes it is helpful to disclose the margin share from convenience and electrification because this measure may help investors to understand and evaluate, in the same way as management, our progress against our strategic objectives of convenience growth and scaling up our next-gen mobility solutions (such as electrification). The nearest GAAP measures of the numerator and denominator are RC profit before interest and tax for the customers & products segment.

	\$ million	
	2021	2019
RC profit before interest and tax for customers & products	2,208	6,502
Subtract RC profit (loss) before interest and tax for refining & trading and petrochemicals	(468)	2,703
	2,676	3,799
Net (favourable) adverse impact of adjusting items for convenience & mobility	376	(9)
Underlying RC profit before interest and tax for convenience & mobility	3,052	3,790
Subtract underlying RC profit for Castrol	1,037	1,258
Add back convenience & mobility (excluding Castrol) depreciation, depletion and amortization	1,156	969
Add back convenience & mobility (excluding Castrol) production and manufacturing, distribution and administration expenses and adjusted for aviation, B2B and midstream gross margin	2,486	1,767
Subtract earnings from equity-accounted entities in convenience & mobility (excluding Castrol)	330	293
Gross margin for convenience, retail fuels and electrification	5,327	4,975
Of which:		
Convenience and electrification	1,548	1,260
Retail fuels	3,779	3,715
Margin share from convenience & electrification«	29.1%	25.3%

Because of rounding, some totals may not agree exactly with the sum of their component parts.

gas & low carbon energy measures

Reconciliation of RC profit before interest and tax to adjusted EBITDA

\$ million	First quarter 2022	Fourth quarter 2021	First quarter 2021
gas & low carbon energy			
RC profit before interest and tax	(1,524)	1,911	3,430
Less: Adjusting items gains (charges)	(5,119)	(300)	1,160
Underlying RC profit before interest and tax	3,595	2,211	2,270
Add back: Depreciation, depletion and amortization	1,255	1,265	854
Exploration write-offs, net of adjusting items	(2)	2	6
Adjusted EBITDA	4,848	3,478	3,130

oil production & operations measures

Reconciliation of RC profit before interest and tax to adjusted EBITDA

\$ million	First quarter 2022	Fourth quarter 2021	First quarter 2021
oil production & operations			
RC profit (loss) before interest and tax	3,831	3,212	1,479
Less: Adjusting items gains (charges)	(852)	(812)	(86)
Underlying RC profit before interest and tax	4,683	4,024	1,565
Add back: Depreciation, depletion and amortization	1,429	1,628	1,574
Exploration write-offs, net of adjusting items	51	45	56
Adjusted EBITDA	6,163	5,697	3,195

Group – strategic themes

Adjusted EBITDA

Adjusted EBITDA for the group is a non-GAAP measure and is defined as profit or loss for the period before finance costs and net finance expense relating to pensions and other post-retirement benefits, adjusting for inventory holding gains or losses before tax, adjusting items before interest and tax, and adding back depreciation, depletion and amortization (pre-tax) and exploration expenditure written-off (net of adjusting items, pre-tax). The nearest equivalent measure on an IFRS basis for the group is profit or loss for the period.

	Year 2021	2H 2019 1H 2020	Year 2019
\$ billion			
Profit (loss) before interest and tax	18.1	(22.5)	11.7
Inventory holding (gains) losses, before tax	(3.7)	4.3	(0.7)
RC profit (loss) before interest and tax	14.4	(18.2)	11.0
Net (favourable) adverse impact of adjusting items, before interest and tax	7.9	22.0	7.8
Underlying RC profit (loss) before interest and tax	22.3	3.8	18.8
Add back:			
Depreciation, depletion and amortization	14.8	16.7	17.8
Exploration expenditure written off, net of adjusting items	0.2	8.0	0.6
Adjusted EBITDA	37.3	28.5	37.2
<i>Of which</i>			
Resilient and focused hydrocarbons	33.5	24.8	32.3
Convenience and mobility	4.4	4.3	4.9

Adjusted EBITDA, excluding Rosneft and other businesses in Russia

	Year 2021	2H 2019 1H 2020	Year 2019
\$ billion			
Profit (loss) before interest and tax	18.1	(22.5)	11.7
Inventory holding (gains) losses, before tax	(3.7)	4.3	(0.7)
RC profit (loss) before interest and tax	14.4	(18.2)	11.0
Net (favourable) adverse impact of adjusting items, before interest and tax	7.9	22.0	7.8
Underlying RC profit (loss) before interest and tax	22.3	3.8	18.8
Excluding underlying RC profit before interest and tax - Rosneft and earnings from other businesses in Russia	2.9	1.2	2.6
Underlying RC profit (loss) before interest and tax, excluding Rosneft	19.4	2.6	16.2
Add back:			
Depreciation, depletion and amortization	14.8	16.7	17.8
Exploration expenditure written off, net of adjusting items	0.2	8.0	0.6
Adjusted EBITDA	34.4	27.3	34.6
<i>Of which</i>			
Resilient and focused hydrocarbons	30.6	23.6	29.7
Convenience and mobility	4.4	4.3	4.9