

## Supplementary Information – Fourth 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 36-41 of our fourth-quarter 2022 results announcement:

- Underlying replacement cost (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.
- Adjusted EBIDA.
- Adjusting items.
- Consolidation adjustment – UPII.
- Underlying effective tax rate (ETR).
- Return on average capital employed (ROACE).

### 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.

|   | <b>2H 2019</b> |
|---|----------------|
|   | <b>1H 2020</b> |
| \$ billion  |                |
| Profit (loss) before interest and tax   | (22.5)         |
| Inventory holding (gains) losses, before tax  | 4.3            |
| RC profit (loss) before interest and tax  | (18.2)         |
| Net (favourable) adverse impact of adjusting items, before interest and tax                                   | 22.0           |
| Underlying RC profit (loss) before interest and tax   | 3.8            |
| Excluding underlying RC profit before interest and tax - Rosneft and earnings from other businesses in Russia | 1.2            |
| Underlying RC profit (loss) before interest and tax, excluding Rosneft  | 2.6            |
| Taxation on an underlying RC basis  | (2.6)          |
|   | —              |
| Add back:   |                |
| Depreciation, depletion and amortization  | 16.7           |
| Exploration expenditure written off, net of adjusting items   | 8.0            |
| Adjusted EBIDA, excluding Rosneft   | 24.7           |

### 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.

Shares in issue at 30 June 2020: 20,249 million shares

### Cash costs

Cash costs is a non-GAAP measure and is defined as production and manufacturing expenses plus distribution and administration expenses and excludes costs that are classified as adjusting items and costs that are variable, primarily with volumes (such as freight costs). It also includes exploration geological and geophysical costs, which are included in the exploration expenses line in the group income statement. Management believes that cash costs is a performance measure that provides investors with useful information regarding the company's financial performance because it considers these expenses to be the principal operating and overhead expenses that are most directly under their control although they also include certain foreign exchange and commodity price effects. The nearest GAAP measures are production and manufacturing expenses and distribution and administration expenses as stated in the group income statement.

### Return on average capital employed (ROACE)

Return on average capital employed (ROACE) is a non-GAAP measure and 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 before tax is finance costs as presented on the group income statement, excluding lease interest, the unwinding of the discount on provisions and other payables and other adjusting items reported in finance costs. 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.

Trading and shipping (T&S) contributions to group's ROACE is calculated as T&S's underlying replacement cost profit before interest and tax, deducting assumed tax on underlying RC profit and divided by group average capital employed, excluding cash and cash equivalents and goodwill.

## 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.

## Adjusted EBITDA, excluding Rosneft and other businesses in Russia

|   | <b>Year</b> | <b>Year</b> |
|---|-------------|-------------|
| \$ billion  | <b>2022</b> | <b>2021</b> |
| Profit (loss) before interest and tax   | 18.0        | 18.1        |
| Inventory holding (gains) losses, before tax  | (1.4)       | (3.7)       |
| RC profit (loss) before interest and tax  | 16.7        | 14.4        |
| Net (favourable) adverse impact of adjusting items, before interest and tax                                   | 29.4        | 7.9         |
| Underlying RC profit (loss) before interest and tax   | 46.0        | 22.3        |
| Excluding underlying RC profit before interest and tax - Rosneft and earnings from other businesses in Russia |             | 2.9         |
| Underlying RC profit (loss) before interest and tax, excluding Rosneft  |             | 19.4        |
| Add back:   |             |             |
| Depreciation, depletion and amortization  | 14.3        | 14.8        |
| Exploration expenditure written off, net of adjusting items   | 0.4         | 0.2         |
| Adjusted EBITDA, excluding Rosneft  | 60.7        | 34.4        |
| <i>Of which</i>   |             |             |
| Resilient and focused hydrocarbons  | 56.9        | 30.6        |
| Convenience and mobility  | 4.3         | 4.4         |

## gas & low carbon energy measures

### Reconciliation of RC profit before interest and tax to adjusted EBITDA

| <b>\$ million</b>                                  | <b>Fourth<br/>quarter<br/>2022</b> | <b>Third<br/>quarter<br/>2022</b> | <b>Fourth<br/>quarter<br/>2021</b> |
|--|------------------------------------|-----------------------------------|------------------------------------|
| <b>gas &amp; low carbon energy</b>                 |                                    |                                   |                                    |
| RC profit (loss) before interest and tax           | 16,439                             | (2,956)                           | 1,911                              |
| Less: Adjusting items gains (charges)              | 13,291                             | (9,196)                           | (300)                              |
| Underlying RC profit before interest and tax       | 3,148                              | 6,240                             | 2,211                              |
| Add back: Depreciation, depletion and amortization | 1,373                              | 1,177                             | 1,265                              |
| Exploration write-offs, net of adjusting items     | (6)                                | 10                                | 2                                  |
| Adjusted EBITDA                                    | 4,515                              | 7,427                             | 3,478                              |

### Reconciliation of RC profit before interest and tax to underlying RC profit before interest and tax

| <b>\$ million</b>                                  | <b>Fourth<br/>quarter<br/>2022</b> | <b>Third<br/>quarter<br/>2022</b> | <b>Second<br/>quarter<br/>2022</b> | <b>First<br/>quarter<br/>2022</b> | <b>Fourth<br/>quarter<br/>2021</b> |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
| <b>gas &amp; low carbon energy</b>                 |                                    |                                   |                                    |                                   |                                    |
| RC profit (loss) before interest and tax           | 16,439                             | (2,956)                           | 2,737                              | (1,524)                           | 1,911                              |
| Net (favourable) adverse impact of adjusting items | (13,291)                           | 9,196                             | 343                                | 5,119                             | 300                                |
| Underlying RC profit before interest and tax       | 3,148                              | 6,240                             | 3,080                              | 3,595                             | 2,211                              |

## oil production & operations measures

### Reconciliation of RC profit before interest and tax to adjusted EBITDA

| <b>\$ million</b>                                  | <b>Fourth<br/>quarter<br/>2022</b> | <b>Third<br/>quarter<br/>2022</b> | <b>Fourth<br/>quarter<br/>2021</b> |
|--|------------------------------------|-----------------------------------|------------------------------------|
| <b>oil production &amp; operations</b>             |                                    |                                   |                                    |
| RC profit before interest and tax                  | 1,688                              | 6,965                             | 3,212                              |
| Less: Adjusting items gains (charges)              | (2,740)                            | 1,754                             | (812)                              |
| Underlying RC profit before interest and tax       | 4,428                              | 5,211                             | 4,024                              |
| Add back: Depreciation, depletion and amortization | 1,383                              | 1,381                             | 1,628                              |
| Exploration write-offs, net of adjusting items     | 73                                 | 180                               | 45                                 |
| Adjusted EBITDA                                    | 5,884                              | 6,772                             | 5,697                              |

### Reconciliation of RC profit before interest and tax to underlying RC profit before interest and tax

| <b>\$ million</b>                                  | <b>Fourth<br/>quarter<br/>2022</b> | <b>Third<br/>quarter<br/>2022</b> | <b>Second<br/>quarter<br/>2022</b> | <b>First<br/>quarter<br/>2022</b> | <b>Fourth<br/>quarter<br/>2021</b> |
|--|------------------------------------|-----------------------------------|------------------------------------|-----------------------------------|------------------------------------|
| <b>oil production &amp; operations</b>             |                                    |                                   |                                    |                                   |                                    |
| RC profit before interest and tax                  | 1,688                              | 6,965                             | 7,237                              | 3,831                             | 3,212                              |
| Net (favourable) adverse impact of adjusting items | 2,740                              | (1,754)                           | (1,335)                            | 852                               | 812                                |
| Underlying RC profit before interest and tax       | 4,428                              | 5,211                             | 5,902                              | 4,683                             | 4,024                              |

## customers and products measures

### Reconciliation of RC profit before interest and tax to underlying RC profit before interest and tax

| \$ million   | Fourth<br>quarter<br>2022 | Third<br>quarter<br>2022 | Second<br>quarter<br>2022 | First<br>quarter<br>2022 | Fourth<br>quarter<br>2021 |
|--|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
| <b>customers &amp; products</b>                    |                           |                          |                           |                          |                           |
| RC profit before interest and tax                  | 771                       | 2,586                    | 3,531                     | 1,981                    | (426)                     |
| Net (favourable) adverse impact of adjusting items | 1,131                     | 139                      | 475                       | 175                      | 1,037                     |
| Underlying RC profit before interest and tax       | 1,902                     | 2,725                    | 4,006                     | 2,156                    | 611                       |

### Convenience gross margin

Convenience gross margin is a non-GAAP measure. Convenience 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 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 the retail fuels, EV charging, aviation, B2B and midstream businesses.

| \$ million   | Year<br>2022 | Year<br>2021 | Year<br>2020 | Year<br>2019 |
|--|--------------|--------------|--------------|--------------|
| RC profit before interest and tax for customers & products   | 8,869        | 2,208        | 3,418        | 6,502        |
| Subtract RC profit (loss) before interest and tax for refining & trading and petrochemicals  | 6,008        | (468)        | 1,169        | 2,703        |
| RC profit before interest and tax for convenience & mobility   | 2,861        | 2,676        | 2,249        | 3,799        |
| Net (favourable) adverse impact of adjusting items for convenience & mobility  | 105          | 376          | 634          | (9)          |
| Underlying RC profit before interest and tax for convenience & mobility  | 2,966        | 3,052        | 2,883        | 3,790        |
| Subtract underlying RC profit before interest and tax for Castrol  | 700          | 1,037        | 818          | 1,258        |
| Add back:  |              |              |              |              |
| convenience & mobility (excluding Castrol) depreciation, depletion and amortization  | 1,133        | 1,156        | 1,039        | 969          |
| convenience & mobility (excluding Castrol) production and manufacturing, distribution and administration expenses and adjusted for retail fuels, EV charging, aviation, B2B and midstream gross margin | (1,648)      | (1,304)      | (1,548)      | (1,959)      |
| Subtract earnings from equity-accounted entities in convenience & mobility (excluding Castrol)   | (225)        | (330)        | (228)        | (293)        |
| Convenience gross margin   | 1,526        | 1,537        | 1,328        | 1,249        |
| Foreign exchange effects   | —            | (131)        | (62)         | (56)         |
| Convenience gross margin at constant foreign exchange <sup>(a)</sup>   | 1,526        | 1,406        | 1,266        | 1,193        |
| Convenience gross margin growth  | ~9% p.a.     |              |              |              |

(a) Values are all at end 2022 foreign exchange rates.