

## Supplementary Information – Fourth quarter 2021

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 35-40 of our fourth-quarter 2021 results announcement:

- Underlying replacement RC profit or loss / Underlying RC profit or loss before interest and tax.
- Working capital.
- Return on average capital employed (ROACE).
- Net debt.
- Inventory holding gains and losses.
- Fair value accounting effects.
- Surplus cash flow.
- Cash balance point.
- Adjusted EBIDA.
- Adjusted EBITDA. For convenience and mobility, also see page 33.
- Adjusting items.
- Consolidation adjustment – UPII.
- Underlying ETR.

### 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), and add exploration geological and geophysical costs 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.

### Capital employed

Capital employed is defined as total equity plus finance debt.

	<b>31 December</b>	<b>30 June</b>
\$ billion	<b>2021</b>	<b>2020</b>
Finance debt	61.2	76.0
Total equity	90.4	82.8
Capital employed	151.6	158.8
Less: Goodwill	12.4	12.4
Cash and cash equivalents	30.7	34.2
	108.5	112.2

## Convenience and mobility measures

### Convenience gross margin / Margin share from convenience and electrification

*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, next-gen (such as electrification), aviation, B2B and midstream businesses.

*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 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.

\$ billion	Year 2021	Year 2019
RC profit before interest and tax for customers & products	2.2	6.5
Less RC profit (loss) before interest and tax for refining & trading and petrochemicals	(0.5)	2.7
RC profit before interest and tax for convenience & mobility	2.7	3.8
Net (favourable) adverse impact of adjusting items for convenience & mobility	0.4	0.0
Underlying RC profit before interest and tax for convenience & mobility	3.1	3.8
Subtract underlying RC profit for Castrol	1.0	1.3
Add back convenience & mobility (excluding Castrol) depreciation, depletion and amortization	1.2	1.0
Add back convenience & mobility (excluding Castrol) production and manufacturing, distribution and administration expenses and adjusted for aviation, B2B and midstream gross margin	2.5	1.8
Subtract earnings from equity-accounted entities in convenience & mobility (excluding Castrol)	0.3	0.3
Gross margin for convenience, retail fuels and electrification	5.3	5.0
Of which:		
Convenience gross margin	1.5	1.2
Retail fuels gross margin	3.8	3.7
Electrification gross margin	0.0	0.0
Margin share from convenience & electrification	29 %	~25 %

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

	Fourth quarter 2021	Third quarter 2021	Fourth quarter 2020
<b>\$ million</b>			
<b>gas &amp; low carbon energy</b>			
RC profit before interest and tax	1,911	(4,135)	(638)
Less: Adjusting items gains (charges)	(300)	(5,942)	(792)
Underlying RC profit before interest and tax	2,211	1,807	154
Add back: Depreciation, depletion and amortization	1,265	1,230	721
Exploration write-offs, net of adjusting items	2	14	39
Adjusted EBITDA	3,478	3,051	914

## oil production & operations measures

Reconciliation of RC profit before interest and tax to adjusted EBITDA

	Fourth quarter 2021	Third quarter 2021	Fourth quarter 2020
<b>\$ million</b>			
<b>oil production &amp; operations</b>			
RC profit (loss) before interest and tax	3,212	2,692	66
Less: Adjusting items gains (charges)	(812)	231	(497)
Underlying RC profit before interest and tax	4,024	2,461	563
Add back: Depreciation, depletion and amortization	1,628	1,767	1,786
Exploration write-offs, net of adjusting items	45	16	112
Adjusted EBITDA	5,697	4,244	2,461

## Group – strategic themes

### Adjusted EBITDA

Adjusted EBITDA 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).

\$ billion	<b>Year 2021</b>	<b>2H 2019 1H 2020</b>	<b>Year 2019</b>
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	24.5	32.3
Convenience and mobility	4.4	4.3	4.9
<i>Of which</i>			
Transition	1.4		