

PJSC GAZPROM

Consolidated Report on Payments to Governments

For the year 2019

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PJSC Gazprom
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(in millions of Russian Rubles)

1 General Information

This consolidated Report on Payments to Governments (the “Report”) has been prepared under the requirements of the UK Financial Conduct Authority's Disclosure Rules and Transparency Rules 4.3A.

The Report contains information on payments made to governments in 2019 by PJSC Gazprom and its subsidiaries (the “Gazprom Group”) engaged in exploration, prospection and extraction of mineral resources (“extractive activities”). The Report excludes payments made by the Gazprom Group entities not engaged in extractive activities.

2 Basis of Preparation

For the purposes of the Report, the Gazprom Group subsidiaries are defined as entities controlled by PJSC Gazprom.

Associates and joint ventures accounted for using the equity method, as well as joint operations are excluded from the Report.

The Russian Ruble is the presentation currency of the Report and the consolidated financial statements of the Gazprom Group prepared in accordance with International Financial Reporting Standards (“IFRS”). All amounts disclosed in the Report are presented in millions of Russian Rubles.

Payments made in foreign currencies have been translated into Russian Rubles at the average annual exchange rates of respective currencies set by the Central Bank of the Russian Federation.

For the purposes of the Report, the term “governments” means any national, federal or local authorities, ministries and agencies authorised to collect of tax, budgetary and other payments in accordance with the applicable legislation effective as of the date when the payment obligation occurs. In the context of the Report, governments also include legal entities authorised to collect of taxes, fees and other payments imposed by governments.

The Report includes all direct and indirect payments made to governments.

For the purposes of the Report, payments to governments include the following:

- a) production entitlements;
- b) taxes levied on income, production or profit of companies (mineral extraction tax, profit tax (including profit tax paid by PJSC Gazprom consolidated group of taxpayers), land tax and other similar taxes), except for those specified in paragraph (h) below;
- c) royalties;
- d) dividends (except for those specified in paragraph (i) below);
- e) signature, commercial discovery and production bonuses;
- f) licence fees, rental fees, other considerations for obtaining and using licences or concessions;
- g) payments for infrastructure improvements (except for social expenses).

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2 Basis of Preparation (continued)

For the purposes of the Report, payments to governments do not include the following:

- h) turnover taxes (value added tax, sales tax and other similar taxes) or taxes withholding by an entity acting as a tax agent (personal income tax and other similar taxes);
- i) dividends paid to shareholders that are governments, on the same terms as to other shareholders;
- j) export duties and other payments related to export and transportation of mineral resources.

There were no payments of royalties (c), dividends (d) or bonuses (e) to governments in 2019.

The Report presents payments broken down by the following categories:

- countries in which the Gazprom Group's entities are engaged in extractive activities and projects implemented as part of extractive activities;
- countries in which the Gazprom Group's entities are engaged in extractive activities and governments (budgets) for the benefit of which payments were made.

For the purposes of the Report, the term "project" means a legal entity engaged in the extractive activity. This definition is based on the existing tax regulations in the Russian Federation where the Gazprom Group performs most of its extractive activities. In accordance with the effective tax legislation in the Russian Federation, only mineral extraction tax can be determined for each particular field. All other taxes are calculated and collected at the level of a legal entity as a whole and cannot be allocated to particular fields.

If a Gazprom Group's entity is involved in several types of business activities (including extractive activities) and a portion of its tax liabilities directly related to extractive activities cannot be determined, the whole tax payment is included in the Report.

Note 32 "Net Cash from Operating Activities" in the consolidated financial statements of the Gazprom Group prepared in accordance with IFRS for the year 2019 discloses information on taxes paid and other similar payments made in cash by all subsidiaries of the Gazprom Group (regardless of their types of business activities) in 2019.

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3 Payments to Governments

The table below sets forth information on payments to governments, broken down by countries and projects:

	Production entitlements	Taxes on income, production or profit	Licence fees, rental fees and other considerations for obtaining and using licences or concessions	Payments for infrastructure improvements	Total
Russian Federation:	2,830	1,302,158	1,813	3,255	1,310,056
LLC Gazprom dobycha Yamburg	-	240,047	29	31	240,107
PJSC Gazprom	-	199,085	27	713	199,825
LLC Gazprom dobycha Urengoy	-	176,646	176	6	176,828
LLC Gazpromneft-Khantos ¹	891	160,248	254	207	161,600
JSC Gazpromneft-Noyabrskneftegaz ¹	839	122,500	353	160	123,852
LLC Gazprom dobycha Nadym	43	99,155	87	2	99,287
LLC Gazpromneft-Yamal ¹	127	62,497	38	1,839	64,501
LLC Gazprom dobycha Astrakhan	-	51,842	19	1	51,862
OJSC Severneftegazprom	11	34,941	71	25	35,048
LLC Gazpromneft-Orenburg ¹	3	32,197	72	32	32,304
LLC Gazprom dobycha Noyabrsk	16	29,094	242	7	29,359
LLC Gazprom neft shelf ¹	867	20,318	15	5	21,205
OJSC Vostokgazprom	-	19,934	85	8	20,027
LLC Gazprom dobycha Orenburg	-	16,781	42	149	16,972
LLC Gazpromneft-Vostok ¹	-	16,830	91	33	16,954
CJSC Purgaz	-	11,884	11	8	11,903
LLC Gazprom dobycha Krasnodar	-	4,367	65	1	4,433
JSC Yuzhuralneftegaz ¹	-	1,762	1	1	1,764
LLC Tekhnologicheskii centr Bazhen ¹	-	1,281	9	3	1,293
LLC Meretoyakhaneftegaz ¹	-	189	12	-	201
LLC Gazpromneft-Razvitie ¹	-	125	2	13	140
LLC Gazpromneft-Prirazlomnoye ¹	-	123	-	-	123
LLC Gazpromneft-Angara ¹	33	48	19	2	102
LLC Gazpromneft-Zapolyarye ¹	-	56	14	-	70
LLC Gazprom nedra	-	36	34	-	70
LLC Gazpromneft-Sakhalin ¹	-	46	12	-	58
LLC Gazpromneft-GEO ¹	-	42	-	-	42
LLC Gazprom geologorazvedka	-	2	29	9	40
LLC Gazprom transgaz Yugorsk	-	36	-	-	36
LLC Enerkom ¹	-	35	-	-	35
LLC Gazpromneft-Yarsale ¹	-	11	3	-	14
LLC Karabashskye-6 ¹	-	-	1	-	1
Republic of Serbia:	-	3,948	156	-	4,104
NIS a.d. Novi Sad ¹	-	3,933	156	-	4,089
NAFTAGAS - Oil services LLC Novi Sad ¹	-	7	-	-	7
NIS PETROL SRL ¹	-	5	-	-	5
NIS PETROL doo Banja Luka ¹	-	3	-	-	3
Republic of Iraq:	-	632	60	-	692
Gazprom neft Badra B.V. ¹	-	356	-	-	356
Gazprom neft Middle East B.V. ¹	-	276	60	-	336
People's Democratic Republic of Algeria:	-	118	-	-	118
Gazprom EP International B.V.	-	118	-	-	118
Plurinational State of Bolivia:	-	104	-	-	104
GP Exploracion y Produccion, S.L.	-	104	-	-	104
Romania:	-	91	-	-	91
NAFTAGAS - Oil services LLC Novi Sad ¹	-	91	-	-	91

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3 Payments to Governments (continued)

	Production entitlements	Taxes on income, production or profit	Licence fees, rental fees and other considerations for obtaining and using licences or concessions	Payments for infrastructure improvements	Total
Republic of Angola	-	47	-	-	47
NIS a.d. Novi Sad ¹	-	47	-	-	47
Total payments	2,830	1,307,098	2,029	3,255	1,315,212

¹Subsidiaries of PJSC Gazprom neft.

The table below sets forth information on payments, broken down by countries and governments (budgets):

	Production entitlements	Taxes on income, production or profit	Licence fees, rental fees and other considerations for obtaining and using licences or concessions	Payments for infrastructure improvements	Total
Russian Federation:	2,830	1,302,158	1,813	3,255	1,310,056
federal budget	54	1,091,535	321	-	1,091,910
budgets of the subjects of the Russian Federation	2,776	210,474	1,225	722	215,197
local budgets	-	149	267	2,533	2,949
Republic of Serbia:	-	3,948	156	-	4,104
budget of the Republic of Serbia	-	2,951	37	-	2,988
regional budgets	-	95	-	-	95
local budgets	-	902	119	-	1,021
Republic of Iraq:	-	632	60	-	692
budget of the Republic of Iraq	-	356	-	-	356
Ministry of Natural Resources of the Kurdistan	-	276	60	-	336
People's Democratic Republic of Algeria:	-	118	-	-	118
Major taxpayer department of the Ministry of Finance	-	118	-	-	118
Plurinational State of Bolivia:	-	104	-	-	104
National Tax Service	-	104	-	-	104
Romania:	-	91	-	-	91
local budgets	-	91	-	-	91
Republic of Angola:	-	47	-	-	47
budget of the Republic of Angola	-	47	-	-	47
Total payments	2,830	1,307,098	2,029	3,255	1,315,212

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