GAZPROM: 2Q 2020 IFRS RESULTS

AUGUST 31, 2020

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Head of Department

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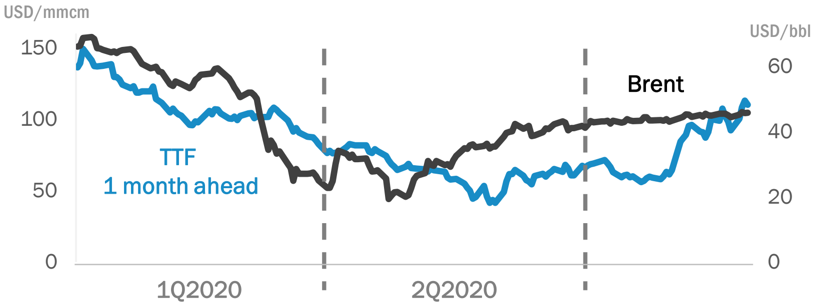
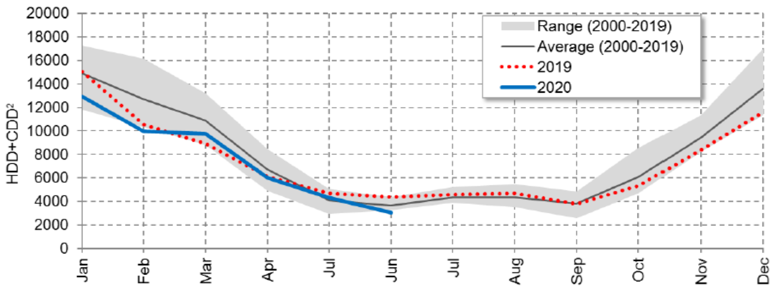
MARKET ENVIRONMENT: 2Q 2020 VS 2Q 2019

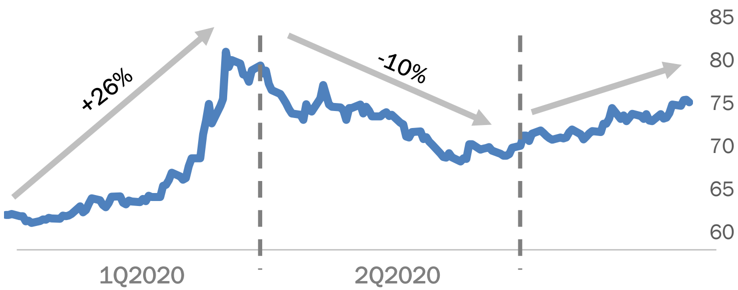
OIL AND GAS PRICES



WEATHER INDEX[1] IN EUROPE



USD/RUB EXCHANGE RATE



2Q 2020 HIGHLIGHTS

- AVERAGE OIL PRICES WERE AT THEIR LOWEST SINCE 2005
- TTF GAS PRICES HIT AN ALL-TIME LOW SINCE THE START OF HUB TRADING IN EUROPE
- GAS SPOT PRICES WENT BELOW THE MARGINAL COSTS OF MOST PRODUCERS
- LOW PRICES TO PROVIDE COMPETITIVENESS VS. OTHER ENERGY SOURCES
- IN 3Q 2020 GAS MARKET STARTED TO REBOUND.

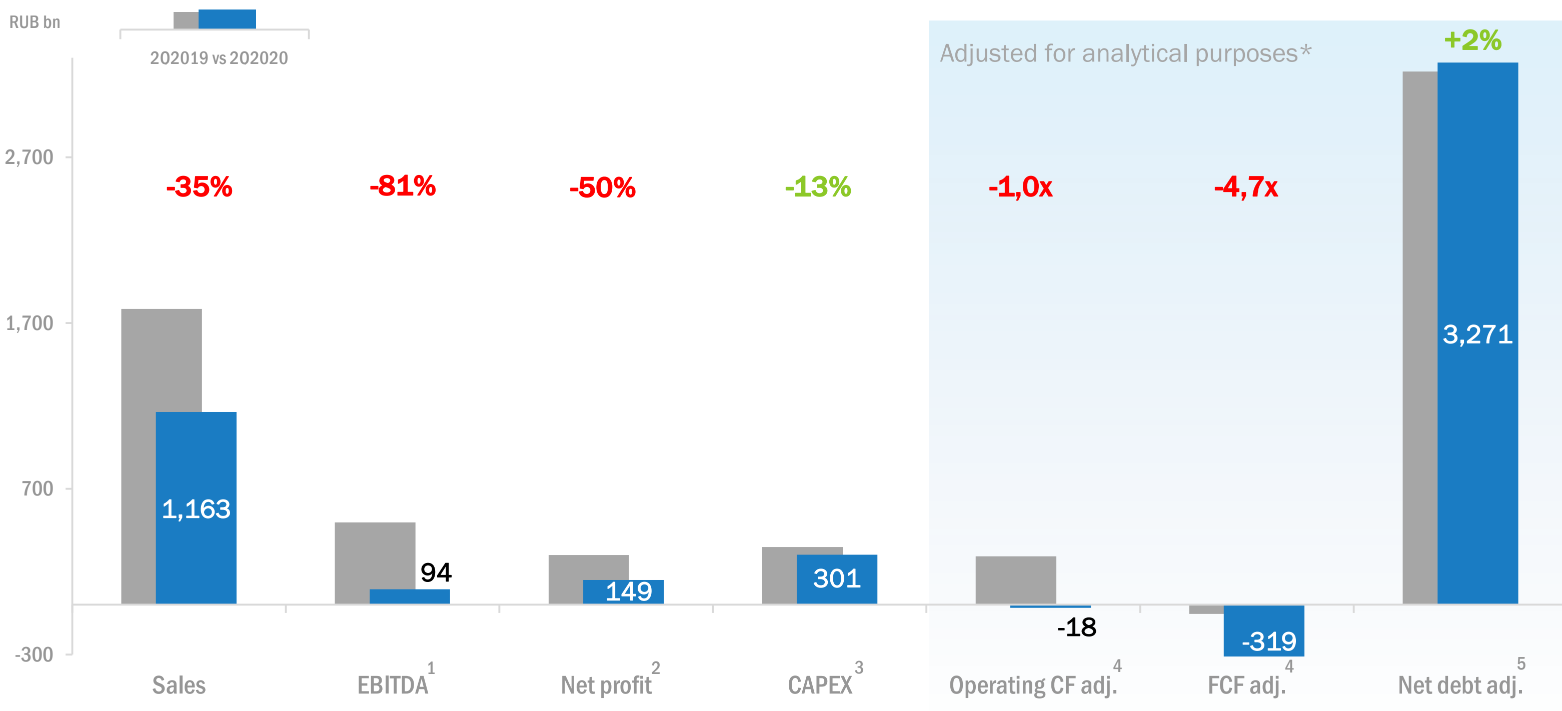
- TEMPORARY FACTORS: LESS FAVORABLE WEATHER CONDITIONS Y/Y AND THE LOCKDOWN LED TO THE SIGNIFICANT CONTRACTION OF GAS CONSUMPTION IN EUROPE IN 2Q 2020

- AVERAGE RUBLE RATE IN 2Q 2020 WAS 12% WEAKER THAN IN 2Q 2019, BUT…
- …IN 2Q 2020 RUBLE APPRECIATED BY 10%, WHICH RESULTED IN FX GAINS

1 Index is calculated as the sum of degree days for the respective month in European countries
2 HDD (heating degree days) – a degree day of the heating season
CDD (cooling degree days) – a degree day of the cooling season

2Q 2020 IFRS RESULTS

- THE SIGNIFICANT SHARE OF FIXED COSTS LED TO A DROP IN EBITDA MARGIN
- NET INCOME REMAINED POSITIVE THANKS TO FX GAINS AGAINST A BACKDROP OF RUBLE APPRECIATION IN 2Q 2020
- 2Q CAPEX CONTRACTED TO THE LOWEST LEVEL SINCE 2016
- 2% GROWTH OF NET DEBT IN RUBLES



1 EBITDA adjusted for changes in impairment provisions
2 Profit attributable to PJSC Gazprom's shareholders for the period
3 Cash capital expenditures
4 Adusted for changes in ST bank deposits
5 Compared to net debt as of March 31, 2020

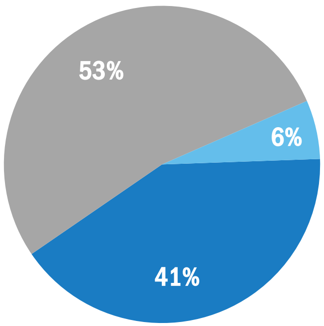
*In order to reflect the effects of the decrease in bank deposits (reported as a part of other current assets and other non-current assets)

OIL AND ENERGY BUSINESS

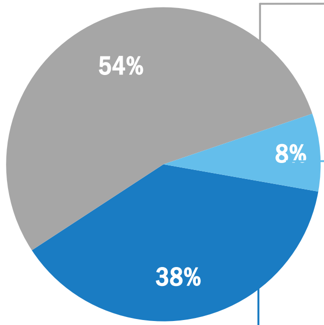
GAZPROM

REVENUE BY SEGMENT[1]

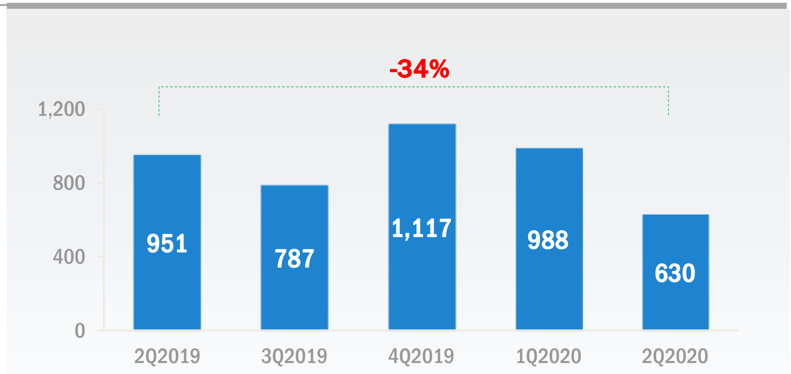
2Q2019



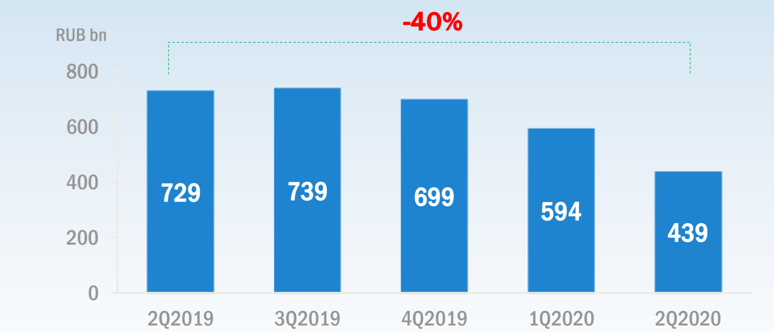
2Q2020



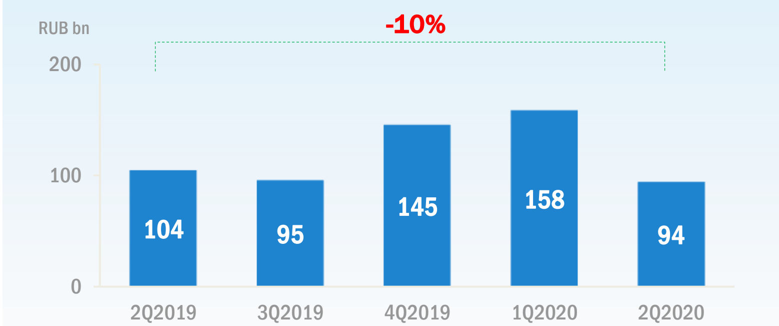
GAS BUSINESS, TRANSPORTATION AND OTHER



OIL AND GAS CONDENSATE, REFINED PRODUCTS



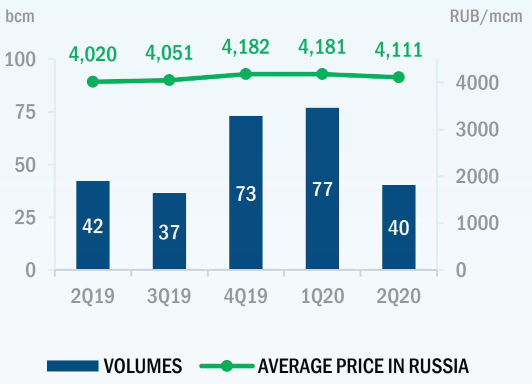
ELECTRICITY AND HEAT

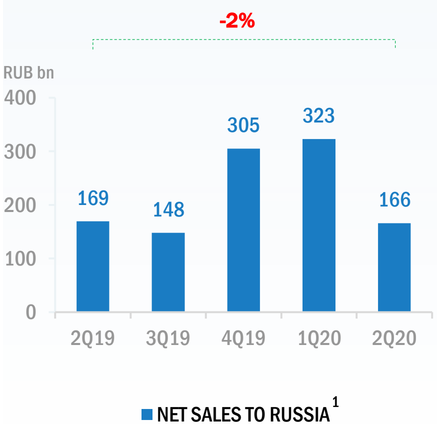


Calculations may differ due to rounding.
1 Net of value added tax (VAT), excise tax and custom duties.

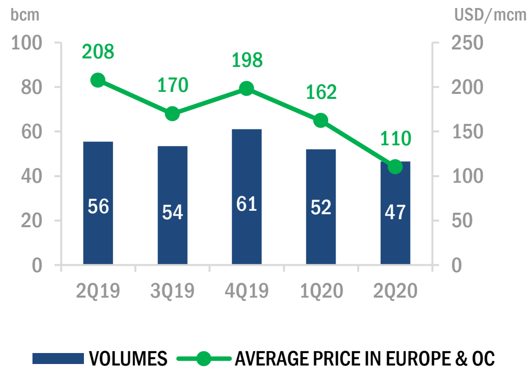
GAS BUSINESS

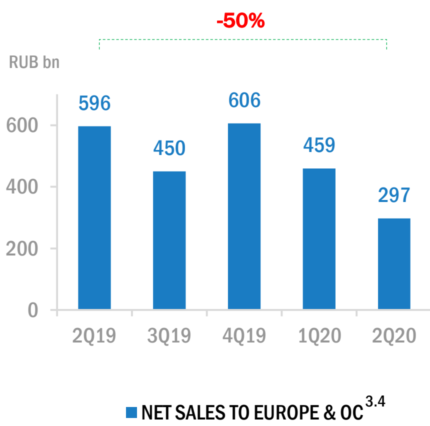
RUSSIA



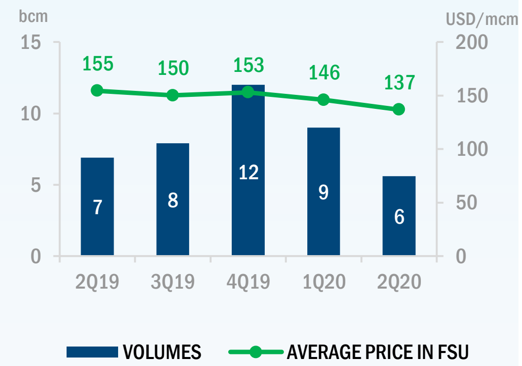


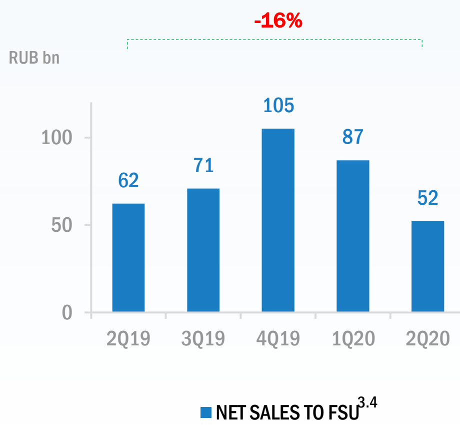
EUROPE & OC [2]





FSU





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

IMPACT OF BANK DEPOSITS

KEY FEATURES OF BANK DEPOSITS:[1]

- EARLY WITHDRAWAL CLAUSE
- DEPOSIT TERM OF OVER 3 MONTHS

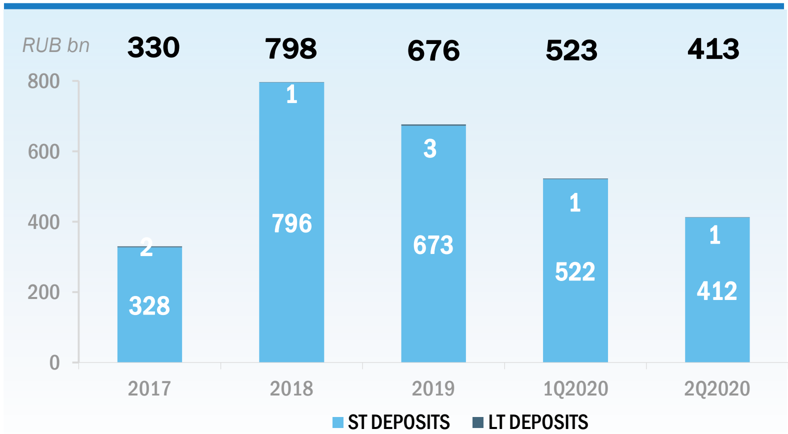
IMPACT OF BANK DEPOSITS ON NET DEBT:

- BANK DEPOSITS ARE NOT INCLUDED IN CASH AND CASH EQUIVALENTS
- NET DEBT AND NET DEBT/EBITDA NEED TO BE ADJUSTED FOR BANK DEPOSITS FOR ANALYTICAL PURPOSES

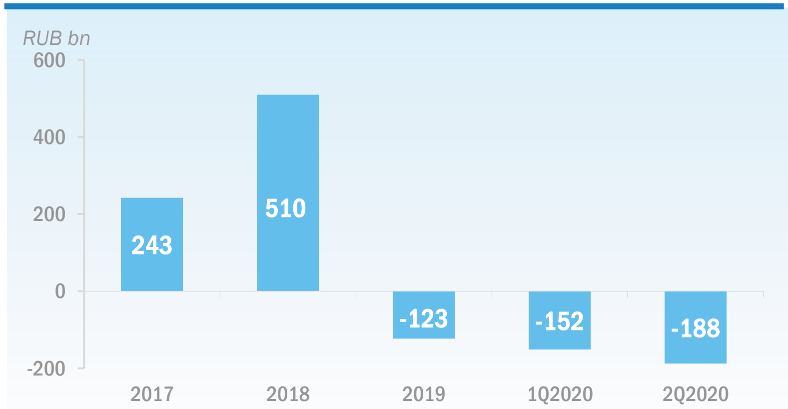
IMPACT OF CHANGES IN ST DEPOSITS ON CASH FLOWS:

- 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

ST & LT BANK DEPOSITS



ST BANK DEPOSIT CHANGES

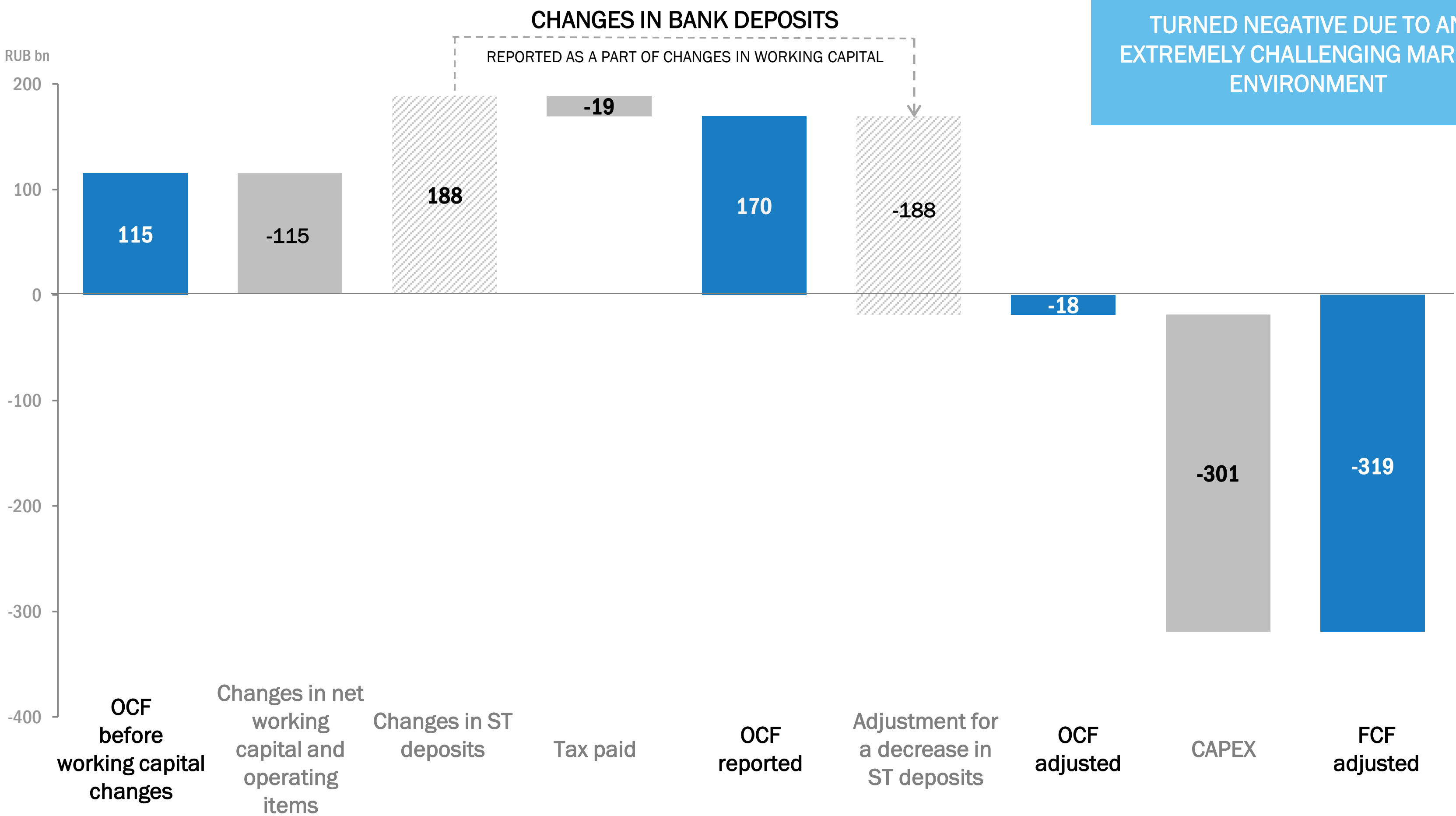


APPLYING LT AND ST BANK DEPOSITS IS AIMED AT IMPROVING THE EFFICIENCY OF LIQUIDITY MANAGEMENT

1 Reported as a part of other current assets and other non-current assets
Source: Gazprom 2Q 2020 IFRS report, note 13

2Q2020 ADJUSTED FREE CASH FLOW

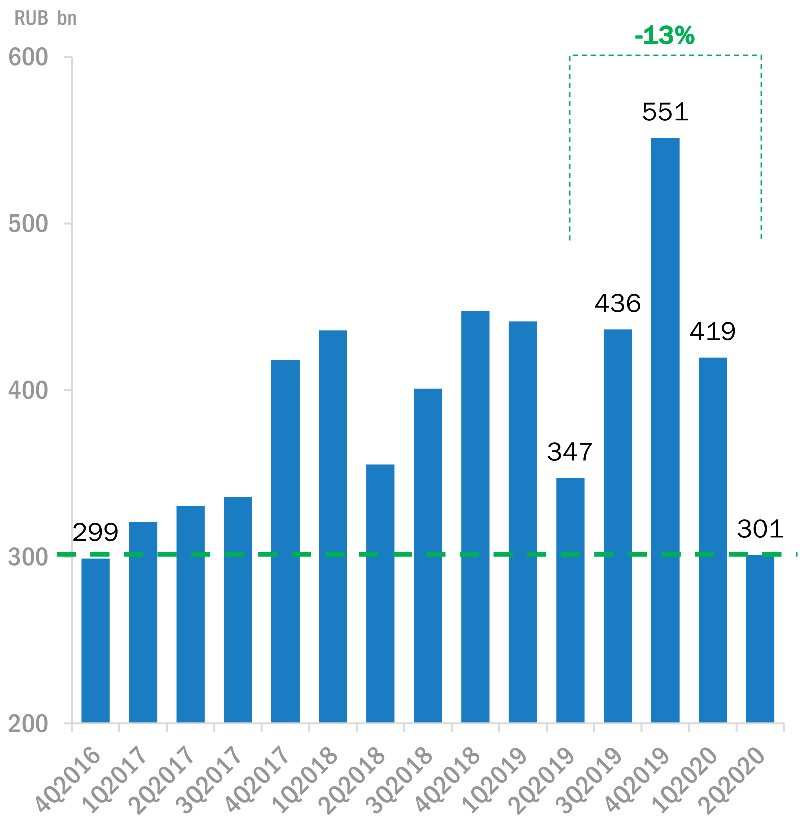
FCF ADJUSTED FOR CHANGES IN ST BANK DEPOSITS TURNED NEGATIVE DUE TO AN EXTREMELY CHALLENGING MARKET ENVIRONMENT



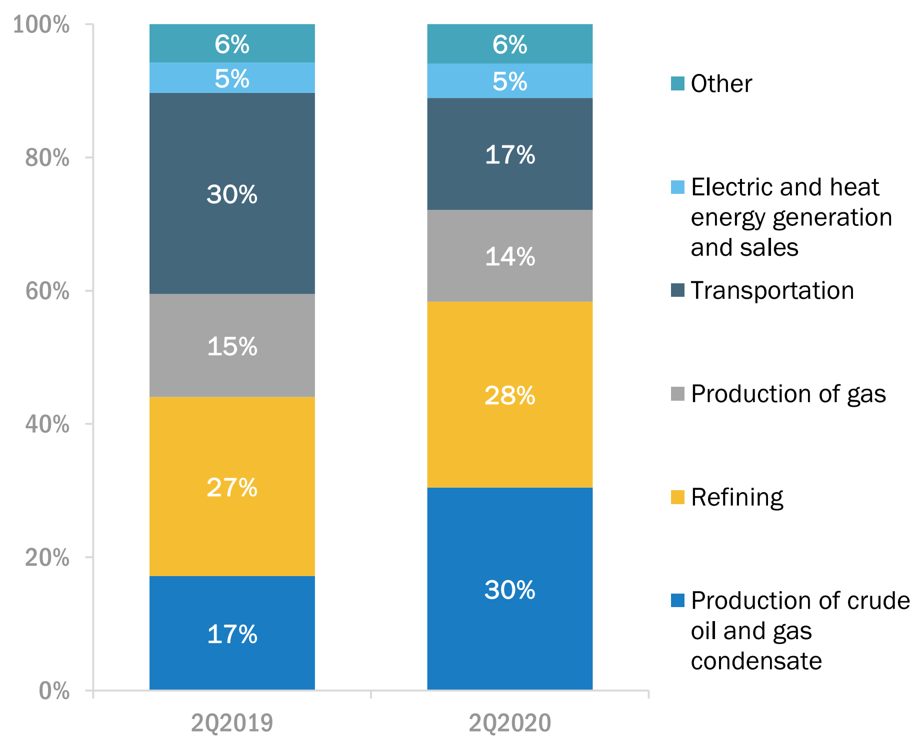
CAPITAL EXPENDITURES

- 2Q 2020 CAPEX AT THE LOWEST LEVEL SINCE 4Q2016
- OPTIMIZATION MEASURES ALREADY REFLECTED AND WILL INFLUENCE THE FY 2020 RESULT
- OIL PRODUCTION AND REFINING SEGMENTS CONTRIBUTED SIGNIFICANTLY TO THE OVERALL CAPEX FIGURE FOR THE GROUP

CASH CAPITAL EXPENDITURES

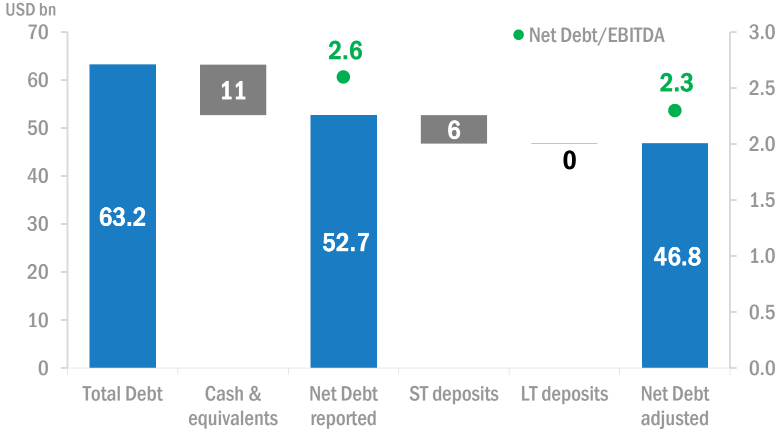


SEGMENT CAPEX

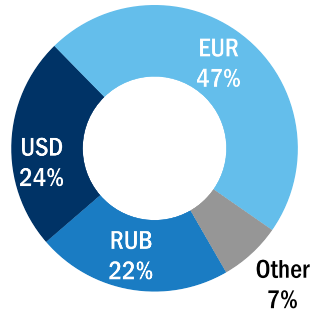


KEY DEBT METRICS

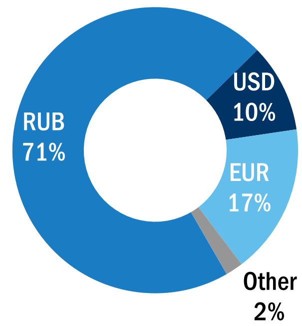
NET DEBT IN 2Q 2020[1]



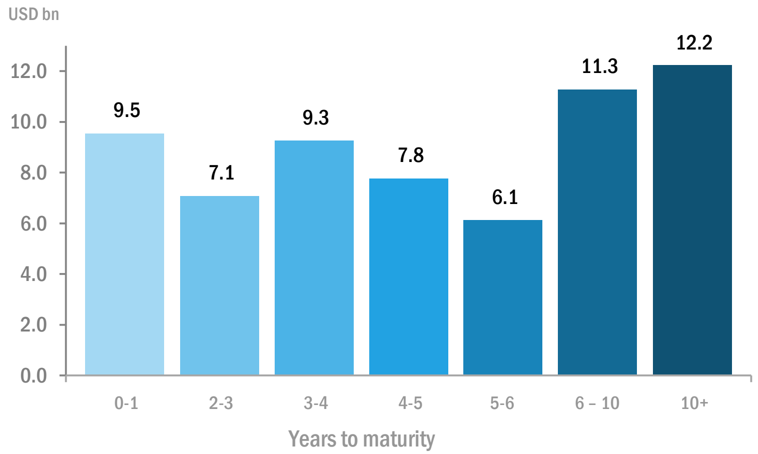
TOTAL DEBT



CASH&EQUIVALENTS (INCL. DEPOSITS)



DEBT MATURITY PROFILE IN 2Q 2020



CREDIT RATINGS

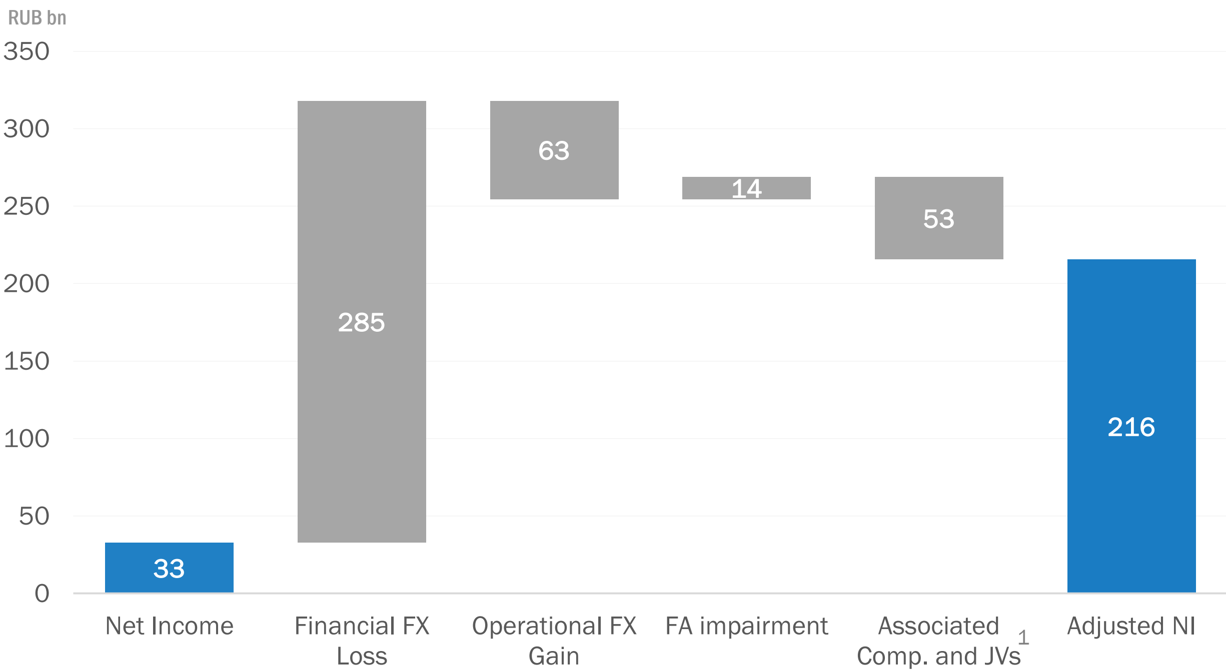
Fitch	BBB / stable
Moody's	Baa2 / stable
S&P	BBB– / stable
Dagong	AAA / stable
ACRA	AAA (RU) / stable

1 Net Debt adjusted for the bank deposits reported as a part of Other current assets and Other non-current assets (see Slide 8 for details). Based on calculations in USD.

NEW DIVIDEND POLICY

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

CALCULATION OF ADJUSTED NET INCOME FOR 1H 2020



- TARGET DIVIDEND PAYOUT FOR 2020 — 40% OF ADJUSTED IFRS NET INCOME
- 40% OF 1H 2020 ADJUSTED IFRS NET INCOME PER SHARE – 3.65 RUB/SHARE

OUTLOOK

- TARGET PAYOUT RATIO — 50% OF NET INCOME FOR 2021 AND BEYOND
- CONSERVATIVE FINANCIAL POLICY AIMED AT SECURING DIVIDEND PAYOUTS OUT OF FREE CASH FLOW
- COMMITMENT TO THE NEW DIVIDEND POLICY DESPITE CHALLENGING MARKETS

1 – The difference between the share in the profit of affiliated entities and JVs and proceeds from affiliated entities and JVs

RESILIENCE TO EXTERNAL CHALLENGES

- THE INDUSTRY IS FACING THE MOST DIFFICULT SITUATION OVER A LONG PERIOD OF TIME
- ALL GLOBAL OIL AND GAS PLAYERS HAVE BEEN SEVERELY AFFECTED BY A UNIQUE COMBINATION OF HEADWINDS
- GAZPROM MAINTAINS ITS STRONG POSITION THANKS TO A NUMBER OF LONG-TERM FACTORS AND RESPONSE MEASURES

1 FUNDAMENTAL ADVANTAGES

- Low cash cost of gas production
- Leadership in the European gas market
- Increase of diversification of the gas export portfolio (due to ramp-up of supplies to China)
- Balanced portfolio of long-term gas contracts
- Diversified business structure: strong oil and low-risk utilities segments

2 ROBUST FINANCIAL POSITION

- Leverage control
- Large short-term liquidity buffer
- Conservative financial policy
- FCF upside through the launch of key projects
- Favorable FX breakdown of cash flows

3 FCF SUPPORT EFFORTS

- OPEX optimization
- CAPEX optimization
- Additional sources of FCF optimization

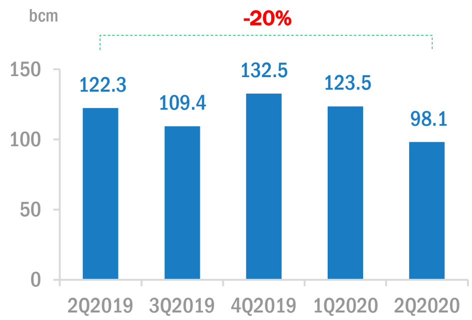
4 FOCUS ON DIVIDEND PAYOUTS AND SUSTAINABLE DEVELOPMENT

- Commitment to the Dividend Policy
- Initiatives in sustainable development, including ESG
- Focus on transparency and investor relations

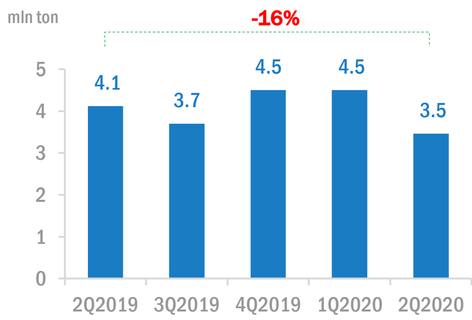
ADDITIONAL INFORMATION

OPERATING METRICS

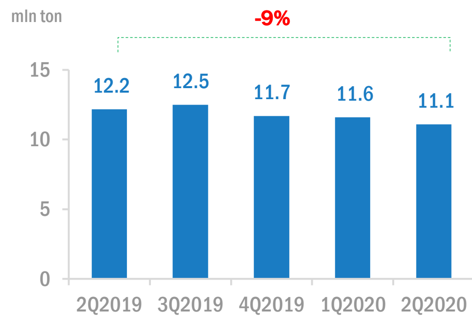
Natural gas



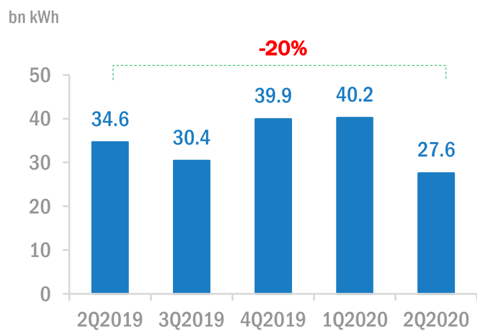
Gas condensate



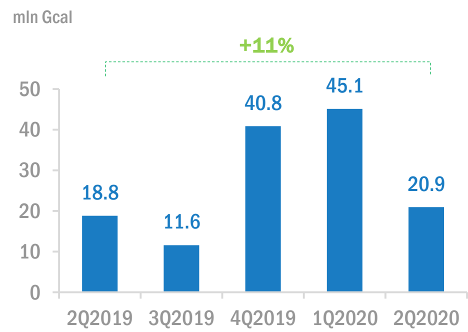
Crude oil



Electricity



Heat



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

GAZPROM

THANK YOU!