

PJSC GAZPROM

Consolidated Report on Payments to Governments

For the year 2020

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PJSC Gazprom
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for the Year 2020
(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 2020 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).

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 2020.

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 34 "Net Cash from Operating Activities" in the consolidated financial statements of the Gazprom Group prepared in accordance with IFRS for the year 2020 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 2020.

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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:	11,951	875,913	2,367	4,376	894,607
LLC Gazprom dobycha Yamburg	-	168,618	31	26	168,675
LLC Gazprom dobycha Urengoy	-	133,402	123	2	133,527
LLC Gazpromneft-Khantos ¹	2	102,611	588	48	103,249
LLC Gazprom dobycha Nadym	-	88,875	100	2	88,977
JSC Gazpromneft-Noyabrskneftegaz ¹	9	81,118	334	175	81,636
PJSC Gazprom	11,844	58,113	446	1,705	72,108
LLC Gazpromneft-Yamal ¹	4	59,272	30	930	60,236
LLC Gazprom dobycha Astrakhan	-	41,760	8	1	41,769
OJSC Severneftegazprom	29	28,625	83	25	28,762
LLC Gazpromneft-Orenburg ¹	40	25,101	30	49	25,220
LLC Gazprom dobycha Noyabrsk	-	21,979	81	-	22,060
LLC Gazprom dobycha Orenburg	-	14,270	31	1,313	15,614
JSC Vostokgazprom	-	12,429	84	8	12,521
LLC Gazpromneft-Vostok ¹	-	11,736	97	28	11,861
LLC Gazprom neft shelf ¹	-	11,044	13	7	11,064
CJSC Purgaz	5	9,252	6	8	9,271
LLC Gazprom dobycha Krasnodar	-	3,399	49	-	3,448
JSC Yuzhuralneftegaz ¹	-	1,303	1	1	1,305
LLC Gazpromneft-Razvitie ¹	-	740	66	12	818
LLC Meretoyakhaneftegaz ¹	-	754	27	-	781
LLC Gazpromneft-Palyan ¹	-	744	5	-	749
LLC Gazpromneft-Technology Partnerships ¹	-	288	12	-	300
LLC Gazpromneft-Zapolyarye ¹	-	150	36	25	211
LLC Gazpromneft-GEO ¹	-	111	-	1	112
LLC Gazprom nedra	-	52	32	10	94
LLC Gazpromneft-Yarsale ¹	18	32	21	-	71
LLC Gazpromneft-Prirazlomnoye ¹	-	67	-	-	67
LLC Gazpromneft-Angara ¹	-	18	17	-	35
LLC Gazprom transgaz Yugorsk	-	26	-	-	26
LLC Gazpromneft-Sakhalin ¹	-	14	11	-	25
LLC Enerkom ¹	-	6	-	-	6
LLC Gazpromneft-Salym ¹	-	4	-	-	4
LLC Gazprom geologorazvedka	-	-	4	-	4
LLC Karabashskye-6 ¹	-	-	1	-	1
Republic of Serbia:	-	1,480	166	-	1,646
NIS a.d. Novi Sad ¹	-	1,419	165	-	1,584
NAFTAGAS - Oil services LLC Novi Sad ¹	-	50	1	-	51
NIS PETROL SRL ¹	-	11	-	-	11
Republic of Iraq:	-	371	543	-	914
Gazprom neft Middle East B.V. ¹	-	371	543	-	914
Plurinational State of Bolivia:	-	136	-	-	136
GP Exploracion y Produccion, S.L.	-	136	-	-	136
People's Democratic Republic of Algeria:	-	106	-	-	106
Gazprom EP International B.V.	-	106	-	-	106
Republic of Angola	-	36	-	-	36
NIS a.d. Novi Sad ¹	-	36	-	-	36

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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
Romania:	-	17	-	-	17
NAFTAGAS - Oil services LLC Novi Sad ¹	-	13	-	-	13
NIS PETROL doo Banja Luka ¹	-	4	-	-	4
Total payments	11,951	878,059	3,076	4,376	897,462

¹ Subsidiaries 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:	11,951	875,913	2,367	4,376	894,607
federal budget	37	802,632	335	-	803,004
budgets of the subjects of the Russian Federation	11,914	73,120	1,798	1,712	88,544
local budgets	-	161	234	2,664	3,059
Republic of Serbia:	-	1,480	166	-	1,646
budget of the Republic of Serbia	-	540	26	-	566
regional budgets	-	64	-	-	64
local budgets	-	876	140	-	1,016
Republic of Iraq:	-	371	543	-	914
budget of the Republic of Iraq	-	371	-	-	371
Ministry of Natural Resources of the Kurdistan	-	-	543	-	543
Plurinational State of Bolivia:	-	136	-	-	136
National Tax Service	-	133	-	-	133
Town Hall Santa-Cruz	-	3	-	-	3
People's Democratic Republic of Algeria:	-	106	-	-	106
Major taxpayer department of the Ministry of Finance	-	106	-	-	106
Republic of Angola:	-	36	-	-	36
budget of the Republic of Angola	-	36	-	-	36
Romania:	-	17	-	-	17
budget of Romania	-	13	-	-	13
local budgets	-	4	-	-	4
Total payments	11,951	878,059	3,076	4,376	897,462

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