

**Comment by Famil Sadygov, Deputy Chairman of Gazprom
Management Committee, on issuance of consolidated financial
statements under IFRS for Q2 of 2021:**

“The financial results demonstrated in the first half of 2021 are record-breaking for the Gazprom Group. This was achieved thanks to not only growth in export revenue but also continuously rigorous control over operating costs.

In Q2 2021, we saw significant price growth in the European gas market. As a result, the export price for gas sold beyond the FSU more than doubled compared to the same period of last year, reaching USD 224 per 1,000 cubic meters. Expecting the upward trend to continue in the second half of the year, we updated our forecast for the average price of gas supplies to Europe in 2021 to USD 269.6 per 1,000 cubic meters.

Despite the seasonal nature of the gas business, the Q2 2021 profits were even higher than that received in Q1. For instance, the EBITDA for Q2 increased 7.5-fold year-on-year to RUB 703 billion and was thus higher than the Q1 amount. As a result, the H1 EBITDA totaled RUB 1.4 trillion, a historical record for Gazprom. The strongest positive impact on our results came from the gas business, although the growth in the oil segment, which contributed RUB 392 billion to the EBITDA in H1, should also be highlighted.

In Q2, the net income amounted to RUB 521 billion, showing growth for the third quarter in a row. Thanks to this, Gazprom demonstrated record-high six-month net income: an enormous sum of approximately RUB 1 trillion. Implied H1 dividend base reached RUB 845 billion, which is almost 1.5-fold higher than the figure for the entire year 2020.

Appropriately, the capital expenses in Q2 went up compared to the low base of the same period of last year. However, the expenses were more than offset by the strong cash flow from operating activities, thanks to which we obtained a positive free cash flow of RUB 132 billion in Q2. This indicator totaled RUB 599 billion for H1 2021 – another unprecedented high in the Company’s history. That allowed us to ramp up the liquidity cushion to its highest level in two years – almost RUB 1.7 trillion (+59 per cent over six months) – and reduce the net debt to RUB 3.1 trillion (–19 per cent over six months).

Due to the abovementioned factors, the net debt/EBITDA ratio has dropped to 1.4x, which is its lowest level since 2019. Thus, we have brought the debt burden to a comfortable level much quicker than we expected when we were drawing up the budget.”