



GAZPROM: 2Q21 IFRS RESULTS

AUGUST 31, 2021



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Head of Department

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ESG: 2Q21 DEVELOPMENTS



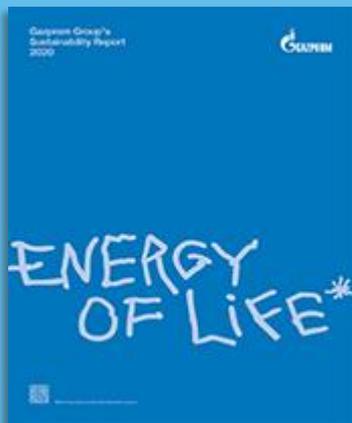
- Gazprom and the RAS continued **joint studies in the field of hydrogen energy**
- **Gazprom and Wintershall Dea GmbH** held a meeting at the St Petersburg International Economic Forum 2021 to consider joint pilot projects on CCS and on the development of hydrogen technologies based on natural gas.



- To promote cultural heritage preservation, **Gazprom signed an agreement on cooperation with:**
 - the Peterhof State Museum Reserve,
 - the State Hermitage Museum,
 - the Tsarskoye Selo State Museum Reserve.



- Gazprom's Board of Directors established a **Sustainable Development Committee**
- For the first time in its history, Gazprom published a **2020 Sustainability Report** prior to AGM'21. **Key 2020 achievements:**



ENVIRONMENT

-11%

greenhouse gas emissions
(210 mt of CO₂ eq. in 2020)

-8%

gas business carbon
intensity (0.239 t of CO₂
eq. per toe in 2020)

HEALTH & SAFETY*

-11%

LTIFR (down from 0.09 to
0.08 in 2020)

-28%

FAR (down from 1.35 to
0.97 in 2020)

SOCIAL

+70%

financial support of
indigenous minorities
(RUB 257 mn in 2020)

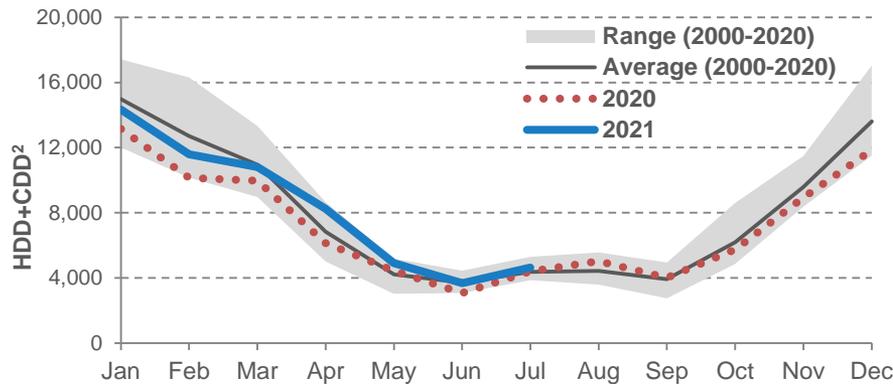
+4%

charity spending
(RUB 28.8 bn in 2020)

*Data covers companies included in the Integrated Process Safety Management System: 96 subsidiaries, affiliates and branches responsible for gas production and processing, gas transportation and storage, exploration, construction, as well as specialized, educational, design, foreign organizations and branches of PJSC Gazprom with a total number of employees amounting to 318 thousand people.

EUROPEAN GAS MARKET (1/2)

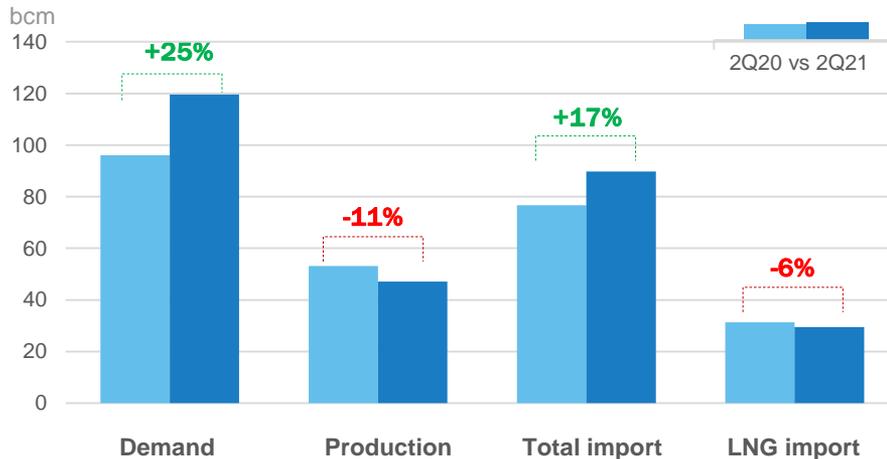
WEATHER INDEX¹ IN EUROPE²



WEATHER CONDITIONS STILL FAVORABLE

- Weather conditions in Europe continued to support gas consumption in 2Q21:
- **severe 20/21 winter season** in Europe was followed by the **cold spring** boosting the demand for heat...
- ...and gave way to the **summer**, increasing the need for additional air conditioning

EUROPEAN GAS MARKET



EUROPEAN GAS MARKET ACCELERATED GROWTH IN 2Q21

- In 2Q21, the **demand growth** in Europe in 2Q21 gained pace on the back of favorable weather conditions and economic recovery due to the partial lift of lockdown measures.
- **Domestic production** in Europe continued shrinking...
- ...sparking the extra demand for **gas imports**.
- **LNG supplies to Europe** were still subdued despite the narrowing Asian premium in 2Q21 after strong 1Q21...
- ...heavily supporting the offtake of **Gazprom pipeline gas** and pushing TTF prices to new highs

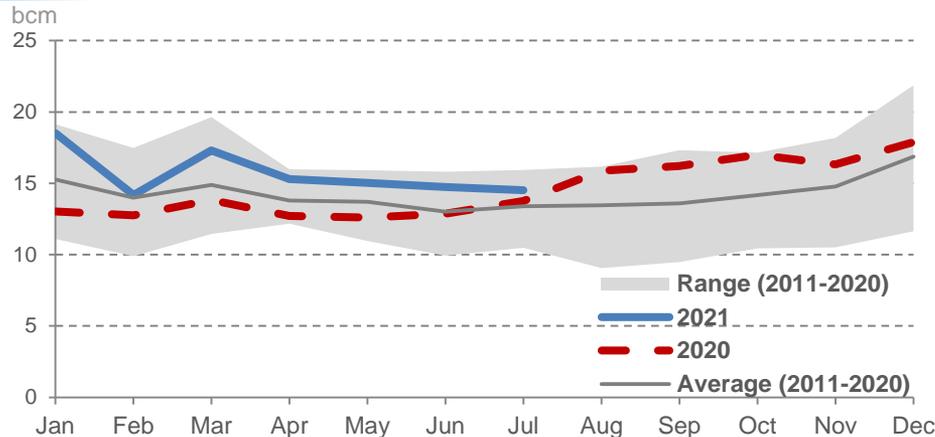
1. Weather index is calculated as the sum of degree days for the corresponding month: HDD (Heating Degree Days) means degree days of the heating season, CDD (Cooling Degree Days) means degree days of the cooling season. The calculation is done based on weather conditions in 90 regions of Europe.

2. For the purposes of this presentation, "Europe" means EU-27 countries except Baltic states, plus Albania, Bosnia and Herzegovina, UK, Macedonia, Norway, Serbia, Turkey, Switzerland.
Sources: Gazprom Export, Eurostat, national statistics agencies, National Grid, US Department of Energy, International Energy Agency, ENTSOG, Argus, Bloomberg, IHS Markit, S&P Platts.

EUROPEAN GAS MARKET (2/2)



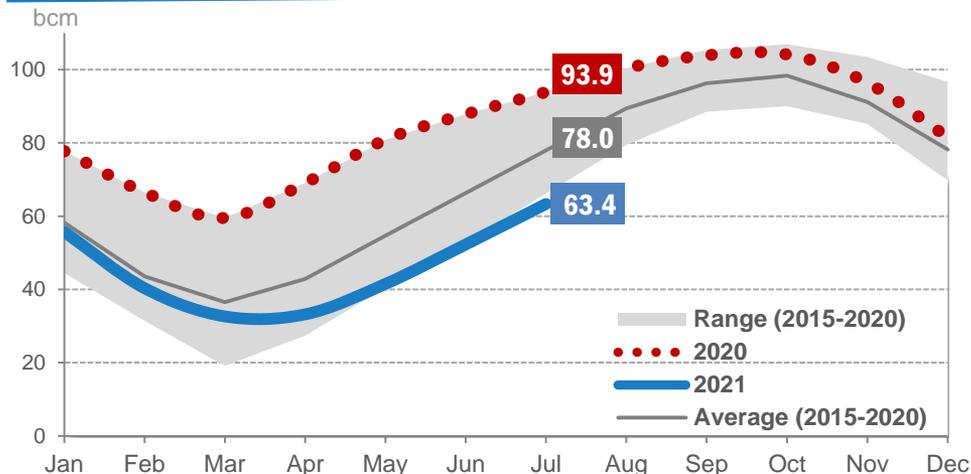
GAZPROM GAS EXPORT TO EUROPE



EXPORT VOLUMES NEARED ALL-TIME HIGHS IN 2Q21...

- To meet the increased demand from European consumers, Gazprom **raised export volumes in 2Q21** to the levels close to **all-time highs**
- Given higher demand in Russia, FSU and China in 1H21, Gazprom **pushed gas production to 10-year highs**

EUROPEAN UNDERGROUND GAS STORAGE CAPACITIES

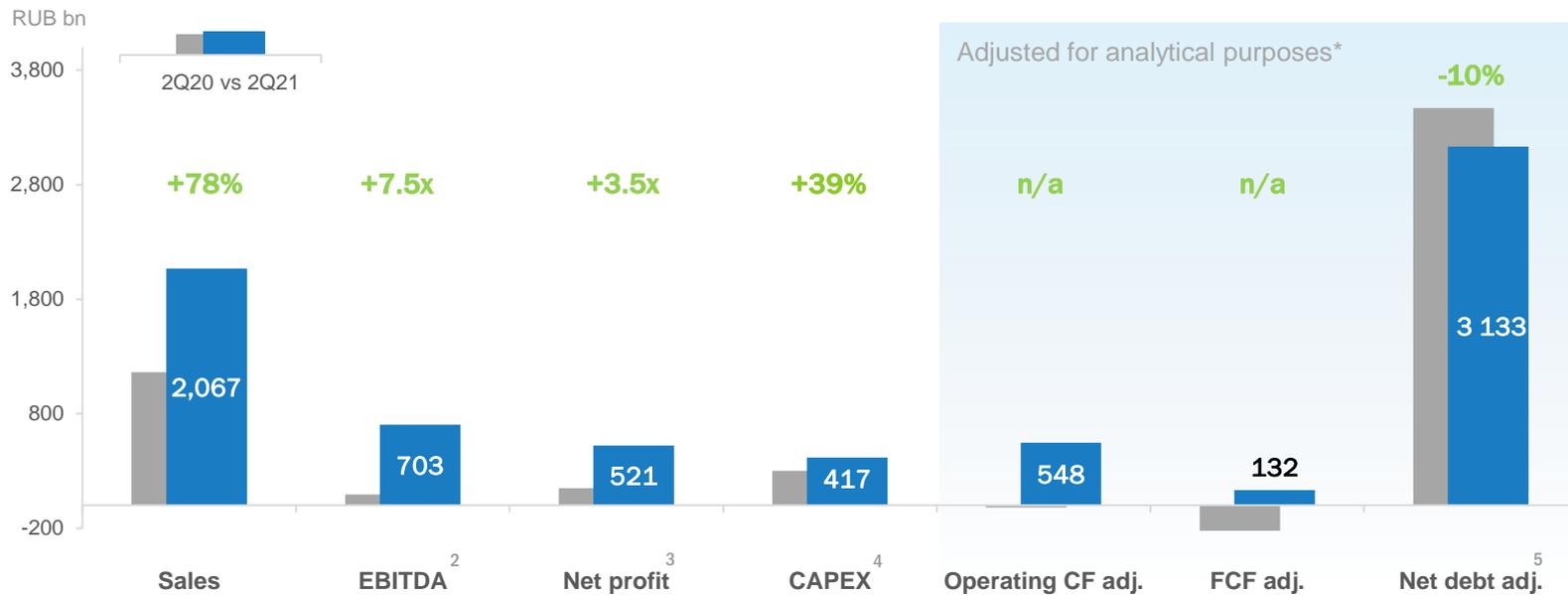


...WHILE GAS STORAGE INVENTORIES APPROACHED 10Y LOWS

- High demand for gas in 2Q21 and low LNG supplies challenged the pace of restocking,..
- ...coupled with the later start of the injection season it made European **gas inventories plunge to 10-year lows...**
- ...which will additionally support the gas demand for a longer period of time given the need to refill the storages

Sources: Gazprom Export, Eurostat, national statistics agencies, National Grid, US Department of Energy, International Energy Agency, ENTSOG, Argus, Bloomberg, IHS Markit, S&P Platts.

2Q21 AND 1H21 IFRS RESULTS



Strong 2Q21 secured ALL-TIME HIGH results in 1H21



- EBITDA RUB 1,404 bn
- Net profit³ RUB 968 bn
- FCF adj. RUB 599 bn

RECORD-HIGH operational performance¹ in 1H21



PRODUCTION of

- natural gas 261.3 bcm 10-year high
- gas condensate 8.75 mn t all-time high

1. Production in Russia, including Gazprom Group's share in the production volumes of entities in which Gazprom has investments classified as joint operations.

2. EBITDA adjusted for changes in impairment provisions

3. Profit attributable to PJSC Gazprom's shareholders for the period

4. Cash capital expenditures

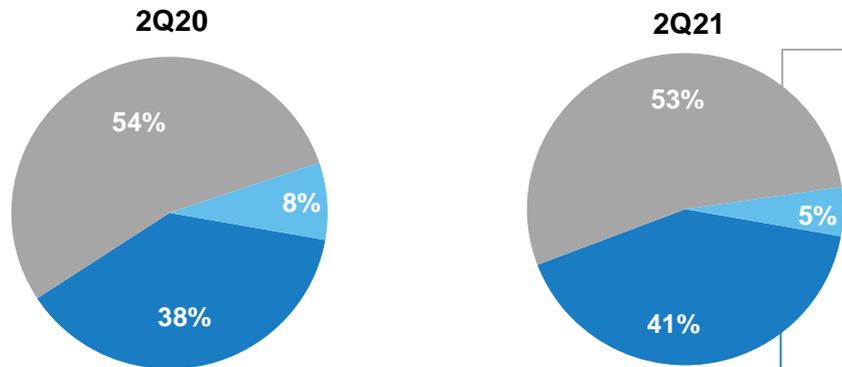
5. Compared to Net debt as of March 31, 2021

*In order to reflect the effect of the decrease in bank deposits (reported as part of Other current and Other non-current assets)

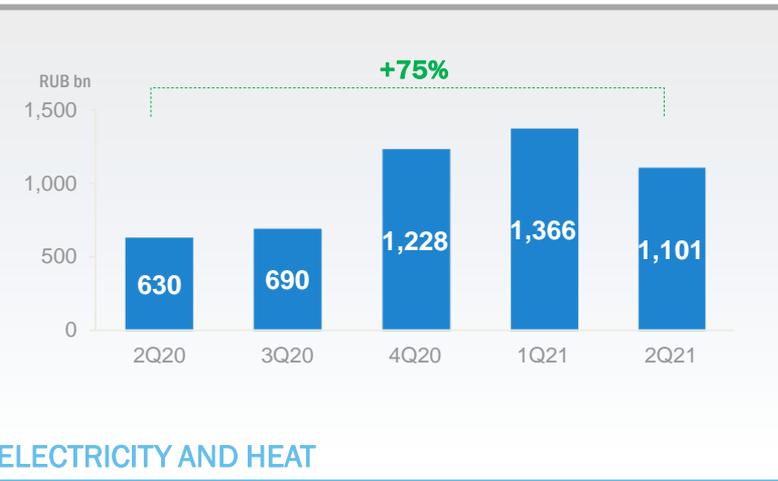
REVENUE BREAKDOWN BY BUSINESS SEGMENT



REVENUE BY SEGMENT¹



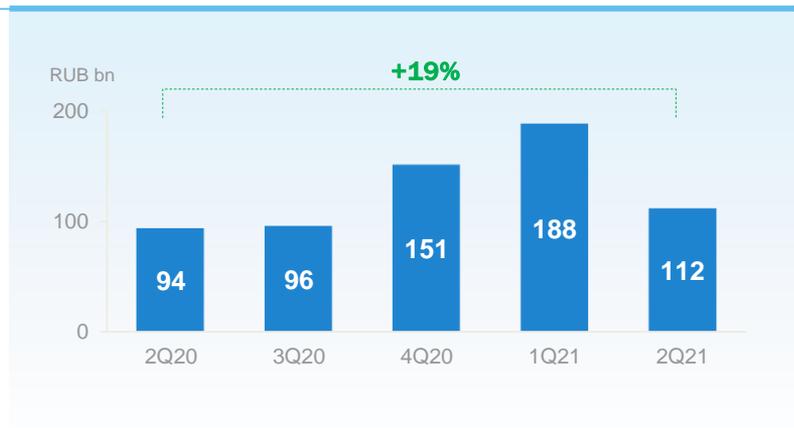
GAS BUSINESS, TRANSPORTATION AND OTHER



OIL AND GAS CONDENSATE, REFINED PRODUCTS



ELECTRICITY AND HEAT



Calculations may differ due to rounding

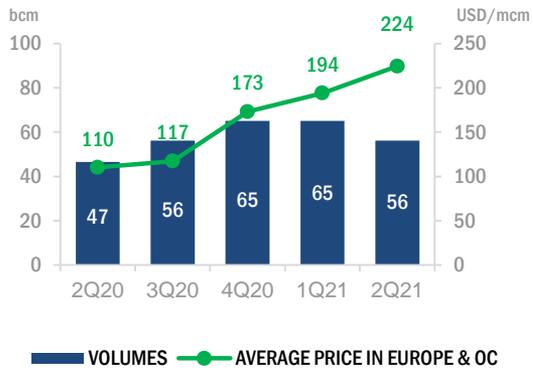
¹ Net of value-added tax (VAT), excise tax and custom duties

GAS BUSINESS

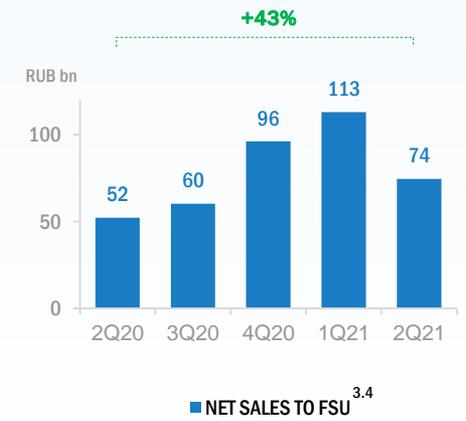
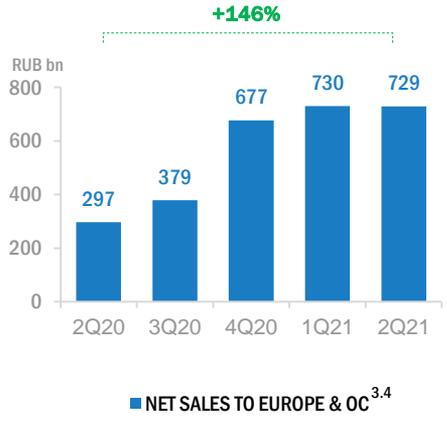
RUSSIA



EUROPE & OC²

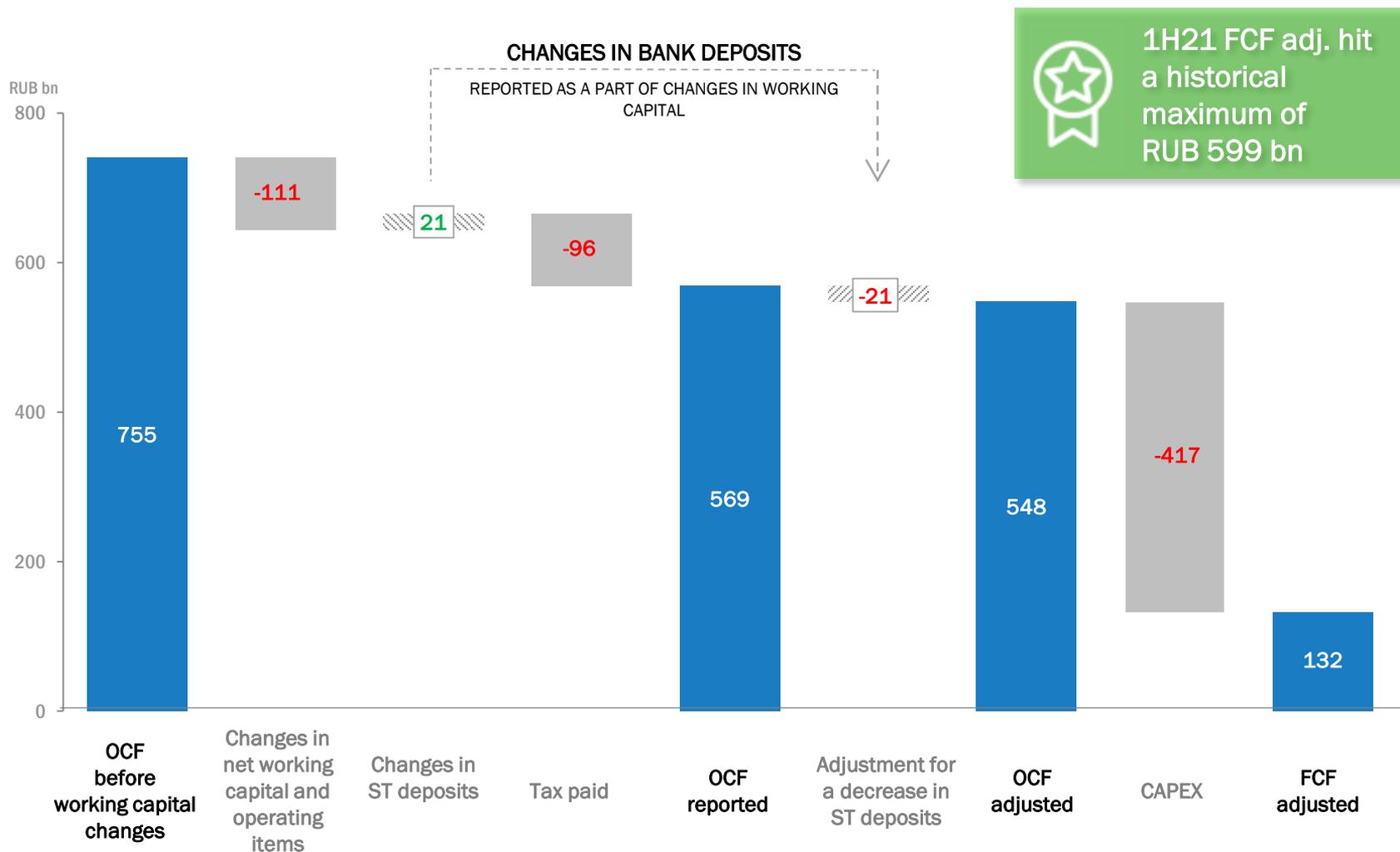


FSU



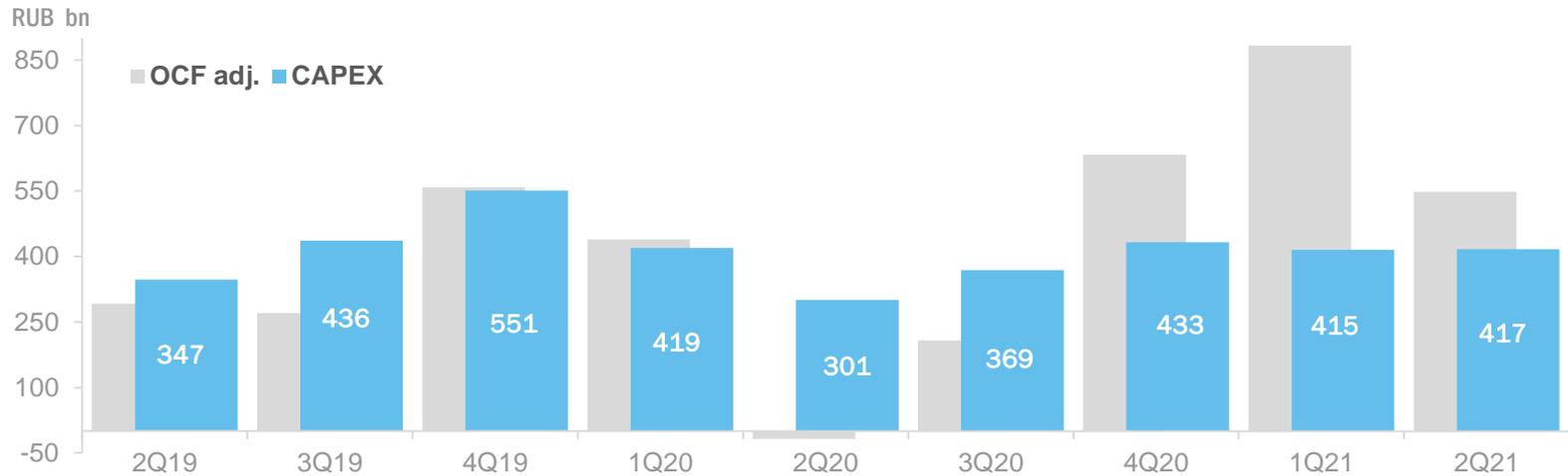
Calculations may differ due to rounding.
¹ Net of value-added tax (VAT)
² OC means other countries, including LNG sales
³ VAT is not charged on export sales
⁴ Net of custom duties and excise tax on gas exports

2Q21 ADJUSTED FREE CASH FLOW

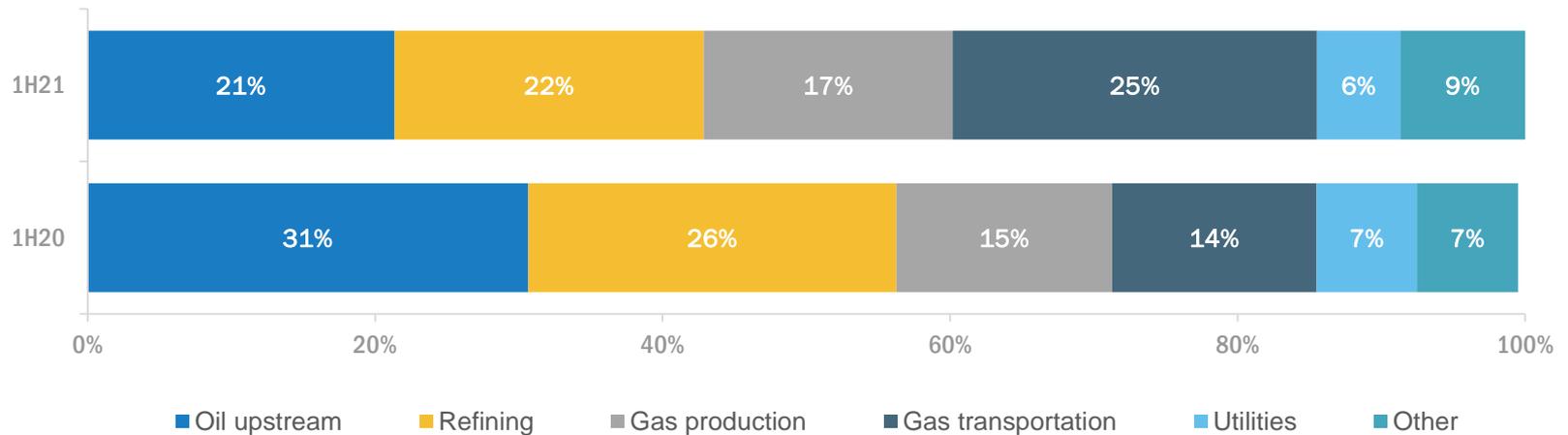


CAPITAL EXPENDITURES

CASH CAPITAL EXPENDITURES vs. CASH FLOWS FORM OPERATIONS

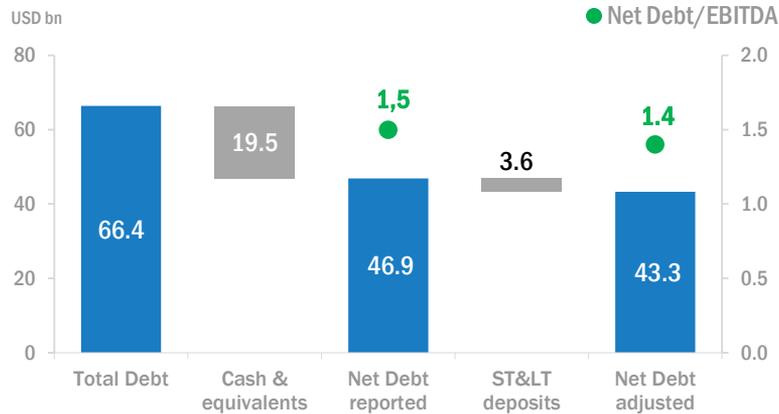


CAPITAL EXPENDITURES

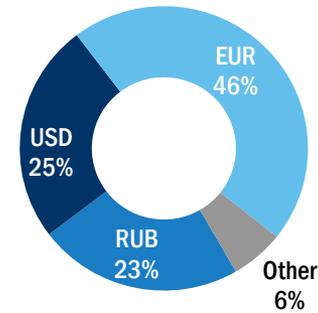


KEY DEBT METRICS

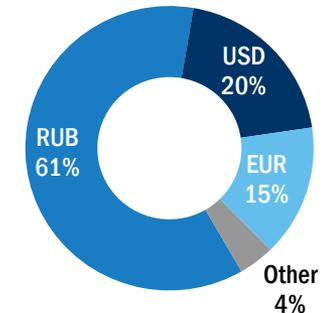
NET DEBT IN 2Q21¹



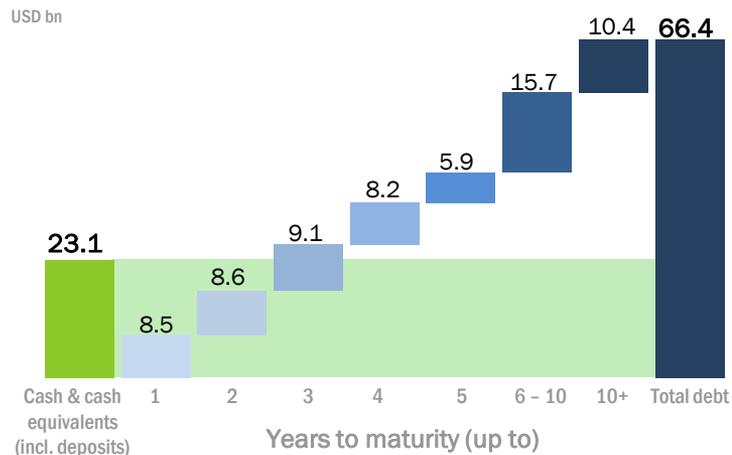
TOTAL DEBT



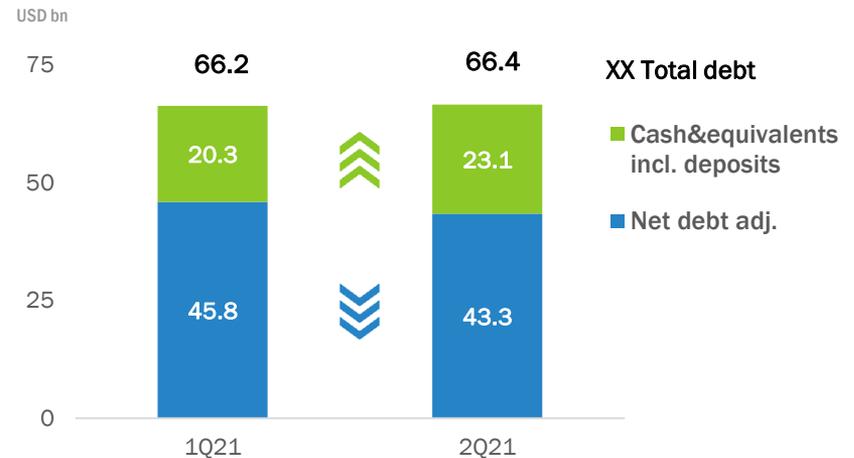
CASH & CASH EQUIVALENTS (INCL. DEPOSITS)



DEBT MATURITY PROFILE AS OF 2Q21



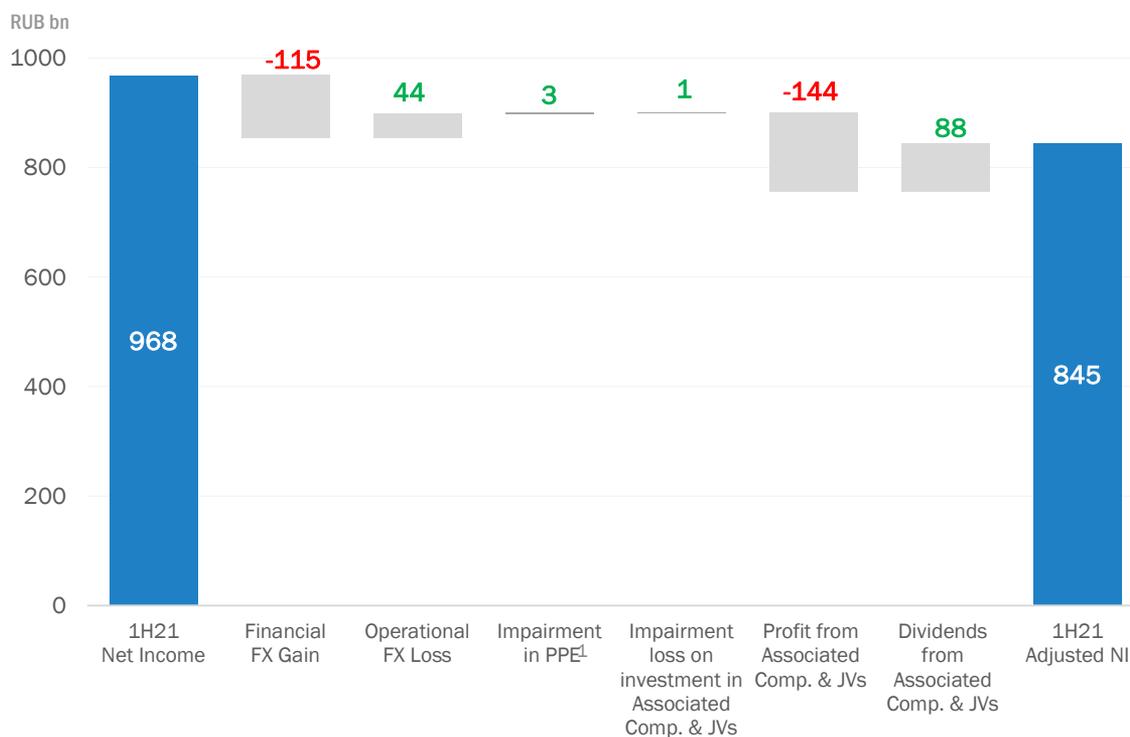
NET DEBT DECREASE VS. CASH CUSHION GROWTH



¹ Net Debt adjusted for the bank deposits reported as a part of Other current assets and Other non-current assets (see Slide 10 for details). Based on calculations in USD.

DIVIDEND PAYMENT AS PER THE APPROVED POLICY IS GAZPROM'S PRIORITY

1H21 ADJUSTED NET INCOME (DIVIDEND BASE)



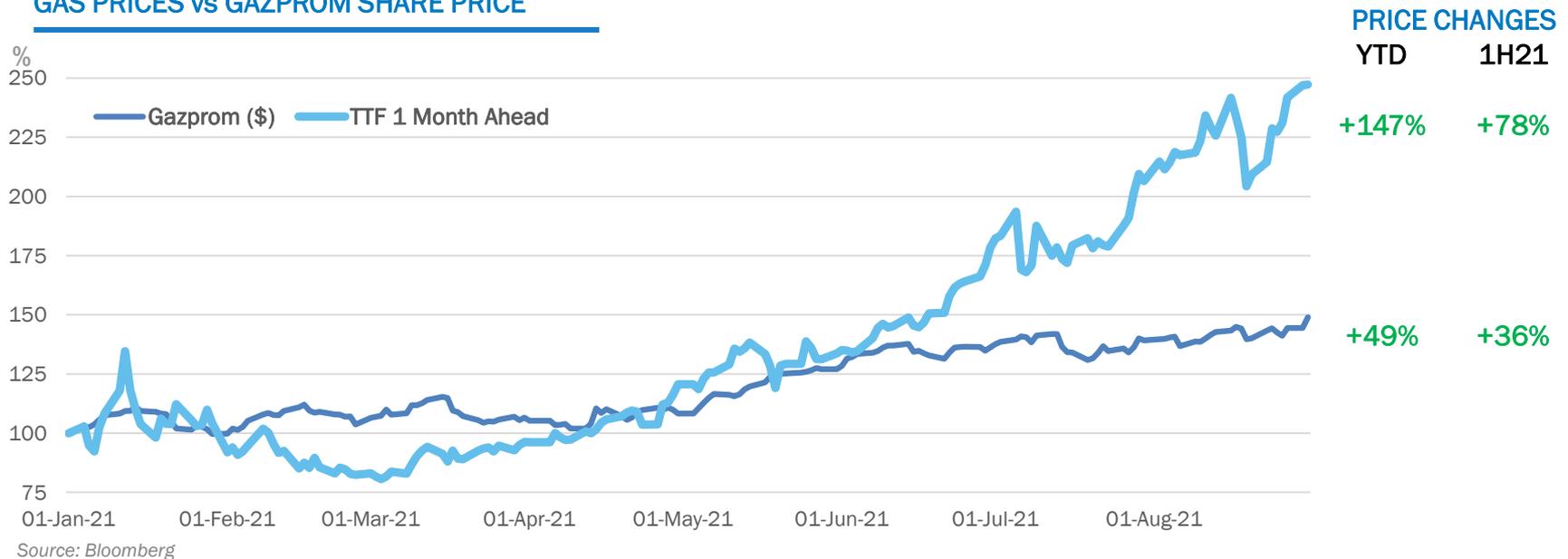
- Payout ratio – **not less than 50%** of adjusted net income for 2021 and beyond
- Dividend payment is planned to be fully covered by the **Free Cash Flow**
- 50% of 1H21 adjusted net income per share = **RUB 17.85**

¹ Impairment loss on property, plant and equipment and assets under construction

GAZPROM MARKET CAPITALIZATION

- Gas market keeps showing a **fundamentally strong recovery** in terms of demand and price levels
- Low gas volumes in European storages are set to **support** Gazprom’s export volumes in 2H21 and further in 2022
- Gazprom’s **solid FCF** in 1H21 was backed by favorable oil & gas market conditions and ongoing **cost control**
- **1H21 implied DPS** exceeded Gazprom’s historical maximum (RUB 16.61 for FY2018)

GAS PRICES vs GAZPROM SHARE PRICE



- While the European gas market has found itself on the **new price level...**
- ...gas markets and the Company’s financial results at historical highs, the expected dividend growth and the implied dividend yield are **not fully priced in Gazprom’s shares yet**



ADDITIONAL INFORMATION

GAZPROM INVESTMENT CASE



 Growth of shareholder value

 Higher dividend
 Focus on sustainable development

 Fundamental competitive advantages
 Positive FCF
 Robust financial position

GREAT UPSIDE POTENTIAL

for shareholder value

MARKET ENVIRONMENT



EUROPEAN GAS MARKET HAS CONTINUED ITS GRADUAL REBOUND IN 2Q21...

	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Gas demand in EU	110.1	97.6	163.5	181.5	96.0	98.2	167.2	197.7	119.5
<i>y/y change, %</i>				-4.0%	-12.8%	0.6%	2.2%	8.9%	24.5%
Gas production in EU	58.9	51.8	60.7	60.3	53.2	50.0	55.8	54.4	47.1
<i>y/y change, %</i>				-7.3%	-9.8%	-3.6%	-7.9%	-9.7%	-11.5%
Total gas import in EU	87.2	82.5	101.0	86.1	76.7	78.4	90.8	93.5	89.8
<i>y/y change, %</i>				-4.3%	-12.0%	-5.0%	-10.1%	8.6%	17.1%
LNG import in EU	29.7	24.2	33.0	36.3	31.3	21.6	24.0	27.2	29.5
<i>y/y change, %</i>				27.9%	5.5%	-11.4%	-27.3%	-25.0%	-5.8%
Gas inventories in EU	80.0	105.0	96.7	59.5	87.8	103.9	81.5	32.8	52.3
<i>y/y change, %</i>				34.1%	9.7%	-1.4%	-15.6%	-45.0%	-40.4%
Brent price	68.8	61.9	63.3	50.1	29.6	42.9	44.3	61.1	69.1
<i>y/y change, %</i>				-20.7%	-57.1%	-30.7%	-29.9%	22.0%	133.4%
Average TTF 1-month ahead	168.5	125.0	167.4	130.4	74.4	75.0	161.7	223.2	257.3
<i>y/y change, %</i>				-47.4%	-55.9%	-40.0%	-3.4%	71.2%	245.8%

...WHILE LNG SUPPLIES TO EUROPE STILL LAG BEHIND THE DEMAND

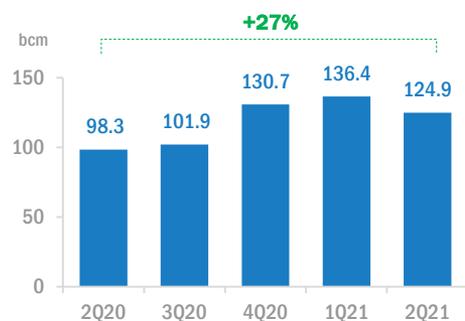
	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
US LNG import in EU	3.6	2.7	7.9	11.4	6.0	2.4	6.1	7.5	7.8
<i>y/y change, %</i>				181.9%	65.9%	-13.7%	-23.1%	-34.5%	30.0%
Liquefaction capacity utilization in US	77.2%	67.5%	79.6%	89.6%	63.5%	35.5%	76.8%	87.3%	84.1%
<i>y/y change, %</i>				11.4%	-18.9%	-47.3%	-3.5%	-1.9%	32.4%
Oil production in US	12.2	12.2	12.7	13.0	11.6	10.7	10.8	10.8	10.8
<i>y/y change, %</i>				8.3%	-4.9%	-12.3%	-15.1%	-17.1%	-6.9%
Henry Hub gas price	2.6	2.4	2.4	1.9	1.7	2.0	2.5	3.4	2.9
<i>y/y change, %</i>				-34.6%	-33.6%	-16.5%	2.5%	76.6%	70.6%

Sources: Bloomberg, Eurostat, US Department of Energy, IEA, national statistics agencies, ENTSOG, IHS, S&P Platts

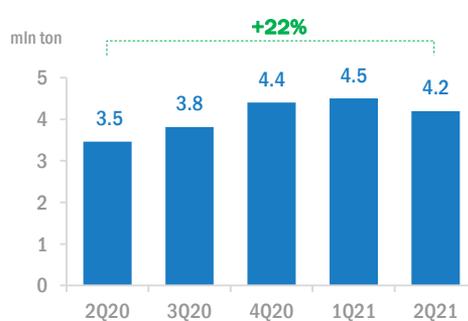
OPERATING METRICS



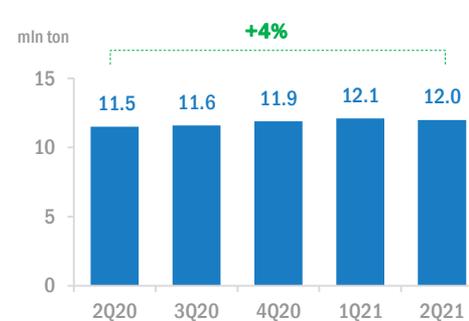
Natural gas



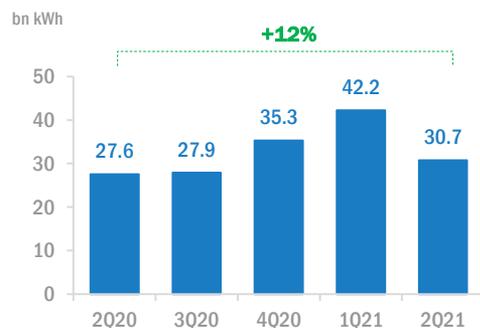
Gas condensate



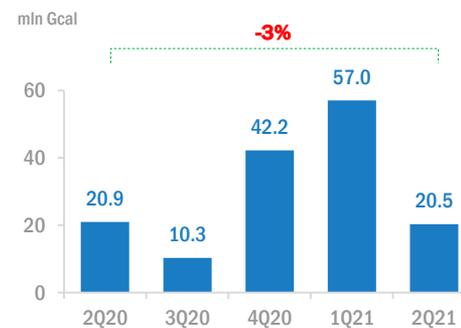
Crude oil



Electricity



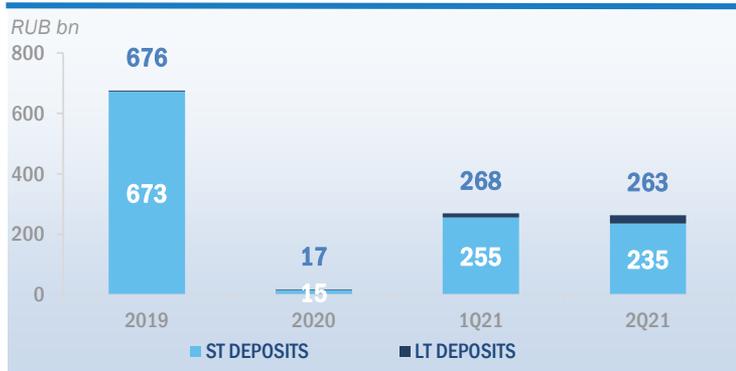
Heat



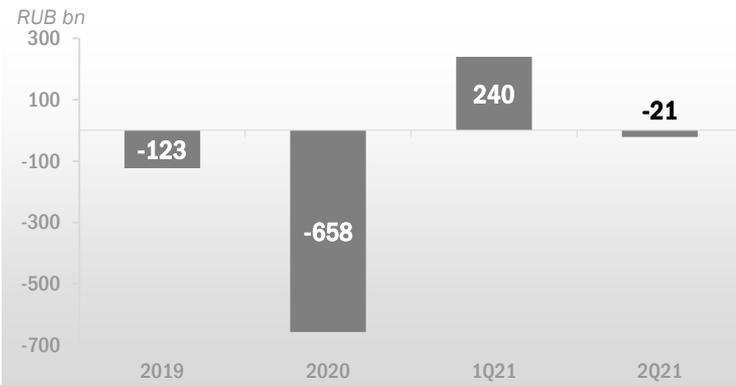
Gazprom Group's volumes produced in Russia
Calculations may differ due to rounding

IMPACT OF BANK DEPOSITS¹

ST & LT BANK DEPOSITS



ST BANK DEPOSIT CHANGES (PART OF OPERATING CF)



BANK DEPOSITS: IMPACT ON NET DEBT

- **Bank deposits with a term of over 3 months** are not included in Cash and cash equivalents item in the balance sheet
- **Early withdrawal clause** allows Net Debt and Net Debt/EBITDA to be adjusted for ST and LT deposits for analytical purposes

CHANGES IN ST DEPOSITS: IMPACT ON CASH FLOWS

- Changes in Working capital (part of Operating cash flow) include **changes in ST bank deposits**
- Operating cash flow and Free cash flow need to be **adjusted for changes in ST bank deposits** for analytical purposes

LT AND ST BANK DEPOSITS IMPROVE THE EFFICIENCY OF LIQUIDITY MANAGEMENT

¹ Reported as a part of Other current assets and Other non-current assets
Source: Gazprom 2Q21 IFRS report, note 13

THANK YOU!