Next chapter: Balanced CFs. Higher shareholders returns
This presentation, including a hard copy of these slides, the information communicated during any delivery of the presentation, both oral and written, and any question and answer session and any document or material distributed at or in connection with the presentation and all information contained therein including any information provided by or obtained from third parties (together, the "Presentation") solely for the purpose of presenting information about the Company to a number of parties who have expressed an interest in obtaining information about the Company. By attending the presentation, you agree to be bound by the following terms. This Presentation may not be reproduced, retransmitted or further distributed to the press or any other person or published, in whole or in part, for any purpose. Failure to comply with this restriction may constitute a violation of the applicable securities laws. This Presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities representing shares in the Company, nor shall it, any part of it or the fact of its Presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision. No reliance may be placed for any purposes whatsoever on the information or opinions contained in this Presentation, or any other material discussed at the presentation or on its completeness, accuracy or fairness. The information in this Presentation should not be treated as giving investment advice. To the extent available, the industry, market and competitive position data contained in this Presentation come from official or third party sources. Care has been taken to ensure that the facts stated in this Presentation are accurate, and that the opinions expressed are fair and reasonable. However, the contents of this Presentation have not been verified by the Company. To the extent third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this presentation. The information contained herein is subject to change without notice. None of the Company or any of its managers or directors are under an obligation to update or keep current the information contained in this Presentation. Accordingly, no representations or warranties of any kind are made by any person as to the accuracy of such statements, estimates or projections, or that any of the events expressed or implied in any such statements, estimates, opinions or projections will actually occur. The Company is not under any obligation, and expressly disclaims any intention, to update or revise any such statements, estimates or projections. No statement in the Presentation is intended as a profit forecast or a profit estimate. Neither the Company, any third party, nor any of their respective directors, officers, partners, employees, agents, affiliates, representatives or advisors, accept any duty or responsibility to you, whether in contract or in tort (including without limitation, negligence and breach of statutory duty), misrepresentation, restitution or otherwise (in each case whether caused by negligence or otherwise) and shall, to the fullest extent permissible by law, not be liable in respect of any loss, damage or expense of whatsoever nature, howsoever caused, whether by any use you may choose to make of the Presentation or any reliance placed upon the Presentation or its contents or which is otherwise consequent upon the provision of the Presentation to you.

This presentation includes "forward-looking statements," which include all statements other than statements of historical facts, including, without limitation, any statements that are preceded by, followed by or include the words "targets," "believes," "expects," "aims," "intends," "will," "may," "anticipates," "would," "plans," "could" or similar expressions or the negative thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Accordingly, any reliance you place on such forward-looking statements will be at your sole risk. These forward-looking statements speak only as at the date as of which they are made, and neither the Company or any of its respective agents, employees or advisors intends or has any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. In addition, even if the Company's results of operations, financial condition and liquidity and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this Presentation, those results or developments may not be indicative of results or developments in future periods. The information and opinions contained in this Presentation are provided as at the date of this Presentation and are subject to change without notice. No person is under any obligation to update or keep current the information contained herein.
Strategy

MR KIRIL POLOUS
Head of Directorate, Gazprom
NATURAL GAS IS THE FUEL OF THE FUTURE

SHARE OF NATURAL GAS IN THE ENERGY MIX

GLOBAL NATURAL GAS SUPPLY VIA PIPELINE / LNG

“G20 energy ministers recognize the key role that natural gas currently plays for many G20 countries and its potential to expand significantly over the coming decades...”

THE ROLE OF NATURAL GAS IS EXPECTED TO STRENGTHEN, WHILE PIPELINE WILL BE THE BACKBONE OF ITS TRANSPORTATION
GAZPROM’S ENVIRONMENTAL PERFORMANCE

NEARLY “ZERO” METHANE EMISSIONS ACROSS SUPPLY CHAIN

PRODUCTION: 0.02%
TRANSPORT: 0.26%
STORAGE: 0.03%

NEARLY “ZERO” METHANE EMISSIONS ACROSS SUPPLY CHAIN

BEST AMONG PEERS IN TERMS OF CARBON INTENSITY

EMISSIONS REDUCTION ROADMAP

Source: Roadmap on specific GHG emission reduction in Gazprom (2020-2030)

Gazprom is already the leader of the oil & gas sector in terms of carbon intensity; additional efforts are made in order to diminish carbon footprint and promote sustainable development.

GAZPROM’S CLEAN ENERGY: FUTURE VISION*

PHASE 1
PHASE 2
PHASE 3

methane
CH₄

CH₄ + H₂

hydrogen
H₂

* «JSC Gazprom Pathways to 2050: Opportunities for the EU, 2018» (initiative submitted to the European Commission)
2019 RESULTS

- **NATURAL GAS RESERVES**: 35 TCM (16% of global)
  - 1243 tcf

- **SUPPLIES TO EUROPE**: 199 BCM (19.3 bcf/d)
  - Start of pipeline exports to China

- **SUPPLIES TO FSU**: 38 BCM (3.7 bcf/d)
  - Chayandinskoye started production, supplies of natural gas and oil

- **MARKET CAP GROWTH IN 2019**: +87%
  - (End 2019 to End 2018 in USD)

- **DOMESTIC SUPPLIES RUSSIA**: 238 BCM (23 bcf/d)
  - Ust-Luga: start of project implementation
  - Amur GPP: >50% completed
  - 1700 km of new pipelines

- **DOMESTIC MARKET**: 3.7 bcm (0.4 bcf/d)

- **SUPPLIES TO EU**: 199 BCM
  - 19.3 bcf/d

- **SUPPLIES TO FSU**: 38 BCM
  - 3.7 bcf/d

- **EASTERN SIBERIA**: Chayandinskoye started production, supplies of natural gas and oil
  - Kharasaveyskoye full scale development launched

- **GAS PROCESSING**:
  - Ust-Luga: start of project implementation
  - Amur GPP: >50% completed

- **NATURAL GAS PRODUCTION**: 500 BCM
  - 48 bcf/d (12% of global)

- **SHARE OF NON-SHALE PRODUCTION**: 100%

- **POWER OF SIBERIA**: Chayanda to China part launched in 2019, start of pipeline exports to China

- **YAMAL**: Kharasaveyskoye full scale development launched

- **DACHA**: 1700 km of new pipelines

- **ACHIEVEMENTS**
  - **DOMESTIC MARKET**: 3.7 bcm (0.4 bcf/d)
  - Regas capacity in Kaliningrad
  - 1700 km of new pipelines

- **TURKSTREAM**: Construction completed, launched in 2020

- **TRANSIT AGREEMENT WITH UKRAINE REACHED**

*Figures are rounded and can be revised.*

GAZPROM STRENGTHENS ITS LEADING POSITION AMONG GLOBAL ENERGY COMPANIES
### PERSPECTIVE COMMISSIONINGS

<table>
<thead>
<tr>
<th>Field</th>
<th>Pipeline</th>
<th>Processing / LNG</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nord Stream 2</td>
<td>TurkStream</td>
<td>Ust-Luga GPP + LNG</td>
</tr>
<tr>
<td>Portovaya LNG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chayandinskoye</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power of Siberia</td>
<td>(Chayanda to China border)</td>
<td></td>
</tr>
<tr>
<td>Chekhtinskoye</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kovyktinskoye</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gryazovets – Slavyanskaya CS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urengoyskoye (Cenoman-Aptian)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kamennomysskoye-more</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kharasaveyskoye (Neocomian-Jurassic)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kharasaveyskoye (Neocomian-Jurassic)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kruzenshternskoye</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Severo-Kamennomysskoye</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tambeyskoye</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other fields</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sakhalin–Khabarovsk–Vladivostok expansion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Far Eastern Route</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sakhalin 2 LNG 3rd train</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Power of Siberia – 2</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Commissioning dates subject to negotiations results

PERSPECTIVE DEVELOPMENT IS LINKED TO NEW PROJECTS ALONG THE ENTIRE SUPPLY CHAIN, INCLUDING UPSTREAM, TRANSPORTATION, PROCESSING AND LIQUEFACTION.
GAZPROM’S STRATEGY: TARGETS

**PRODUCTION**
*Target:* Ensure sustainable cost-competitive production

**PROCESSING**
*Target:* Diversify revenue sources and fully monetise “rich” gas

**RUSSIAN GAS MARKET**
*Target:* Enhance energy security

**EXPORTS TO EUROPE**
*Target:* Strengthen the position of the leading supplier to the European market

**EXPORTS TO CHINA**
*Target:* Further diversify export markets & significantly increase export volumes

**ECONOMICS**
*Target:* Ensure constant economic performance improvement and dividend growth
**PRODUCTION**

**MAIN GAS PRODUCTION CENTERS, FIELDS TO BE DEVELOPED AND SEND-OUT TRUNK PIPELINES TO BE LAUNCHED BY 2030**

*FIELDS ANNUAL PROJECT CAPACITY*

**YAMAL PENINSULA**

**PRODUCTION FIELDS**

- **Bovanenkovo**
  - Cenomanian-Aptian deposits
  - Neocomian-Jurassic deposits
- **Kharasaveyskoye**
  - Cenomanian-Aptian deposits
  - Neocomian-Jurassic deposits
- **Kruzenshternskoye**

**SEND-OUT TRUNK PIPELINES**

- Bovanenkovo-Ukhta-3, Ukhta-Torzhok-3

**OB and TAZ BAYS & NADYM-PUR-TAZ area**

**PRODUCTION FIELDS**

- **Kamennomysskoye-more**
  - Urengoygskoye (Achimov deposits)
  - Blocks 1-2
  - Blocks 4-5

**SEND-OUT TRUNK PIPELINES**

- OB and TAZ BAYS & NADYM-PUR-TAZ area

**EASTERN SIBERIA & THE RUSSIAN FAR EAST**

**PRODUCTION FIELDS**

- **Chayandinskoye**
- **Kovyltinskoye**

**SEND-OUT TRUNK PIPELINES**

- Kovyltka–Chayanda (Power of Siberia)

**SEA OF OKHOTSK**

**PRODUCTION FIELDS**

- **Kirinskoye**
- **Yuzhno-Kirinskoye**

**SEND-OUT TRUNK PIPELINES**

- Sakhalin–Khabarovsk–Vladivostok expansion

**PLANS UP TO 2030 INCLUDE DEVELOPMENT OF WORLD-CLASS GAS PRODUCTION CENTERS AND MEGAFIELDS ONSHORE AND OFFSHORE, WHICH WILL ENSURE SUSTAINABLE COST-COMPETITIVE PRODUCTION FOR DECADES**
PROCESSING IS A PRACTICAL REALISATION OF THE NEW ECONOMIC MODEL FOR THE COMPREHENSIVE MONETISATION OF HYDROCARBON RESOURCES
RUSSIAN MARKET HAS POTENTIAL FOR FURTHER GROWTH, GAZPROM WILL REMAIN THE KEY PLAYER WITH STABLE SHARE IN PRODUCTION AND SUPPLIES IN LONG-TERM OUTLOOK

Source: Ministry of Energy of the Russian Federation

RUSSIAN GAS MARKET

RUSSIAN GAS CONSUMPTION

SHARE OF APARTMENTS AND HOUSEHOLDS SUPPLIED WITH NATURAL GAS

RUSSIAN GAS PRODUCTION

Source: Ministry of Energy of the Russian Federation
LEGAL FRAMEWORK IN RUSSIA

ENERGY SECURITY DOCTRINE SIGNED BY THE PRESIDENT OF RUSSIA

Russia’s Energy Security Doctrine approved

The President signed Executive Order approving the Energy Security Doctrine of the Russian Federation.

May 13, 2019 21:00

Source: kremlin.ru

CREATES STABLE LEGAL FRAMEWORK FOR RUSSIAN ENERGY SECTOR

PROVISIONS OF THE ENERGY SECURITY DOCTRINE OF THE RUSSIAN FEDERATION:

TECHNOLOGICAL UNITY, RELIABILITY, SECURITY OF UNIFIED GAS SYSTEM

Technological unity, reliability, manageability, continuous operations and safety of Unified gas supply system, Unified energy system, Unified system of trunk pipelines for transportation of oil and oil products

ELIMINATION OF THE COMPETITION IN EXPORT MARKETS BETWEEN RUSSIAN SUPPLIERS OF ENERGY RESOURCES

Development of competition in fuel and energy complex in the domestic market while eliminating such competition between various energy resources from Russia in international energy markets that contradicts economics interests of the Russian Federation

THE ENERGY SECURITY DOCTRINE OF THE RUSSIAN FEDERATION SUPPORTS THE EXCLUSIVE POSITION OF GAZPROM IN THE RUSSIAN GAS INDUSTRY

11 | STRATEGY
POWER OF SIBERIA AND NEW PROSPECTIVE PROJECTS WILL UNDERPIN THE DIVERSIFICATION OF EXPORT MARKETS; LNG PLANTS FACING EAST AND WEST WILL INCREASE LNG PORTFOLIO AND PROVIDE ACCESS TO REMOTE CUSTOMERS.

**Supplies started in January 2020**

**Close to completion; In case agreements are reached**
GAZPROM INVESTOR DAY 2020

EX既是 TO EUROPEAN MARKET

RUSSIAN PIPELINE GAS EXPORT

- Export capacity potential
- Supplies arranged through Electronic Trading Platform

Source: Gazprom Export

POTENTIAL RUSSIAN PIPELINE GAS SEND-OUT CAPACITIES

- Nord Stream
- Nord Stream 2
- Blue Stream
- Turk Stream
- via Finland
- via Belarus
- via Ukraine

*Far abroad countries, not including Latvia, Lithuania and Estonia

LONG-TERM PROJECTIONS OF EXPORT VOLUMES TO EUROPE

- ~200 bcm/year
- 202 bcm
- 199 bcm

GAZPROM IN THE EUROPEAN MARKET IS BUYER-ORIENTED, PROVIDING OPPORTUNITIES TO USE FLEXIBLE MARKET MECHANISMS AND ENSURING SECURE DELIVERIES VIA NEW EFFICIENT PIPELINES

13 | STRATEGY
COMPETITIVE GAS SUPPLY VIA POWER OF SIBERIA TO PAVE WAY FOR NEW PROSPECTIVE PROJECTS

POWER OF SIBERIA’S SHARE IN CHINA’S INCREMENTAL GAS SUPPLY**
(to 2019 base year***)

*December 2019 Wood Mackenzie estimations
**Based on IHS Markit, Gazprom estimations, 2019
***NDRC 2020
INVESTMENTS
TRLN RUB., REAL 2019 (INCLUDING VAT)

PRODUCTION
BCM

PIPELINE EXPORTS
FAR ABROAD, BCM

INCREMENTAL EBITDA FROM MAJOR NEW PROJECTS*
TRLN RUB., REAL 2019

GAZPROM’S NEW AND PERSPECTIVE PROJECTS WILL ENSURE STABLE GROWTH OF EBITDA

* Power of Siberia
TurkStream
Nord Stream 2
Amur GPP
Ust-Luga GPP+LNG
GAZPROM’S STRATEGY: WAYS TO ACHIEVE THE TARGETS

PRODUCTION
**TARGET:** Ensure sustainable cost-competitive production
**WAYS:** By developing emerging gas production centers and megafields

PROCESSING
**TARGET:** Diversify revenue sources and fully monetise “rich” gas
**WAYS:** By building world class facilities targeting both European and Asian markets

RUSSIAN GAS MARKET
**TARGET:** Enhance energy security
**WAYS:** By expanding unified gas supply system and providing reliable supplies

EXPORTS TO EUROPE
**TARGET:** Strengthen the position of the leading supplier to the European market
**WAYS:** By using flexible market mechanisms & supplying low-carbon gas via new efficient pipelines

EXPORTS TO CHINA
**TARGET:** Further diversify export markets & significantly increase export volumes
**WAYS:** By providing competitive gas supply through power of Siberia and new routes

ECONOMICS
**TARGET:** Ensure constant economic performance improvement and dividend growth
**WAYS:** By optimising CAPEX and increasing free cash flow
ELENA BURMISTROVA
Deputy Chairman of the Gazprom Management Committee,
Director General of Gazprom Export
GAS MARKETS: NEW REALITIES

- Record high storage build up in Europe: Inventory levels may normalise in Q2 2020 given accelerating storage withdrawals which began in January.
- Abnormally mild winter: Largely offset by strong demand response to low gas prices.
- Sharp decline in European gas spot prices: Resilience to price slump due to diversified portfolio of export contracts.
- Growth of US LNG supply to Europe: A lesser issue, as China is expected to take the bulk of US LNG volumes under Phase One of the US – China Trade Deal.
- EU decarbonization policies: Coal-to-gas switch, natural gas as back-up for renewables.
**RESILIENCE TO MARKET TURMOIL**

1. **RETIHING STRONG MARKET POSITIONS IN EUROPE**
   - Secure gas market share in Europe: over 35%
   - Low production costs

2. **ENTRY TO NEW GAS MARKETS AND DIVERSIFICATION OF EXPORT ROUTES**
   - Growth of gas exports to China via new pipeline Power of Siberia
   - Two new gas pipelines to Europe (TurkStream, Nord Stream 2 in progress)
   - New five year gas transit agreement with Ukraine

3. **EXTENDED PRODUCT OFFER**
   - Variety of pricing mechanisms
   - LNG sales
   - Electronic sales platform
Retaining strong market positions in Europe
Gazprom retained its front-runner role on the European natural gas market. The Company successfully defended its market share despite the bearish fundamentals and European energy policy emphasising diversification of gas imports.

In 2019, European demand for natural gas increased by 10 bcm to 560 bcm, driven primarily by coal-to-gas switch. Demand in the commercial and residential sector was unaffected by unfavourable weather conditions.
GAZPROM’S STRONG PERFORMANCE IN 2019

MAJOR GAS SUPPLIERS TO EUROPE IN 2019, BCM

Key exporters

- Gazprom gas pipeline exports to Europe remained robust, near record high of 2018 (199 bcm)
- This was achieved despite a more than 47 bcm increase in LNG supplies to Europe in 2019
- Other major suppliers of pipeline gas decreased their deliveries to Europe by 21 bcm

Sources: PJSC Gazprom, Eurostat, National Statistics, IEA

* Including financial instruments
** Including domestic consumption, pipeline and LNG deliveries from Norway to the European market, but not LNG to Asia and America

Sources: PJSC Gazprom, Eurostat, National Statistics, IEA
Entry to new gas markets and diversification of export routes
"[Germany] considers extraterritorial sanctions to be unsuitable and that’s why we continue to support this project […] Despite the sanctions it will be possible to complete Nord Stream 2 […] There is a certain delay but it will be completed".

Angela Merkel, Federal Chancellor of Germany 11 January 2020

- The new 5-year transit agreement with Ukraine confirms that Gazprom is a reliable partner and enhances overall security of gas deliveries to Europe

- Diversification of gas supply routes to Europe with the launch of new pipelines, namely TurkStream and Nord Stream 2 (in progress) increases Gazprom’s export potential and allows for a greater flexibility
COMPETITIVE GAS SUPPLY VIA POWER OF SIBERIA TO PAVE WAY FOR NEW PROSPECTIVE PROJECTS

GAZPROM INVESTOR DAY 2020

POWER OF SIBERIA: EXPANDING PORTFOLIO OF ROUTES

COST+ ESTIMATES IN THE TARGET CHINESE REGIONS BY WOOD MACKENZIE*

NORTH-EAST

<table>
<thead>
<tr>
<th>Power of Siberia</th>
<th>Central Asia (new contracts)</th>
<th>LNG (old contracts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power of Siberia</td>
<td>Central Asia (new contracts)</td>
<td>LNG (old contracts)</td>
</tr>
</tbody>
</table>

POWER OF SIBERIA’S SHARE IN CHINA’S INCREMENTAL GAS SUPPLY**

(to 2019 base year***)

*December 2019 Wood Mackenzie estimations
**Based on IHS Markit, Gazprom estimations, 2019
***NDRC 2020

COMPETITIVE GAS SUPPLY VIA POWER OF SIBERIA TO PAVE WAY FOR NEW PROSPECTIVE PROJECTS
Extended product offer
In Q1–Q3 2019, legacy oil and contemporary quasi-oil indexation represented almost one third of Gazprom’s price formation pattern.

More than half of the volumes delivered were sold under LTCs with a direct link to different trading hub indices, including spot and forward markets.

Another important segment of 11.3% is covered by trading operations and sales via the electronic platform. This share rapidly increased by 8.5 p.p. compared to 2018, its first year of operation.
In 2019, futures prices of different longevity moved in a discorded manner. While day-ahead and month-ahead prices responded to LNG glut by dropping off, forward prices with other duration showed a strong resilience to market oversupply.

In the past, deviations of futures prices of different longevity within the ‘family’ of these prices were modest.

Linkages in Gazprom’s contract portfolio to month-ahead plus products and price formation on the basis of historic forwards and oil indices translated into a premium of $1/MMBtu in relation to month-ahead prices.

Sources: Bloomberg, PJSC Gazprom
*Calculated on the basis of Henry Hub Futures prices, \( P = HH \times 115\% + X \), where \( X \) – liquefaction costs, shipping to Europe, regasification.

Range of liquefaction costs by IRR from 5% to 8%.

Sources: Bloomberg, IHS

**LOW COST ADVANTAGE**

**EUROPEAN GAS PRICES DYNAMICS AND FULL COST* OF US LNG SUPPLIES TO EUROPE**

- Imported pipeline gas and LNG are set to cover the emerging supply/demand gap in Europe.
- With global prices at their 10-year low in winter season LNG prices for deliveries from the Atlantic coast do not cover even the short-run marginal costs.
- In 2020, LNG projects are most likely to experience delays justified by unfavourable economic conditions and the share of unutilised liquefaction capacity is expected to increase.
- There is a strong consensus that a cycle of low prices will persist for the next couple of years. Low breakeven costs provide Gazprom with a strong competitive advantage over spot LNG deliveries.
GAZPROM’S LNG BUSINESS: CAPTURING NEW CUSTOMERS

GAZPROM LNG SUPPLIES PORTFOLIO

- Gazprom builds a diversified LNG trading portfolio to expand LNG sales and solidify its presence in this vibrant growing market
- In 2019, Gazprom Group delivered 54 cargoes to customers in 7 countries throughout the world
- Gazprom develops LNG production projects to form a substantial part of its sales portfolio
- LNG sales share in Gazprom’s export portfolio will reach 10%

GAZPROM LNG PROJECTS

- SAKHALIN 2 (T1,2) - IN OPERATION
- PORTOVAYA LNG - UNDER CONSTRUCTION: start up in 2020
- UST-LUGA - UNDER CONSTRUCTION: commissioning in 2023-2024
- SAKHALIN 2 T3 - PROSPECTIVE: commissioning in mid. 2020s

GAZPROM LNG PORTFOLIO OVERVIEW

- LT LNG Purchase Agreements
  - SEIC: 1.0 mmtpa/20y
  - PEFENCO: 1.2 mmtpa/8y
  - YAMAL LNG: 2.9 mmtpa/20y

- LT LNG Sale Agreements
  - 2.9 mmtpa/20y

* Nominal capacity
GAZPROM SALES ON ESP IN 2019, BY COUNTRY

KEY POINTS

- ESP allows to optimise sales in periods of down-nominations of LTCs
- ESP allows to compete for sales outside the LTCs and increase capacity utilisation ratios
- In just 15 months of ESP operation over 16.5 bcm (1.6 bcf/d) of natural gas was sold through it
- Germany is the main consumer of natural gas on ESP with a 55% share
- New instruments added on ESP in 2019: Within Day, Balance of Month, Quarterly, Seasonal and Yearly futures
Summary
GAZPROM’S INHERENT ADVANTAGES

- COMPETITIVE COST
- LOW PRODUCTION AND MARKETING COSTS
- DIVERSIFIED TRADE INSTRUMENTS
- CONTRACT PORTFOLIO ADJUSTED TO MARKET REALITIES
- FORWARD-LOOKING APPROACH TO INFRASTRUCTURE DEVELOPMENT
- LONG-TERM TRACK RECORD OF RELIABLE SUPPLIES
DISCLAIMER

THIS PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS CONCERNING THE FINANCIAL CONDITION, RESULTS OF OPERATIONS AND BUSINESSES OF GAZPROM NEFT AND ITS CONSOLIDATED SUBSIDIARIES

All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management’s current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements.

Forward-looking statements include, among other things, statements concerning the potential exposure of Gazprom Neft to market risks and statements expressing management’s expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “intend”, “may”, “plan”, “objectives”, “outlook”, “probably”, “project”, “will”, “seek”, “target”, “risks”, “goals”, “should” and similar terms and phrases.

There are a number of factors that could affect the future operations of Gazprom Neft and could cause those results to differ materially from those expressed in the forward-looking statements included in this presentation, inclusively (without limitation):

(a) price fluctuations in crude oil and oil products;
(b) changes in demand for the Company’s products;
(c) currency fluctuations;
(d) drilling and production results;
(e) reserve estimates;
(f) loss of market and industry competition;
(g) environmental and physical risks;
(h) risks associated with the identification of suitable potential acquisition properties and targets, and successful negotiation and completion of such transactions;
(i) economic and financial market conditions in various countries and regions;
(j) political risks, project delay or advancement, approvals and cost estimates; and
(k) changes in trading conditions.

All forward-looking statements contained in this presentation are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Readers should not place undue reliance on these forward-looking statements. Each forward-looking statement speaks only as of the date of this presentation. Neither Gazprom Neft nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information.
2019 KEY EVENTS

UPSTREAM

• Hydrocarbon production up 3.5% y-o-y
• Access to 32 new license blocks
• Development of Achimov deposits at the Yamburgskoye and Vostochno-Messoyakhskoye fields initiated
• Active development of oil-rim and Neocomian-Jurassic deposits at gas and gas-condensate fields initiated
  (under risk-based operatorship agreements with Gazprom)
• Russia’s first integrated Field Development Centre launched
• Developing partnerships in YANAO, Gydan and KHMAO as part of a new approach to project-portfolio management

DOWNSTREAM

• The refinery modernisation programme remains ongoing, and the implementation of various environmental initiatives continues
• Increasing the Company’s interest in the Poliom LLC* polypropylene plant in Omsk
• New innovative fuel terminal – “Gladkoye” – commissioned (the starting point for the company’s terminal reconstruction programme)
• Construction of Russia’s first high-tech catalyst production facility initiated in Omsk
• Sales of new environmentally friendly (hybrid low-sulphur) marine fuel initiated
• The world’s first digital logistics management system is launched in the Arctic

* A joint venture between Gazprom Neft (50%) and Sibur (50%).
2019 HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

HYDROCARBON PRODUCTION, MTOE

- 2017: 89.8
- 2018: 92.9
- 2019F: 96.1

REFINING THROUGHPUT, MT

- 2017: 40.1
- 2018: 42.9
- 2019F: 41.5

FINANCIAL HIGHLIGHTS

ADJUSTED EBITDA, US $ BN

- 2017: 9.4
- 2018: 12.7
- 2019F: 12.3

Brent crude, $/bbl

- 2017: 54.1
- 2018: 71.2
- 2019F: 64.3

NET INCOME*, US $ BN

- 2017: 4.3
- 2018: 6.0
- 2019F: 6.2

* attributable to GPN shareholders
Maximising the added value of every barrel, under any scenario impacting the development of the oil market

“Target zero” – zero harm to people, the environment, or property in our operations

Creating technologies for future development:
- Developing multi-phase fields and low-permeability reservoirs
- Working under the ice-bound conditions of the Russian Arctic Shelf
- Cat-cracking and hydrotreatment processes

LEADERSHIP – KEY AREAS OF FOCUS
Technological Focus
IMPLEMENTING THE ACCESS STRATEGY: ACCESS TO 32 LICENSE BLOCKS SECURED IN 2019

SOUTHERN YAMAL (101 MTOE)
YENISEI (306 MTOE)
MERETOYAKHA (332 MTOE)

SOUTHERN ORENBURG (36 MTOE)

TOLEDO (47 MTOE)

THE OTDALENNAYA GROUP OF FIELDS (OGF) (20 MTOE)
ZIMA (60 MTOE)
CHONA (60 MTOE)
SAKHALIN (115 MTOE)

UNCONVENTIONAL RESERVES
- Bazhenov
- Domanic
- Palaeozoic

OIL – RIM DEPOSITS*
- Pestsovoye
- En-Yakhinskoye
- West Tarkosalinskoye
- Orenburg
- Chayandinskoye

NEOCOMIAN- JURASSIC DEPOSITS*
- Harasavey
- Bovannenko

ACHIMOV DEPOSITS*
- Urengoy
- Yamburg

Recoverable reserves (p50), * under risk-based operatorship agreements with Gazprom.
AN INTEGRATED APPROACH TO CHOOSING TECHNOLOGICAL SOLUTIONS AND TOOLS

2019 PORTFOLIO
111 ACTIVE PROJECTS

2020-2022 PORTFOLIO
151 ACTIVE PROJECTS

Technological breakthrough
Radical improvements
Quick wins
Exploratory research

Level of technological development

5 projects
65 projects
26 projects
32 projects

MINIGTL
SURFACTANT-POLYMER FLOODING FOR EOR

DRILLING EXTENDED-REACH WELLS
ALTERNATIVE WATER SOURCES FOR HYDRAULIC FRACTURING FLUID

ARTIFICIAL INTELLIGENCE WELL LOG ANALYSIS

OPTIMAL MULTI-STAGE FRACKING SYSTEMS AT THE BAZHENOV FORMATION AND SIMILAR STRUCTURES

HYDRAULIC FRACTURING DESIGN SOFTWARE (CYBERFRAC)

MOBILE MODULAR GAS-COMPRESSION UNITS

MODULAR EQUIPMENT AND STRUCTURES FOR REMOTE FIELDS

MULTILATERAL DRILLING INVOLVING MULTI-STAGE FRACKING AT ACHIMOVSKY DEPOSITS

34 RUB BN
26 RUB BN
20 RUB BN

Impact un-costed

2020-2022 PORTFOLIO
151 ACTIVE PROJECTS

Exploratory research
# Downstream

## Meeting the Highest International Standards in Technological Development (Complexity)

### THE MOSCOW REFINERY

#### EURO+ Combined Refining Unit
- Completion of pre-commissioning works: 1-2Q 2020
- Greater throughput, reaching up to 12 mt
- Higher light product yields
- Transition to four-year run-life
- Better energy efficiency and lower environmental impacts

#### Deep Processing Unit (DPU)
- Sulphur regeneration unit – operational availability: 4Q 2022
- Operational availability: 4Q 2024
  - Hydrocracker
  - HGU*
  - DCU
- A conversion factor (refining depth) of up to 98%

#### Delayed Coking Unit (DCU)
- Operational availability: 4Q 2020
- A conversion factor (refining depth) of 97.4% (together with the DPU)
- Production of raw materials for Group 2 and Group 3 base oils

### THE OMSK REFINERY

#### CDU/VDU Unit
- Operational availability: 4Q 2020
- Separate refining of crude oil and gas condensate

#### Deep Processing Unit (DPU)
- Operational availability: 4Q 2020
- A conversion factor (refining depth) of 97.4% (together with the DPU)
- Production of raw materials for Group 2 and Group 3 base oils

### NIS

#### Delayed Coking Unit (DCU)
- Completion of pre-commissioning works: 2Q 2020
- A conversion factor (refining depth) of up to 96.9%
- Optimising existing capacity and infrastructure at the Pančevo refinery
- Capacity for 2,000 tonnes per day (raw materials)

---

*Hydrogenation unit (HGU).*
MOVING INTO A NEW BUSINESS SECTOR – HIGH-TECH CATALYST MARKET

2018

- Plant construction

2021

- Commissioning

- 28% Russian previous generation catalysts
- 72% Imports

- 100% Russian new-generation catalysts

- Russian catalyst production technologies
- Competitive quality – matching the leading international catalyst brands
- “National Project” status
- 300 high-tech jobs
- Target production capacity: 21,000 tonnes per year
Operational Efficiency
OPERATIONAL EXCELLENCE

1. EVALUATION OF POTENTIAL AGAINST BEST-IN-CLASS BENCHMARKS

BENCHMARKING ANALYSIS:
• Intra-company comparison
• Peer comparison

PERFORMANCE ANALYSIS AGAINST OPTIMUM

TECHNICAL LIMIT: modelling

VALUE STREAM MAPPING

2. MEDIUM-TERM IMPROVEMENT PLAN

ACHIEVABLE level

Long term POTENTIAL

3. CONTINUOUS IMPROVEMENT

> 49,000 IDEAS generated by employees in 2017–2019

> 3,400 MANAGERS trained in regular management practices

OPERATIONAL SUCCESS STORIES – SHARING EXPERIENCE

LEAN PROJECTS
IDENTIFYING POTENTIAL

GPN Internal benchmarking
- ‘Top-down’ determination of goals and potential

Process capacity assessment
- Value Stream Mapping (VSM)
- Calculating and coordinating potential in line with VSM outcomes
- Undertaking optimisation initiatives

The LEAN Programme
Proposals and initiatives developed by company employees
Proposals and initiatives considered by the project team for inclusion in the Efficiency Improvement Programme

INITIATION AND VERIFICATION

A single, integrated collection of initiatives

IMPLEMENTATION

Integrated processes
IT/digital instruments
A cross-functional team

CASE STUDY OF GAZPROMNEFT - NOYABRSK FIELDS

<table>
<thead>
<tr>
<th>Field</th>
<th>FCF growth potential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field 1</td>
<td></td>
</tr>
<tr>
<td>Field 2</td>
<td></td>
</tr>
<tr>
<td>Field 3</td>
<td></td>
</tr>
</tbody>
</table>

7.7 RUB BN

Uncovered potential gives rise to a pool of tasks/objects for R&D or the search for technologies at the Gazprom Neft Science and Technology Centre
PROACTIVE MANAGEMENT OF THE ASSET PORTFOLIO – THE MAIN TOOL IN INCREASING PORTFOLIO PROFITABILITY

ASSET LIFECYCLE

Third and fourth development phases: lower ROACE due to naturally lower oil production in the light of unchanged lifting and maintenance infrastructure costs.

ROACE management and portfolio efficiency optimised through optimum balancing of projects at different stages

IMPROVING EFFICIENCY IN FIELD DEVELOPMENT
- integrated assessment of potential
- the “Asset of the Future” programme
- benchmarking

PROACTIVE PROJECTS IN PORTFOLIO MANAGEMENT
Partnerships/divestments in respect of:
- early-stage high-risk options
- mature low-performing fields

SECURING AN ASSET PORTFOLIO BALANCED AGAINST VARIOUS STAGES OF FIELD DEVELOPMENT
Ensuring full early-stage portfolio integration for all new projects

IMPROVING PROJECTS’ OPERATIONAL EFFICIENCY
by increasing revenue from sales (i.e. geological and technical initiatives, gas monetisation, etc.), cutting OPEX and securing tax concessions
Safety and Environment
A RISK-BASED SAFETY MANAGEMENT CYCLE

OBJECTIVES

- Creating effective barriers to prevent incidents that could have disastrous consequences

GOALS

- Defining events and scenarios with potentially disastrous consequences

SAFETY FRAMEWORK

- Priority barriers selection
- Implementation and updating/adjustment of actions and initiatives

CERTIFICATION, INSPECTION AND INVESTIGATION

- Monitoring of barrier integrity

0 FATALITIES*
FAR” – at or below reference-group standards***

0 TECHNOLOGICAL ACCIDENTS****
TIER 1**** – at or below reference-group standards***

15 Personal safety – accident scenarios
16 Technogenic safety – incident scenarios

~13,600 Safety framework – initiatives required for implementation

~105 Established safety framework barriers

DEFINING “DISASTROUS” SCENARIOS AND INCIDENTS

DETERMINING PRIORITY BARRIERS

IMPLEMENTATION

CERTIFICATION AND INSPECTION

ANALYSIS AND ADJUSTMENT

** Including health-related incidents.
*** Reference group of HSE industry leaders.
**** A process safety event under international classification (API).

* Including health-related incidents.
** Deaths per 100 million hours worked.
### HELPING COMBAT CLIMATE CHANGE

#### KEY COMPANY OBJECTIVE: A 20% REDUCTION* IN GROSS GHG EMISSIONS BY 2021

- Gazprom Neft supports the implementation of the Paris Climate Agreement, and the Russian government’s “Concept to Form a System of Monitoring, Reporting, and Verifying Greenhouse Gas Emission Volumes in Russia”
- The company adheres to national legislation on reducing greenhouse gas emissions (GHGs) and takes steps to measure the volume of GHGs it produces

#### APG PRODUCTION AND USAGE**, BCM

<table>
<thead>
<tr>
<th>Year</th>
<th>Flaring</th>
<th>Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>1.64</td>
<td>8.13</td>
</tr>
<tr>
<td>2016</td>
<td>1.85</td>
<td>9.44</td>
</tr>
<tr>
<td>2017</td>
<td>2.73</td>
<td>11.43</td>
</tr>
<tr>
<td>2018</td>
<td>3.11</td>
<td>14.40</td>
</tr>
<tr>
<td>2019F</td>
<td>1.81</td>
<td>16.62</td>
</tr>
</tbody>
</table>

* - At mature fields and own refineries.
** - Noyabrskneftegaz, Khantos, Vostok, Orenburg, Yamal.
*** - Forecast.

- APG utilisation across company subsidiaries in Russia reached **89%*** in 2019
- APG utilisation at mature assets with developed gas infrastructure has reached **92–99%** since 2016
- The higher volumes of APG-flaring since 2016 are the result of new projects under development where APG-utilisation infrastructure is still under construction
- Gas injection in enhanced oil recovery (EOR): this technology increases the oil recovery factor (ORF) and optimises the use of associated petroleum gas (APG)
USING “GREEN” ENERGY SOURCES

THE OMSK REFINERY: CONSTRUCTION OF THE OMSK OBLAST’S FIRST (1 MW) SOLAR-Powered ELECTRICITY STATION COMPLETED

- A source of environmentally friendly energy created, directly within the plant’s grounds
- This pilot facility covers the full energy requirements for all administrative buildings at the Omsk Refinery, including a standalone residential complex for 2,600 employees
- The agreement signed on building this pilot station will now determine parameters and lead-times for the construction of Gazprom Neft’s future industrial solar-power plants

The initial agreement to build the power station was signed between Gazprom Neft PJSC and market-leading solar company Hevel Energy Group at the 2019 St.Petersburg International Economic Forum

Investment project: construction of a 20 MW-capacity industrial solar-powered electricity station

NIS: FOCUSSING ON CLEAN ENERGY

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity, MW</td>
<td>102</td>
</tr>
<tr>
<td>Power generation, GWh</td>
<td>260</td>
</tr>
<tr>
<td>Commissioning</td>
<td>2020</td>
</tr>
<tr>
<td>Investments, mln EUR</td>
<td>132</td>
</tr>
</tbody>
</table>

- Initiated in 2012 to diversify business portfolio and to offset GHG emissions from core operations
- Located in Serbia’s most promising location in terms of wind-power potential
- The station’s installed capacity, comprising 34 wind-powered generators, will be equal to 102 MW
Dividend and Debt Policy, Investment Outlook
INVESTMENT PORTFOLIO

**UPSTREAM**
- Greater drilling and well intervention at new clusters at mature assets
- Developing new geological prospecting projects
- Developing infrastructure on the Yamal Peninsula and in the Nadym-Pur-Tazovsky district

**DOWNSTREAM**
- Implementing deep-conversion refinery projects

ADDITIONAL OPPORTUNITIES:
- Development of oil-rim and Neocomian-Jurassic deposits at gas and gas-condensate fields initiated
- Development of Achimov deposits at the Yamburgskoye and Vostochno-Messoyakhskoye fields initiated
- Developments in domestic (Russian) catalyst production

*Under risk-based operatorship agreements with Gazprom.*

**Core portfolio:**
Base: sustainable projects under all development scenarios
Strategic bets: eliminating uncertainty in key parts of new projects, leading to FID

**Open options:**
New oil- and gas-industry projects dependent on external environment

GAZPROM INVESTOR DAY 2020
CONSISTENTLY HIGH CREDITWORTHINESS

DEBT PORTFOLIO

- November 2019 – successful completion of a RUB25-billion five-year 6.85% p.a. coupon bond placement
- December 2019 – successful completion of a RUB20-billion 10-year 7.15% p.a. coupon bond placement
- The coupon rates have become the lowest in the history of the Russian market*

CREDIT RATINGS

- The company’s rating was upgraded by Moody’s in February 2019, to Baa2 (outlook stable)
- The company’s rating was upgraded by Fitch in August 2019, to BBB (outlook stable)
- Credit ratings for Gazprom Neft were all at investment grade or higher as of December 2019

* For similar maturities among corporate placements.

NET DEBT/ EBITDA

<table>
<thead>
<tr>
<th></th>
<th>YE2017</th>
<th>YE2018</th>
<th>F YE2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.19</td>
<td>0.73</td>
<td>0.70</td>
</tr>
</tbody>
</table>
ON COURSE FOR INCREASING THE DIVIDEND PAYOUT RATIO TO 50%

DIVIDENDS, RUB PER SHARE

Three-year CAGR 68%

10.68 15.00 30.00

2016 2017 2018

F2019 6M2019

Dividend payout ratio 50%

40%

30.00

18.14

15.00

10.68

2017 2018

DIVIDENDS, RUB PER SHARE

TOTAL SHAREHOLDER RETURN*

Source: Reuters.
Companies: Rosneft, Lukoil, Tatneft.
*TSR calculated on the basis of dividends as announced in FY2019 and stock-price changes as at 30 December 2019 against 3 January 2019. For equivalent-comparison purposes only dividends paid by Gazprom Neft have been calculated on the basis of dividends for 4Q18+6M19+3Q19 (a payout ratio of 40%).
Finance

MR FAMIL SADYGOV
Deputy Chairman of the Management Committee, CFO, Gazprom
KEY DEVELOPMENTS OF 2019

NEW DIVIDEND POLICY
New methodology
Increased dividend payout ratio

SALE OF QUASI-TREASURY SHARES
Elimination of market overhang
Additional liquidity

ORGANISATIONAL STRUCTURE IMPROVEMENT
Centralisation of expertise
Restructuring of the investment and construction business unit

LAUNCH OF KEY INVESTMENT PROJECTS
Commissioning of the Power of Siberia and TurkStream* (with Nord Stream 2 at its completion stage)

STRONGER FOCUS ON FCF GENERATION
Also as a way to secure dividend payments

SIGNING OF A TRANSIT CONTRACT WITH UKRAINE
Confirmed reputation as a reliable partner

* Gas supplies started on 1 January 2020
DESPITE EXTERNAL CHALLENGES...

- LOWER SPOT PRICES FOR GAS
- UNUSUALLY WARM WINTER
- PRESSURE ON NORD STREAM 2

AVERAGE SPOT PRICE IN EUROPE IN 2019 VS 2018: -44%

INCREASE IN AVERAGE WINTER TEMPERATURE VS CLIMATE NORMAL IN SOME EUROPEAN COUNTRIES:
- Q1 2019: +2–4°C
- 2019/2020: +3–6°C

DELAYS IN SECURING PERMIT FROM DENMARK AND RESTRICTIONS ON CONTRACTORS:
...THE GROUP DELIVERED SOLID FINANCIAL PERFORMANCE

GAS SUPPLIES TO EUROPE

- Export deliveries
- Average export price (RHS)

REVENUE

- IFRS, USD bn
- 2016: 91
- 2017: 112
- 2018: 132
- 2019E: 126

NET PROFIT

- IFRS, USD bn
- 2016: 14.0
- 2017: 12.2
- 2018: 23.3
- 2019E: 21.4

* Adjusted for changes in ST bank deposits

POSSITIVE FREE CASH FLOW* IN 2019
STRONG MARKET PERFORMANCE IN 2019

- Impressive share price growth for the year: +87%
- No. 1 by market cap among Russian companies*
- New institutional investors in equity
- Trading volume expanded 2.5-fold on the London Stock Exchange and more than tripled on the Moscow Exchange
- Higher free float applied by the Moscow Exchange

* As at the end of 2019
New dividend policy
NEW DIVIDEND POLICY

• Harmonising interests of the Company, government and minority shareholders

• New dividend policy principles:
  - **Transparent methodology**
  - Dividends based on IFRS net profit
  - Adjustments for non-cash items
  - **Payout ratio increase from at least 30% to at least 50%** within a three-year period

• Dividends financed primarily from free cash flow

• Dividend payout ratio for subsidiaries of at least 50% starting 2020

• The new payout targets only apply if Net Debt / EBITDA remains below 2.5x (currently, 1.1x)

GAZPROM’S DIVIDEND PAYOUT RATIO

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>% of adjusted IFRS net profit</td>
<td>31%</td>
<td>29%</td>
<td>27%</td>
<td>27%</td>
<td>≥30%</td>
<td>≥50%</td>
</tr>
<tr>
<td>% of IFRS net profit</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

62 | FINANCE
Sustainable FCF and internal growth drivers
STRATEGIC FOCUS ON COST MANAGEMENT

OPEX OPTIMISATION

- Corporate structure improvements: new management team and removal of overlapping functions
- Centralisation of processes employed to plan budgets and approve investment programmes for subsidiaries
- Introduction of tax monitoring to reduce fiscal pressure
- 9 KPIs for management focusing on cost reduction
- Identification and Group-wide rollout of the most efficient processes

CAPEX EFFICIENCY IMPROVEMENTS

- Development of an effective control framework to monitor projects throughout the investment and construction cycle
  - Integration of strategic and investment planning, investment and construction workstreams
  - Internal efficiency control
  - Transition to a central contractor based model
  - Wider use of EPC contracts
  - External control
  - Increase in the share of project financing from 15% to 30% of total investments
  - Independent audit of the Long-Term Development Programme
INVESTMENT PROJECTS TO DRIVE FUTURE FCF GROWTH

• CAPEX flexibility and consideration of budget constraints in the prioritisation process
• Investment projects prioritised based on strategic fit and efficiency metrics:
   IRR of at least 12% for gas transportation projects and 15% for other projects
   Project’s contribution to the Company’s financials (revenue, EBITDA, FCF) under various macroeconomic assumptions, gas price and demand scenarios
   Projects to be consistent with Gazprom’s strategy
• Gazprom’s extensive expertise in managing major strategic projects
• More efficient investment programme driven by broader use of project financing
• Increased efficiency of projects facilitated by banking support

KEY INVESTMENT PROJECTS

<table>
<thead>
<tr>
<th></th>
<th>Power of Siberia</th>
<th>TurkStream</th>
<th>Nord Stream 2</th>
<th>Amur GPP</th>
<th>LNG/GPP in Ust-Luga</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launch</td>
<td>December 2019</td>
<td>January 2020</td>
<td>End of 2020</td>
<td>2021</td>
<td>2023</td>
</tr>
<tr>
<td>Annual design capacity</td>
<td>38 bcm</td>
<td>31.5 bcm</td>
<td>55 bcm</td>
<td>42 bcm</td>
<td>45 bcm</td>
</tr>
</tbody>
</table>

Additional EBITDA of USD 9 bn per annum at full capacity utilisation\* * In real terms
DEBT MANAGEMENT, GROWING IMPORTANCE OF PROJECT FINANCING

EFFICIENT DEBT MANAGEMENT

• Comfortable level of Net Debt / EBITDA: not higher than 2.0x
• Alignment of borrowing cycles with the financial needs of the Company/projects
• The Company’s liquidity cushion (USD 21 bn) sufficient to cover debt repayments for a period of more than two years

GROWING IMPORTANCE OF PROJECT FINANCING

• Significant leverage and diversification of financing sources compared to classic loans (D/E = 70/30)
• Project efficiency confirmed by financial investors highly exposed to investment risks
• Strong project transparency

NET DEBT* EVOLUTION (USD BN)

DEBT REPAYMENT SCHEDULE**

* Net debt is adjusted for bank deposits (reflect as part of other current and non-current assets)
** As at the end of 3Q2019
LIQUIDITY MANAGEMENT

- Using intra-Group liquidity to meet the financing needs of the Group’s subsidiaries, including by consolidating the Group’s cash on the parent company’s accounts through an integrated cash pooling system
- 195 companies have joined the integrated settlement centre
- Identifying excess liquidity as part of the budgeting process in line with the most stringent KPIs
- Fully owned subsidiaries to pay 100% of the net profit in dividends, while those with an ownership share of less than 100% to pay at least 50% of the net profit in dividends
- The 2020 budget provides for a reserve fund of RUB 676.5 bn
- Programme for the sale of non-core assets and property that was used and depreciated by the Company
Investment story of the future
# NEW LONG-TERM MANAGEMENT INCENTIVE PROGRAMME

<table>
<thead>
<tr>
<th>UNDERLYING AIM</th>
<th>GOALS</th>
<th>UNDERLYING PRINCIPLES</th>
<th>TARGET EMPLOYEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Long-term motivation of Gazprom’s management to be based on capitalisation dynamics</td>
<td>• Harmonisation of shareholder and management interests</td>
<td>• Programme type: stock ownership plan</td>
<td>• Eligible for the programme: members of Gazprom’s Management Committee, Heads of Departments, CEOs of gas business subsidiaries</td>
</tr>
<tr>
<td></td>
<td>• Achievement of long-term strategic goals</td>
<td>• Payments under the programme:</td>
<td>• Payments share: up to 50% of total annual remuneration</td>
</tr>
<tr>
<td></td>
<td>• Progressive improvement of the Company’s operating and financial results</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Linked to KPIs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Substantial part of total remuneration</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Drive further progress in the Company’s performance</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Temporary stock sale restrictions</td>
<td></td>
</tr>
</tbody>
</table>

**INCREASE IN THE SHARE OF VARIABLE PAYMENTS DESIGNED TO STRENGTHEN THE MANAGEMENT’S COMMITMENT TO BOOSTING SHAREHOLDER RETURNS**

**PROGRAMME DEVELOPMENT AND APPROVAL IN 2020**
ESG: GOALS AND OPPORTUNITIES

KEY ACHIEVEMENTS:
• Consistent efforts to strengthen relations with ESG rating agencies and progressive improvement of ESG scores in major ratings
• Top score in the MSCI ESG rating among Russian oil and gas players
• Ongoing ESG dialogue with investors at the level of the Board of Directors and top management
• Leadership on climate change. The lowest carbon footprint among 26 of the world’s largest oil and gas companies*

NEXT STEPS:
• Seeking to have the Company’s securities included in ESG indices and to expand the investor base
• Adding climate change scenarios to the risk management system
• Implementing the Climate Change Adaptation Programme
• Building sustainable development scenarios for Gazprom through 2050
• Introducing TCFD disclosures**
• Developing an advanced industrial safety management system
• Including contractors into the industrial safety incident count

UPGRADING THE MSCI RATING FROM BB TO BBB IN 2019***

*As at summer 2019, as per CDP data
** Task Force on Climate-Related Financial Disclosures (TCFD) is an international body established by G-20 leaders to develop guidelines for climate-related financial risk disclosures.
*** Compared to Russian peers: Lukoil, Novatek, Rosneft, Surgutneftegaz, Tatneft. According to public sources.
**INVESTOR RELATIONS IMPROVEMENT**

### BETTER DISCLOSURES
- Improving financial reporting
- Expanding disclosure scope
- Introducing new financial and non-financial reporting formats in line with best practices
- Communicating a clearer message on Company plans to investors
- More informative ESG and sustainability disclosure and reporting

### ENHANCED DIALOGUE WITH INVESTOR COMMUNITY
- More senior face time with investors
- Regular 1-on-1 and group investor meetings with Deputy Chairpersons of the Management Committee
- Large-scale investor event in a new format as part of the St Petersburg International Gas Forum in October 2020
- Government and expert participation in investor events
- Diversification of investor base
GAZPROM’S INVESTMENT CASE

1. Competitive advantages
   - Low costs
   - Leader in the European gas market
   - Exports to China unlocking new opportunities

2. Dividends and FCF growth
   - Higher payout ratio
   - Launch of the key projects giving boost to operating cash flow
   - CAPEX flexibility and efficiency improvement
   - Operating expense optimisation

3. Enhancing governance
   - Improving organisational structure, internal integration
   - Long-term management incentive programme tied to share price

4. Flexible debt and cash flow management
   - Active use of various debt instruments
   - Broader use of project financing with emphasis on improving project efficiency
   - Prudent financial policy providing a substantial safety cushion

5. Sustainable development
   - Global leadership in sales of gas, one of the greenest energy sources
   - Sustainability as a strategic priority
   - Step-up in disclosures and investor relations