FitchRatings

Corporates
Energy (Oil & Gas)
Norway

Aker BP ASA

Aker BP ASA's rating reflects its operational scale with a production guidance of 430-460 thousand barrels of oil equivalent per day (kboepd) for 2023, asset diversification across the Norwegian Continental Shelf (NCS), an adequate reserve life, a strong project pipeline and a supportive capital allocation framework.

The company's rating remains constrained by its focus on offshore operations, which entail higher operational risk than onshore operations, and neutral-to-negative free cash flow (FCF) linked to major expansion projects including Valhall and Yggdrasil over the medium term.

Key Rating Drivers

Financial Flexibility Supports Growth: Fitch forecasts EBITDA of close to USD13 billion for 2023, and for it to reduce to USD6 billion by end-2026 based on our price assumption of USD53/barrel from 2026. Even under this conservative price scenario operating cash flow will be more than sufficient to fund its USD20 billion investment programme, given full tax deductibility of investments under the special tax regime for oil and gas in Norway.

Due to the progressive dividend policy, with an ambition of a minimum of 5% growth a year, we forecast funds from operations (FFO) net leverage to rise to around 2.0x by 2026, from 0.5x at end-2022.

Financial Policies Support Rating: Aker BP's capital allocation priorities are: i) to maintain financial flexibility and an investment-grade credit rating; ii) profitable growth; and iii) dividends in line with long-term value creation. It aims to maintain company-defined net debt/EBITDAX below 1.5x. If hydrocarbon prices moderate to significantly lower levels over the long term we would expect the company to update its dividend policy to align with value creation of the business.

Strong Project Pipeline: Aker BP has a strong project pipeline with projects that will enable it to significantly increase its reserve base, most importantly in the Yggdrasil area. The company projects to develop a total of 770 million barrels of oil equivalents (mmboe) in (net) recoverable petroleum resources. In 2022 Aker BP reported proved reserves of 1,251mmboe (1,859mmboe on a 2P basis). Based on 2023 production guidance, Aker BP's reserve life is adequate at 7.7 years for proved reserves (1P) and 11.4 years for proved and probable reserves (2P).

Low Production Costs: Aker BP's production costs decreased to USD8.7/boe in 2022 from USD9.2/boe in 2021, due to its increased exposure to low-cost, high-quality assets following the Lundin acquisition on 30 June 2022.

Input price pressures, resulting not only from general inflation, but particularly oil and gas industry-specific rises linked to step-up of investments to promote energy security, are driving higher future production costs. However, we expect 2023 production costs for Aker BP to be lower at USD7-8/boe, capturing efficiency measures and a full year of production from the Lundin assets.

Largest Independent Producer in Norway: Aker BP is the largest independent oil and gas producer on the NCS, which according to the Norwegian Petroleum Directorate holds 18% of total oil reserves in the country and 8% of total hydrocarbon reserves. In 2022, it produced on average 309.2kboepd, a 48% higher run-rate than 2021, driven by the Lundin acquisition. However, its single jurisdiction focus implies limited geographic and hydrocarbon diversification, which remains a rating constraint.

Ratings

Foreign Currency

Long-Term IDR	BBB

Outlook

Long-Term Foreign-Currency IDR	Stable

Debt Rating

Senior Unsecured Rating	BBB

2035 Climate Vulnerability Score: 57

Click here for the full list of ratings

Applicable Criteria

Corporate Rating Criteria (October 2022)

Corporates Recovery Ratings and Instrument Ratings Criteria (April 2021)

Parent and Subsidiary Linkage Rating Criteria (December 2021)

Sector Navigators: Addendum to the Corporate Rating Criteria (May 2023)

Related Research

Global Corporates Macro and Sector Forecasts (March 2023)

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Energy Transition Under Way: Aker BP has very low scope 1 emissions with carbon intensity of production of below 3 kg/boe, target methane intensity below 0.1% and no scope 2 emissions (from 2023 full renewable power sourcing). Around 83% of the company's operations have been electrified. Its decarbonisation strategy aims to expand electrification towards 100% by 2040, implement energy-efficiency emission reductions over time and achieve net zero scope 1 and 2 emissions by 2030 by neutralising any residual emissions with high-quality carbon removal projects.

Financial Summary

(USDm)	2020	2021	2022	2023F	2024F	2025F
Gross revenue	2979.3	5668.7	13009.9	14448.9	13146.7	9500.7
EBITDA before income from associates	2148.4	4618.0	11891.8	12754.3	11429.3	7841.4
Free cash flow after acquisitions and divestitures	-145.9	1861.5	1366.5	-523.6	-377.2	-2598.9
FFO net leverage (x)	1.6	0.4	0.5	0.7	0.7	1.4
FFO interest coverage (x)	13.0	31.6	34.9	28.8	35.9	22.6

F = Forecast
Source: Fitch Ratings, Fitch Solutions

Rating Derivation Relative to Peers

Aker BP is well-positioned versus independent exploration and production investment-grade peers, including Wintershall Dea AG (BBB/Stable) and Diamondback Energy, Inc. (BBB/Stable).

Aker BP's production mid-point guidance for 2023 of 445kboepd compares well with Wintershall Dea's of 338kboepd (excluding Russian assets) and Diamondback Energy's 435kboepd. Aker BP's assets are concentrated on the NCS (1P reserves of 1,251mmboe) and Diamondback Energy's in the Permian-basin in the US (1P reserves of 2,033mmboe). Wintershall Dea has wider geographic diversification across the portfolio (1P reserves of 996mmboe).

Our forecast for Aker BP indicates negative FCF over the next four years, whereas for Wintershall Dea we assume neutral FCF and for Diamondback neutral-to-positive FCF.

Higher-rated US peers Pioneer Natural Resources Co. (BBB+/Stable) and Devon Energy Corporation (BBB+/Stable) have higher reserves and production of 685kboepd and 653kboepd respectively (2023 guidance), but similar reserve life at 8.5 years and 7.6 years with neutral-to-positive FCF generation and very low leverage.

These companies have more flexible dividend policies, with a fixed component that increases year to year (similar to Aker BP, but in proportion to earnings the base is lower) and a variable component that is linked to FCF. This is a safeguard to preserve positive FCF and promote incremental debt reduction over time.

Many upstream oil and gas companies in the US target gross debt reduction to mitigate increasing business risks linked to the energy transition and limited options for them to reduce scope 3 emissions from use of their product. These companies maintain very low leverage, while gearing will increase for Aker BP due to its growth investments over 2023-2027.

Outstanding debt for all these companies could be repaid from cash flow generation over the medium term if macro conditions weaken for the wider oil and gas sector but the horizon for Aker BP to repay its debt would be longer, particularly given a high tax burden in Norway.

Navigator Peer Comparison

Issuer		Business profile						Financial profile		
	IDR/Outlook	Operating Environment	Management and Corporate Governance	Diversification and Environmental Risk	Proved Reserves	Cash Flow Cycle	Operational Scale	Profitability	Financial Structure	Financial Flexibility
Aker BP ASA	BBB/Stable	aa	bbb+	bb+	bb+	bb+	bbb	bbb+	a+	a
Wintershall Dea AG	BBB/Stable	a+	bbb+	bbb	bb	bbb	bbb	bbb	a	a-
Diamondback Energy, Inc.	BBB/Stable	aa	bbb	bb+	bbb-	bbb+	bbb	bbb	a+	a
Pioneer Natural Resources Co.	BBB+/Stable	aa	bbb	bbb	bbb+	bbb+	bbb+	bbb+	aa-	a+
Devon Energy Corporation	BBB+/Stable	aa	a-	bbb	bbb-	bbb+	bbb+	bbb+	a	a-

Source: Fitch Ratings.
Importance: Higher / Moderate / Lower

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade:

- Material improvement in the business profile, including scale and diversification
- Financial policies that support a more conservative financial profile through the cycle, including a more flexible dividend policy
- FFO net leverage below 1.0x or EBITDA net leverage below 0.5x on a sustained basis

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade:

- FFO net leverage well above 2.0x or EBITDA net leverage well above 1.5x on a sustained basis
- Aggressive M&A, dividend payments or other policies materially affecting the credit profile and leading to consistently negative FCF

Liquidity and Debt Structure

Strong Liquidity: At end-1Q23 Aker BP had USD6.68 billion of liquidity, including cash and cash equivalents of USD3.28 billion and an undrawn revolving credit facility (RCF) of USD3.4 billion that is available until May 2026. It has no debt maturities until January 2025.

Fitch's rating case indicates negative FCF over the medium term linked to sizeable capex and increasing dividends. Aker BP targets to maintain a minimum liquidity buffer of USD3 billion at all times. As a result, we would expect the company to raise additional funding by early 2025.

ESG Considerations

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

Climate Vulnerability Considerations

We are currently in consultation with our stakeholders on a proposal to support consistency and transparency in the way Fitch Ratings identifies and addresses potentially credit-relevant climate risks in its credit rating process. This would include adding the section below to all Rating Reports. To learn more about the approach, and provide feedback, please see Climate Vulnerability in Corporate Ratings – Discussion Paper or contact climate.vsfeedback@fitchratings.com.

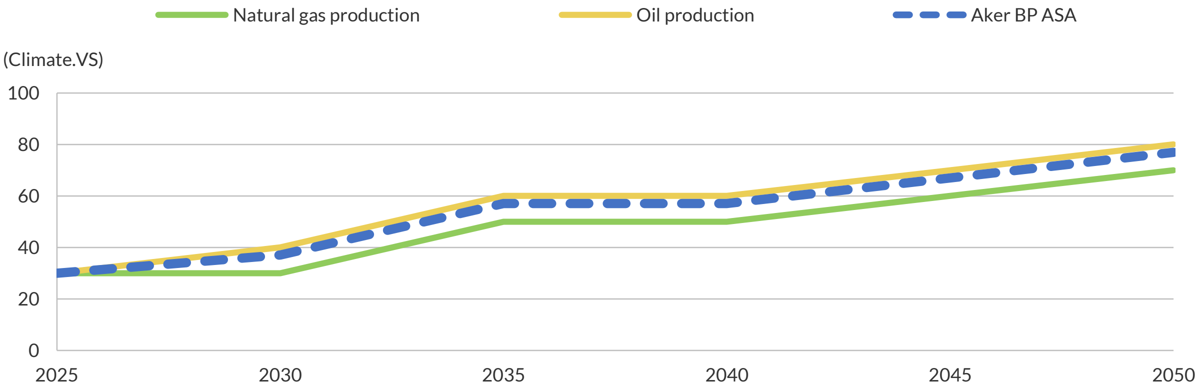
The FY22 revenue-weighted Climate Vulnerability Score (Climate.VS) for Aker BP is 57 for 2035, which is average for the oil and gas sector. Key transition risks arise from potential reductions in demand driven by policies designed to reduce the use of oil and gas in the global economy and, in the shorter term, from policies designed to limit the greenhouse gas emissions from the production of oil and gas.

These risks do not have a material influence on the rating, given the very long-term timescale over which the transition may take place, and uncertainty regarding the extent and nature of changes and markets' and companies' reaction to them.

Aker BP has very low scope 1 emissions with carbon intensity of production of less than 3kg/boe, target methane intensity below 0.1% and no scope 2 emissions (from 2023 full renewable power sourcing). Around 83% of operations have been electrified. The decarbonisation strategy aims to progress electrification towards 100% by 2040, implement energy-efficiency emission reductions over time and achieve net zero scope 1 and 2 emissions by 2030 through neutralising any residual emissions with high-quality carbon removal projects. The company does not have scope 3 targets which may put pressure on its operations in the long term when energy transition starts affecting demand.

Climate.VS Evolution

As of Dec. 31, 2022



Source: Fitch Ratings

Liquidity and Debt Maturities

Aker BP ASA
Liquidity Analysis

(USDm)	2023F	2024F	2025F	2026F
Available liquidity				
Beginning cash balance	2,756	2,232	1,855	-1,242
Rating-case FCF after acquisitions and divestitures	-524	-377	-2,599	-2,295
Total available liquidity (A)	**2,232**	**1,855**	**-744**	**-3,537**
Liquidity uses				
Debt maturities	0	0	-498	-1,498
Total liquidity uses (B)	**0**	**0**	**-498**	**-1,498**
Liquidity calculation				
Ending cash balance (A+B)	2,232	1,855	-1,242	-5,035
Revolver availability	3,400	3,400		1
Ending liquidity	**5,632.4**	**5,255.2**	**-1,241.9**	**-5,033.8**
Liquidity score (x)	Not meaningful	Not meaningful	-1.5	-2.4

F – Forecast.
Source: Fitch Ratings, Fitch Solutions, Aker BP ASA

Scheduled debt maturities (USD 000)	2022
2023	0
2024	0
2025	498,172
2026	1,497,813
2027	0
Thereafter	3,535,016
Total	**5,531,001**

Source: Fitch Ratings, Fitch Solutions, Aker BP ASA

Key Assumptions

Fitch's Key Assumptions within our Rating Case for the Issuer

- Base-case assumptions for Brent at USD85/bbl in 2023, USD75/bbl in 2024, USD65/bbl in 2025, USD53/bbl over the longer term
- TTF gas price at USD20/mcf in 2023 and 2024, USD10/mcf in 2025, USD5/mcf thereafter
- Upstream production averaging 440kboepd over 2023-2027
- Capex, excluding exploration and decommissioning, averaging around USD4.5 billion per year over 2023-2027
- Dividends of around USD1.4 billion-1.6 billion a year in 2023-2027

Financial Data

Aker BP ASA

	Historical			Forecast		
(USDm)	2020	2021	2022	2023	2024	2025
Summary income statement						
Gross revenue	2,979.3	5,668.7	13,009.9	14,448.9	13,146.7	9,500.7
Revenue growth (%)	-11.0	90.3	129.5	11.1	-9.0	-27.7
EBITDA (before income from associates)	2,148.4	4,618.0	11,891.8	12,754.3	11,429.3	7,841.4
EBITDA margin (%)	72.1	81.5	91.4	88.3	86.9	82.5
EBITDAR	2,184.4	4,640.0	11,918.1	12,783.4	11,455.8	7,860.5
EBITDAR margin (%)	73.3	81.9	91.6	88.5	87.1	82.7
EBIT	1,045.9	3,664.3	10,124.9	10,554.3	9,229.3	5,641.4
EBIT margin (%)	35.1	64.6	77.8	73.0	70.2	59.4
Gross interest expense	-165.0	-128.0	-154.0	-156.3	-156.3	-201.3
Pretax income (including associate income/loss)	163.7	3,072.8	8,776.9	10,524.9	9,192.1	5,553.5
Summary balance sheet						
Readily available cash and equivalents	537.8	1,970.9	2,756.0	2,232.4	1,855.2	256.3
Debt	3,968.6	3,576.7	5,531.0	5,531.0	5,531.0	6,531.0
Lease-adjusted debt	4,256.4	3,576.7	5,531.0	5,531.0	5,531.0	6,531.0
Net debt	3,430.8	1,605.8	2,775.0	3,298.6	3,675.8	6,274.7
Summary cash flow statement						
EBITDA	2,148.4	4,618.0	11,891.8	12,754.3	11,429.3	7,841.4
Cash interest paid	-167.9	-134.1	-174.9	-156.3	-156.3	-201.3
Cash tax	180.9	-223.2	-5,332.1	-7,999.0	-5,515.3	-2,993.3
Dividends received less dividends paid to minorities (inflow/(out)flow)	—	—	—	0.0	0.0	0.0
Other items before FFO	-140.1	-159.0	-449.7	-250.0	-300.0	-300.0
Funds flow from operations	2,025.1	4,104.2	5,961.1	4,390.4	5,491.2	4,374.6
FFO margin (%)	68.0	72.4	45.8	30.4	41.8	46.0
Change in working capital	-377.0	-196.2	-571.3	-123.5	91.5	259.6
Cash flow from operations (fitch defined)	1,648.1	3,908.0	5,389.8	4,266.8	5,582.8	4,634.1
Total non-operating/nonrecurring cash flow	—	—	—	—	—	—
Capex	-1,423.8	-1,559.0	-1,788.6	—	—	—
Capital intensity (capex/revenue) (%)	47.8	27.5	13.7	—	—	—
Common dividends	-425.0	-487.5	-1,005.7	—	—	—
Free cash flow	-200.6	1,861.5	2,595.4	—	—	—
Net acquisitions and divestitures	54.7	—	-1,228.9	—	—	—
Other investing and financing cash flow items	-81.0	-29.0	18.1	—	—	—
Net debt proceeds	657.6	-390.8	-601.1	0.0	0.0	1,000.0
Net equity proceeds	-0.0	-8.6	1.5	0.0	0.0	0.0
Total change in cash	430.7	1,433.1	785.1	-523.6	-377.2	-1,598.9
Leverage ratios (x)						
EBITDA leverage	1.8	0.8	0.5	0.4	0.5	0.8
EBITDA net leverage	1.6	0.3	0.2	0.3	0.3	0.8
EBITDAR leverage	1.9	0.8	0.5	0.4	0.5	0.8
EBITDAR net leverage	1.7	0.3	0.2	0.3	0.3	0.8
EBITDAR net fixed charge coverage	10.9	30.2	68.0	88.7	76.7	40.8
FFO adjusted leverage	1.9	0.8	0.9	1.2	1.0	1.4
FFO adjusted net leverage	1.7	0.4	0.5	0.7	0.7	1.4
FFO leverage	1.8	0.8	0.9	1.2	1.0	1.4
FFO net leverage	1.6	0.4	0.5	0.7	0.7	1.4
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-1,794.0	-2,046.5	-4,023.3	-4,790.4	-5,960.0	-7,233.0
Free cash flow after acquisitions and divestitures	-145.9	1,861.5	1,366.5	-523.6	-377.2	-2,598.9
Free cash flow margin (after net acquisitions) (%)	-4.9	32.8	10.5	-3.6	-2.9	-27.4

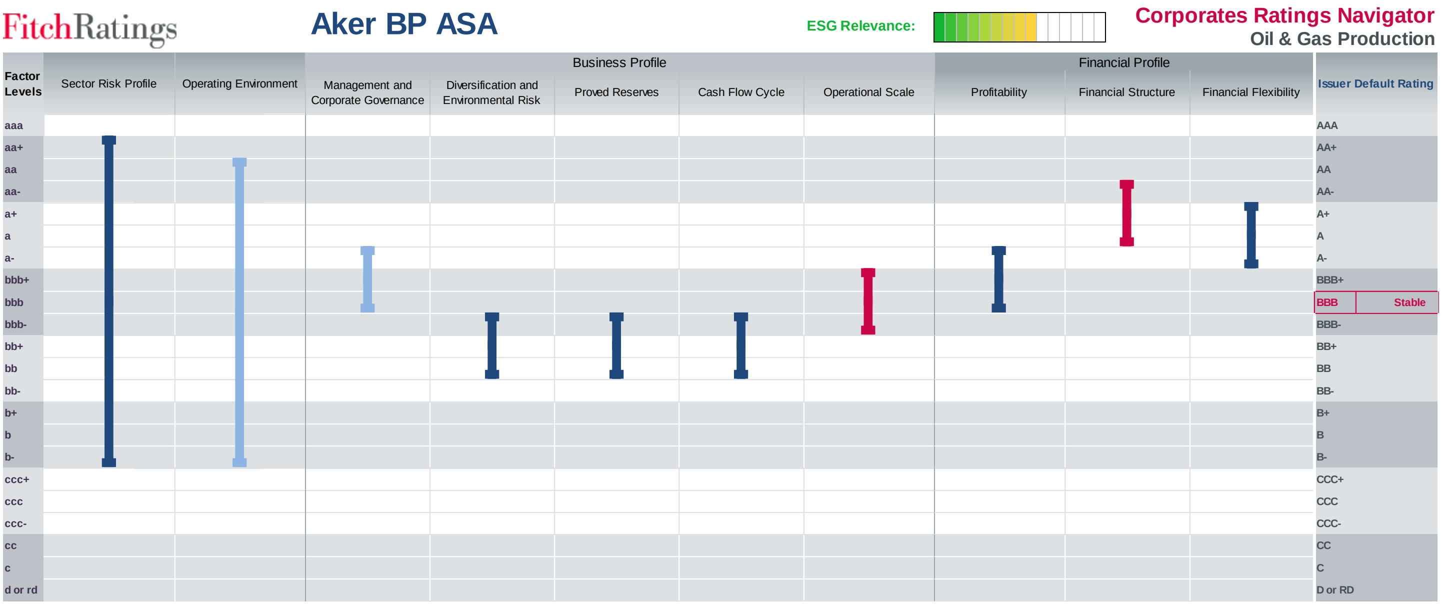
(USDm)	Historical 2020	Historical 2021	Historical 2022	Forecast 2023	Forecast 2024	Forecast 2025
Coverage ratios (x)						
FFO interest coverage	13.0	31.6	34.9	28.8	35.9	22.6
FFO fixed charge coverage	10.9	27.3	30.5	24.5	30.9	20.7
EBITDAR fixed charge coverage	10.7	29.7	59.3	68.9	62.7	35.7
EBITDA interest coverage	12.8	34.4	68.0	81.6	73.1	39.0
Additional metrics						
CFO-capex/debt (%)	5.7	65.7	65.1	15.7	19.6	-16.3
CFO-capex/net debt (%)	6.5	146.3	129.8	26.3	29.5	-17.0
CFO/capex (%)	115.8	250.7	301.3	125.5	124.1	81.3

Source: Fitch Ratings, Fitch Solutions, Aker BP ASA

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:

Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	☐ Stable

FitchRatings

Aker BP ASA

Corporates Ratings Navigator
Oil & Gas Production

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a	Management Strategy	bbb	Strategy may include opportunistic elements but soundly implemented.
a-	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb+	Group Structure	a	Group structure shows some complexity but mitigated by transparent reporting.
bbb	Financial Transparency	a	High quality and timely financial reporting.
bbb-			

Diversification and Environmental Risk

bbb	Diversification	bb	Upstream E&P companies with fewer projects. Vulnerable to price volatility, cost overruns and production delays.
bbb-	Environmental Risk	bbb	Moderate exposure to environmental regulations and/or material but manageable remediation costs relative to projected cash flows.
bb+			
bb			
bb-			

Proved Reserves

bbb	Reserve Base (boe)	bb	0.4 billion-1.5 billion
bbb-			
bb+			
bb			
bb-			

Cash Flow Cycle

bbb	Free Cash Flow	bb	Neutral to negative across the cycle.
bbb-			
bb+			
bb			
bb-			

Operational Scale

a-	Production (thousand boe/day)	bbb	175 - 700
bbb+			
bbb			
bbb-			
bb+			

Profitability

a	EBITDA ($)	a	$10 billion
a-	FFO ($)	bbb	$4 billion
bbb+	Capex/CFO (%)	a	<100%
bbb			
bbb-			

Financial Structure

aa	EBITDA Leverage	aa	1.0x
aa-	EBITDA Net Leverage	aa	1.0x
a+	FFO Leverage	a	2.2x
a	FFO Net Leverage	a	2.0x
a-			

Financial Flexibility

aa-	Financial Discipline	bbb	Financial policies less conservative than peers but generally applied consistently.
a+	Liquidity	a	Very comfortable liquidity. No need to use external funding, except for already committed facilities, in the next 12 months even under a severe stress scenario. Well-
a	EBITDA Interest Coverage	aa	15.0x
a-	FFO Interest Coverage	aa	12.0x
bbb+	FX Exposure	a	Profitability potentially exposed to FX but efficient hedging in place. Debt and cash flows well-matched.

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Overall ESG

Aker BP ASA has 12 ESG potential rating drivers

- Emissions from OGP production
- Energy use in OGP operations
- Water management (e.g. usage levels, recycling capacity)
- Waste and material handling; operations proximity to environmentally sensitive areas
- Hydrocarbon reserves exposure to present/future regulation and environmental costs
- Operations proximity to areas of conflict or indigenous lands

Showing top 6 issues

key driver	0	issues	5
driver	0	issues	4
potential driver	12	issues	3
not a rating driver	1	issues	2
	1	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

FitchRatings

Aker BP ASA

Corporates Ratings Navigator
Oil & Gas Production

Credit-Relevant ESG Derivation

Aker BP ASA has 12 ESG potential rating drivers

- Aker BP ASA has exposure to emissions regulatory risk but this has very low impact on the rating.
- Aker BP ASA has exposure to energy productivity risk but this has very low impact on the rating.
- Aker BP ASA has exposure to water management risk but this has very low impact on the rating.
- Aker BP ASA has exposure to waste and impact management risk but this has very low impact on the rating.
- Aker BP ASA has exposure to extreme weather events but this has very low impact on the rating.
- Aker BP ASA has exposure to land rights/conflicts risk but this has very low impact on the rating.

Showing top 6 issues

Overall ESG Scale

key driver	0	issues	5
driver	0	issues	4
potential driver	12	issues	3
not a rating driver	1	issues	2
	1	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	3	Emissions from OGP production	Diversification and Environmental Risk; Profitability	5
Energy Management	3	Energy use in OGP operations	Diversification and Environmental Risk; Profitability	4
Water & Wastewater Management	3	Water management (e.g. usage levels, recycling capacity)	Diversification and Environmental Risk; Profitability	3
Waste & Hazardous Materials Management; Ecological Impacts	3	Waste and material handling; operations proximity to environmentally sensitive areas	Diversification and Environmental Risk; Profitability	2
Exposure to Environmental Impacts	3	Hydrocarbon reserves exposure to present/future regulation and environmental costs	Diversification and Environmental Risk; Profitability; Financial Flexibility	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	3	Operations proximity to areas of conflict or indigenous lands	Diversification and Environmental Risk; Profitability; Financial Flexibility	5
Customer Welfare - Fair Messaging, Privacy & Data Security	1	n.a.	n.a.	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Profitability; Financial Structure; Financial Flexibility	3
Employee Wellbeing	2	Worker safety and accident prevention	Diversification and Environmental Risk; Profitability; Financial Flexibility	2
Exposure to Social Impacts	3	Social resistance to major projects or operations that leads to delays and cost increases	Production Size; Profitability; Financial Structure; Financial Flexibility	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies the some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

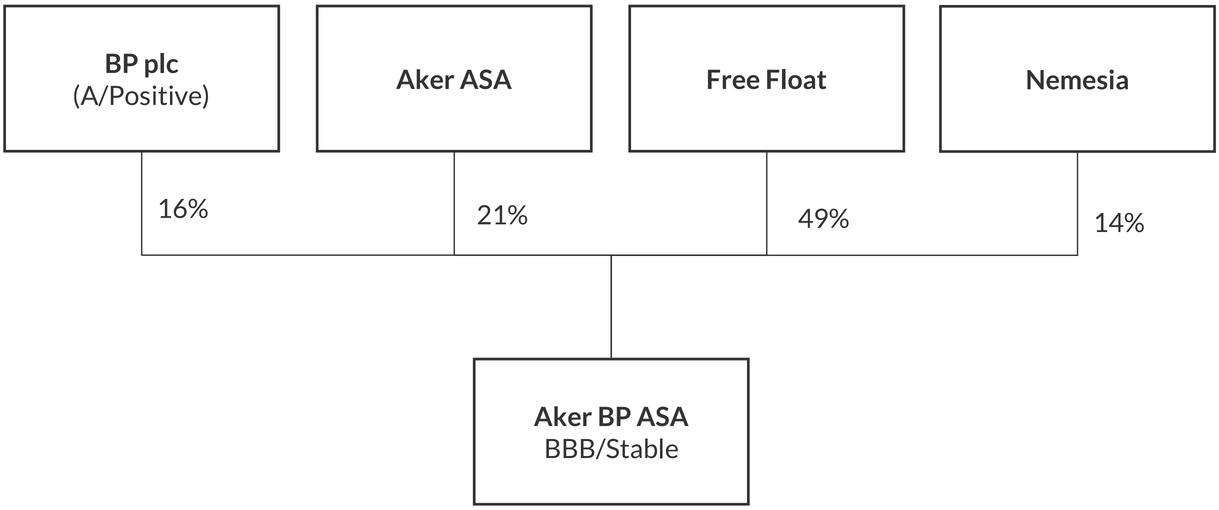
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI) and the Sustainability Accounting Standards Board (SASB).

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, Aker BP ASA, as of December 2022

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (USDm)	EBITDA (USDm)	Free Cash Flow (USDm)	FFO net leverage (x)	FFO interest coverage (x)
Aker BP ASA	BBB						
	BBB	2022	13,010	11,892	2,595	0.5	34.9
	BBB-	2021	5,669	4,618	1,861	0.4	31.6
	BBB-	2020	2,979	2,148	-201	1.6	13.0
Wintershall Dea AG	BBB						
	BBB	2022	19,960	7,799	2,896	0.5	25.8
	BBB	2021	8,826	3,704	1,363	0.9	24.0
	BBB	2020	4,431	1,599	274	3.0	14.9
Diamondback Energy, Inc.	BBB						
	BBB	2022	8,793	7,071	957	1.0	24.2
	BBB	2021	5,550	4,167	2,033	1.5	20.6
	BBB	2020	3,063	2,143	-70	2.7	9.2
Devon Energy Corporation	BBB+						
	BBB+	2022	18,471	9,568	2,571	0.6	24.5
	BBB+	2021	12,288	5,587	1,566	0.8	13.3
	BBB	2020	4,989	1,584	-78	1.3	6.9

Source: Fitch Ratings, Fitch Solutions, Aker BP ASA

Fitch Adjusted Financials

(USDm) 31 December 2022	Reported values	Sum of adjustments	CORP- lease treatment	Other adjustments	Adjusted values
Income statement summary					
Revenue	13,010				13,010
EBITDAR	11,782	136		136	11,918
EBITDAR after associates and minorities	11,782	136		136	11,918
Lease expense	0	26	26		26
EBITDA	11,782	110	-26	136	11,892
EBITDA after associates and minorities	11,782	110	-26	136	11,892
EBIT	9,997	128	-7	136	10,125
Debt and cash summary					
Other off-balance-sheet debt	0				0
Debt[b]	5,279	252		252	5,531
Lease-equivalent debt	0				0
Lease-adjusted debt	5,279	252		252	5,531
Readily available cash and equivalents	2,756				2,756
Not readily available cash and equivalents	0				0
Cash flow summary					
EBITDA after associates and minorities	11,782	110	-26	136	11,892
Preferred dividends (paid)	0				0
Interest received	26				26
Interest (paid)	-182	7	7		-175
Cash tax (paid)	-5,332				-5,332
Other items before FFO	-149	-300		-300	-450
Funds from operations (FFO)	6,144	-183	-19	-164	5,961
Change in working capital (Fitch-defined)	-571				-571
Cash flow from operations (CFO)	5,573	-183	-19	-164	5,390
Non-operating/nonrecurring cash flow	0				0
Capital (expenditures)	-1,911	122	-42	164	-1,789
Common dividends (paid)	-1,006				-1,006
Free cash flow (FCF)	2,657	-61	-61		2,595
Gross leverage (x)					
EBITDAR leverage[a]	0.4				0.5
FFO adjusted leverage	0.8				0.9
FFO leverage	0.8				0.9
EBITDA leverage[a]	0.4				0.5
(CFO-capex)/debt (%)	69.4%				65.1%
Net leverage (x)					
EBITDAR net leverage[a]	0.2				0.2
FFO adjusted net leverage	0.4				0.5
FFO net leverage	0.4				0.5
EBITDA net leverage[a]	0.2				0.2
(CFO-capex)/net debt (%)	145.1%				129.8%
Coverage (x)					
EBITDAR fixed charge coverage[a]	64.6				59.3
EBITDA interest coverage[a]	64.6				68.0
FFO fixed-charge coverage	34.5				30.5
FFO interest coverage	34.5				34.9

[a] EBITDA/R after dividends to associates and minorities.
[b] Includes other off-balances-sheet debt.
Source: Fitch Ratings, Fitch Solutions, Aker BP ASA

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.
For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.