

Comment by Famil Sadygov, Deputy Chairman of Gazprom Management Committee:

"Every year in late December, we report to the Board of Directors on the expected results of the implementation of Gazprom's budget in the current year and submit the next year's budget for consideration.

In 2023, Gazprom expects robust financial results.

Despite the decline observed in the prices and volumes of gas exports as compared to the previous year, Gazprom will receive in 2023 more than RUB 4 trillion of proceeds from the sales of gas and RUB 3.4 trillion of proceeds from other activities. Such results are achieved through, inter alia, the growing volumes of gas supplies to China.

In 2023 we, as before, have maintained rigorous control over the operating costs across the gas business: these costs will decrease by over RUB 1 trillion versus the initial plan, even against the background of considerable tax payments. According to our assessment, the total amount of tax payments by the parent company in 2023 will be RUB 2.5 trillion, including RUB 600 billion of additional charges in terms of the severance tax.

The results of the Gazprom Group's oil business also look robust: its EBITDA will exceed RUB 1 trillion based on the outcomes of the year. Accordingly, we expect that the total EBITDA of the Gazprom Group for 2023 will be about RUB 2.2 trillion.

As we have reported before, the 2023 investment program of Gazprom provides for almost RUB 2 trillion of funds to be expended. We provide timely and sufficient financing for all key projects of Gazprom.

Throughout the past year, we have been actively and successfully working in the Russian debt market. Without taking replacement bonds into account, Gazprom capital LLC in 2023 has placed issues of fixed coupon and floating rate bonds for the total amount of RUB 245 billion. In addition, we have attracted RUB 270 billion through the use of perpetual bonds, a portion of which is intended for financing the gas infrastructure expansion across Russian regions and covered by a state guarantee on coupon payments. I would like to remind you that under the IFRS rules perpetual bonds do not increase the company's debt burden. The total amount of funds attracted was commensurate to the planned amount of payments to be made.

I would like to note that Russia's debt market has fully covered Gazprom's needs in financing. And the investment community has highly appreciated the Company's efforts in this regard. In early December, Gazprom has become the winner of the Cbonds Awards in the Issuer of the Year category.

The debt burden with regard to the net debt/EBITDA ratio at the end of 2023 will be 2.3, thus staying within the comfort range. I would like to remind you that, in accordance with the existing Dividend Policy, the Board of Directors has the right to change the amount of dividend payouts if the debt burden exceeds 2.5.

During the year, we have performed thorough work to manage the Gazprom Group's cash flows and consolidated the whole amount of the subsidiaries' disposable liquidity into a single pool. As a result, we will have more than

RUB 420 billion at our disposal by the end of 2023. These funds will serve as Gazprom's financial safety margin for the next year.

As for our plans for 2024.

When planning our budget, we traditionally rely on the financial-and-economic forecasts of Russia's Ministry of Economic Development. Gazprom's budget for 2024 is moderately conservative and well-balanced. In line with the relevant contract, we plan to further increase the gas supplies to China via the Power of Siberia pipeline.

We continue cost optimization. For 2024, we have reduced the budget for the operating costs of the gas business subsidiaries by RUB 206 billion.

The use of financial borrowings in 2024 will be at the level of the principal debt repayment, taking into account its revaluation in foreign currency. As a result, we do not expect any considerable changes in the total debt of the Gazprom Group in the next year versus 2023.

The approved amount of Gazprom's 2024 investment program is RUB 1.57 trillion (VAT included). The amount of the investment program was determined via ranking investment projects by the level of their priority; we will to the full extent provide financing for all key projects of the gas business, including the projects the completion of which will ensure the increase of our income in the coming years.

I would like to note that the 2024 budget and investment program will make it possible for us to fulfill all of our plans as regards our business activities and perform all obligations towards our counterparties. Moreover, we plan to end the next year with a surplus fund of over RUB 180 billion of liquidity on the accounts of the Company."