

May 30, 2019

**Gazprom's financial information under International Financial Reporting Standards (IFRS)  
for the three months ended March 31, 2019**

Today PJSC Gazprom issued its unaudited consolidated interim condensed financial information prepared in accordance with International Accounting Standard 34 Interim Financial Reporting (IAS 34) for the three months ended March 31, 2019.

The table below presents the unaudited consolidated interim condensed statement of comprehensive income for the three months ended March 31, 2019 and for the three months ended March 31, 2018. All amounts in the table are presented in millions of Russian Rubles.

|                                                                                                                                          | <b>Three months ended<br/>March 31,</b> |                      |
|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------|
|                                                                                                                                          | <b>2019</b>                             | <b>2018</b>          |
| Sales                                                                                                                                    | 2,291,821                               | 2,138,331            |
| Net (loss) gain from trading activity                                                                                                    | (6,595)                                 | 7,001                |
| Operating expenses                                                                                                                       | (1,782,216)                             | (1,651,346)          |
| Impairment loss on financial assets                                                                                                      | <u>(44,248)</u>                         | <u>(26,405)</u>      |
| <b>Operating profit</b>                                                                                                                  | <b>458,762</b>                          | <b>467,581</b>       |
| Finance income                                                                                                                           | 258,223                                 | 91,380               |
| Finance expense                                                                                                                          | (68,991)                                | (107,423)            |
| Share of profit of associates and joint ventures                                                                                         | <u>63,932</u>                           | <u>43,680</u>        |
| <b>Profit before profit tax</b>                                                                                                          | <b>711,926</b>                          | <b>495,218</b>       |
| Current profit tax expense                                                                                                               | (120,264)                               | (46,842)             |
| Deferred profit tax expense                                                                                                              | <u>(32,149)</u>                         | <u>(56,207)</u>      |
| Profit tax                                                                                                                               | (152,413)                               | (103,049)            |
| <b>Profit for the period</b>                                                                                                             | <b>559,513</b>                          | <b>392,169</b>       |
| <b>Other comprehensive income (loss):</b>                                                                                                |                                         |                      |
| Items that will not be reclassified to profit or loss:                                                                                   |                                         |                      |
| (Loss) gain arising from changes in fair value of financial assets measured at fair value through other comprehensive income, net of tax | (23,167)                                | 28,077               |
| Remeasurement of provision for post-employment benefits                                                                                  | <u>(24,113)</u>                         | <u>(11,363)</u>      |
| <b>Total other comprehensive (loss) income that will not be reclassified to profit or loss</b>                                           | <b>(47,280)</b>                         | <b>16,714</b>        |
| Items that may be reclassified subsequently to profit or loss:                                                                           |                                         |                      |
| Share of other comprehensive (loss) income of associates and joint ventures                                                              | (1,896)                                 | 1,488                |
| Translation differences                                                                                                                  | (115,965)                               | 12,463               |
| Gain from hedging operations, net of tax                                                                                                 | <u>5,356</u>                            | <u>7,084</u>         |
| <b>Total other comprehensive (loss) income that may be reclassified subsequently to profit or loss</b>                                   | <b>(112,505)</b>                        | <b>21,035</b>        |
| <b>Total other comprehensive (loss) income for the period, net of tax</b>                                                                | <b><u>(159,785)</u></b>                 | <b><u>37,749</u></b> |

|                                                             |                |                |
|-------------------------------------------------------------|----------------|----------------|
| <b>Comprehensive income for the period</b>                  | <b>399,728</b> | <b>429,918</b> |
| <b>Profit for the period attributable to:</b>               |                |                |
| Owners of PJSC Gazprom                                      | 535,908        | 371,623        |
| Non-controlling interest                                    | <u>23,605</u>  | <u>20,546</u>  |
|                                                             | <b>559,513</b> | <b>392,169</b> |
| <b>Comprehensive income for the period attributable to:</b> |                |                |
| Owners of PJSC Gazprom                                      | 383,210        | 406,874        |
| Non-controlling interest                                    | <u>16,518</u>  | <u>23,044</u>  |
|                                                             | <b>399,728</b> | <b>429,918</b> |

Sales (net of excise tax, VAT and customs duties) increased by RUB 153,490 million, or 7%, to RUB 2,291,821 million for the three months ended March 31, 2019 compared to the same period of the prior year. The increase in sales was mainly due to an increase in sales of gas to Europe and other countries and sales of crude oil and gas condensate and refined products.

More detailed information concerning the main items of the sales structure for the three months ended March 31, 2019 and March 31, 2018 is presented in the table below.

| in RUB million (unless indicated otherwise)                               | Three months ended<br>March 31, |                  |
|---------------------------------------------------------------------------|---------------------------------|------------------|
|                                                                           | 2019                            | 2018             |
| <b>Sales of gas</b>                                                       |                                 |                  |
| <i>Europe and other countries</i>                                         |                                 |                  |
| Net sales (net of excise tax and customs duties)                          | 837,396                         | 758,307          |
| Volumes in bcm                                                            | 62.4                            | 71.5             |
| Average price, RUB per mcm (including excise tax and customs duties)      | 17,053.8                        | 13,155.2         |
| <i>Former Soviet Union countries</i>                                      |                                 |                  |
| Net sales (net of customs duties)                                         | 117,497                         | 111,479          |
| Volumes in bcm                                                            | 12.2                            | 14.1             |
| Average price, RUB per mcm (including customs duties)                     | 11,015.7                        | 8,809.8          |
| <i>Russian Federation</i>                                                 |                                 |                  |
| Net sales (net of VAT)                                                    | 348,930                         | 350,547          |
| Volumes in bcm                                                            | 84.3                            | 88.2             |
| Average price, RUB per mcm (net of VAT)                                   | 4,141.0                         | 3,974.2          |
| <i>Total gas sales</i>                                                    |                                 |                  |
| Retroactive gas price adjustments                                         | -                               | 192              |
| Net sales (net of excise tax, VAT and customs duties)                     | 1,303,823                       | 1,220,525        |
| Volumes in bcm                                                            | 158.9                           | 173.8            |
| Net sales of refined products (net of excise tax, VAT and customs duties) | 506,909                         | 469,544          |
| Net sales of crude oil and gas condensate (net of VAT and customs duties) | 190,389                         | 150,472          |
| Electric and heat energy net sales (net of VAT)                           | 173,413                         | 175,486          |
| Gas transportation net sales (net of VAT)                                 | 55,501                          | 58,653           |
| Other sales (net of VAT)                                                  | <u>61,786</u>                   | <u>63,651</u>    |
| <b>Total sales (net of excise tax, VAT and customs duties)</b>            | <b>2,291,821</b>                | <b>2,138,331</b> |

Net sales of gas increased by RUB 83,298 million, or 7%, to RUB 1,303,823 million for the three months ended March 31, 2019 compared to the same period of the prior year that was mainly due to an increase in average prices in the segment "Europe and other countries".

Net sales of gas to Europe and other countries increased by RUB 79,089 million, or 10%, to RUB 837,396 million for the three months ended March 31, 2019 compared to the same period of the prior year. The change was due to the increase in average prices (including excise tax and customs duties)

denominated in the Russian Ruble by 30% that was partially compensated by the decrease in volumes of gas sold by 13% or 9.1 bcm. At the same time average prices denominated in US Dollar increased by 12%.

Net sales of gas to Former Soviet Union countries increased by RUB 6,018 million, or 5%, to RUB 117,497 million for the three months ended March 31, 2019 compared to the same period of the prior year. The change was due to the increase in average prices (including customs duties) denominated in the Russian Ruble by 25% (average prices denominated in US Dollar increased by 8%). At the same time, volumes of gas sold decreased by 13%, or 1.9 bcm. .

Net sales of refined products (net of excise tax, VAT and customs duties) increased by RUB 37,365 million, or 8%, to RUB 506,909 million for the three months ended March 31, 2019 compared to the same period of the prior year. The increase in net sales of refined products was mainly due to an increase in average prices denominated in the Russian Ruble in all geographic segments.

Net sales of crude oil and gas condensate (net of VAT and customs duties) increased by RUB 39,917 million, or 27%, to RUB 190,389 million for the three months ended March 31, 2019 compared to the same period of the prior year. The increase in sales of crude oil was mainly due to an increase in average prices denominated in the Russian Ruble in all geographic segments and an increase in Gazprom neft Group sales volumes to customers in Europe and other countries and in the Russian Federation.

Operating expenses increased by RUB 130,870 million, or 8%, to RUB 1,782,216 million for the three months ended March 31, 2019 compared to the same period of the prior year.

The increase in operating expenses is primarily explained by a change in the item "Foreign exchange rate differences on operating items". Foreign exchange rate loss on operating items amounted to RUB 47,251 million for the three months ended March 31, 2019 compared to the foreign exchange gain in the amount of RUB 18,612 million for the same period of the prior year.

The line item "Taxes other than on profit" increased by RUB 53,686 million, or 17%, for the three months ended March 31, 2019 compared to the same period of the prior year, that was mainly due to an increase in mineral extraction tax by RUB 66,250 million, or 28%, for the three months ended March 31, 2019 compared to the same period of the prior year.

The balance of foreign exchange rate differences reflected within the item "Net finance income (expense)" produced the gain in the amount of RUB 183,985 million for the three months ended March 31, 2019 compared to the loss in the amount of RUB 21,098 million for the same period of the prior year.

Profit attributable to owners of PJSC Gazprom amounted to RUB 535,908 million for the three months ended March 31, 2019 which is by RUB 164,285 million, or 44%, more than for the same period of the prior year.

Net debt balance (defined as the sum of short-term borrowings, current portion of long-term borrowings, short-term promissory notes payable, long-term borrowings, long-term promissory notes payable, net of cash and cash equivalents) decreased by RUB 168,282 million, or 6%, from RUB 3,014,403 million as of December 31, 2018 to RUB 2,846,121 million as of March 31, 2019. This change was mainly due to an increase in cash and cash equivalents balances.

More detailed information on the IFRS consolidated interim condensed financial information for the three months ended March 31, 2019 can be found on the PJSC Gazprom's site ([www.gazprom.ru](http://www.gazprom.ru)).

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