

November 30, 2020

**Gazprom's financial information under International Financial Reporting Standards (IFRS)
for the nine months ended September 30, 2020**

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 nine months ended September 30, 2020.

The table below presents the unaudited consolidated interim condensed statement of comprehensive income for the nine months ended September 30, 2020 and for the nine months ended September 30, 2019. All amounts in the table are presented in millions of Russian Rubles.

	Nine months ended September 30,	
	2020	2019
Sales	4,301,218	5,698,339
Net gain (loss) from trading activity	11,911	(20,391)
Operating expenses	(3,944,332)	(4,617,986)
Impairment loss on financial assets	<u>(43,645)</u>	<u>(87,331)</u>
Operating profit	325,152	972,631
Finance income	527,050	534,853
Finance expenses	(1,277,952)	(287,964)
Share of profit of associates and joint ventures	<u>98,727</u>	<u>179,934</u>
(Loss) profit before profit tax	(327,023)	1,399,454
Current profit tax expenses	(57,376)	(242,426)
Deferred profit tax income (expenses)	<u>182,192</u>	<u>(50,080)</u>
Profit tax	124,816	(292,506)
(Loss) profit for the period	(202,207)	1,106,948
Other comprehensive income (loss):		
Items that will not be reclassified subsequently 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	(47,861)	37,598
Remeasurement of provision for post-employment benefits	<u>(14,786)</u>	<u>(84,595)</u>
Total other comprehensive loss that will not be reclassified subsequently to profit or loss	(62,647)	(46,997)
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive loss of associates and joint ventures	(29,569)	(5,020)
Translation differences	401,034	(137,745)
(Loss) gain from hedging operations, net of tax	<u>(14,149)</u>	<u>4,654</u>
Total other comprehensive income (loss) that may be reclassified subsequently to profit or loss	357,316	(138,111)
Total other comprehensive income (loss) for the period,		

net of tax	294,669	(185,108)
Comprehensive income for the period	92,462	921,840
(Loss) profit for the period attributable to:		
Owners of PJSC Gazprom	(218,378)	1,048,286
Non-controlling interest	16,171	58,662
	(202,207)	1,106,948
Comprehensive income for the period attributable to:		
Owners of PJSC Gazprom	48,971	872,366
Non-controlling interest	43,491	49,474
	92,462	921,840

Total sales (net of excise tax, VAT and customs duties) decreased by RUB 1,397,121 million, or 25 %, to RUB 4,301,218 million for the nine months ended September 30, 2020 compared to the same period of the prior year.

More detailed information concerning the main items of the sales structure for the nine months ended September 30, 2020 and September 30, 2019 is presented below.

in RUB million (unless indicated otherwise)	Nine months ended September 30,	
	2020	2019
Sales of gas		
<i>Europe and other countries</i>		
Net sales (net of excise tax and customs duties)	1,135,130	1,883,980
Volumes in bcm	154.4	171.4
Average price, RUB per mcm (including excise tax and customs duties)	9,165.0	13,966.2
<i>Former Soviet Union countries</i>		
Net sales (net of customs duties)	199,546	250,612
Volumes in bcm	21.3	27.0
Average price, RUB per mcm (including customs duties)	9,829.0	10,361.2
<i>The Russian Federation</i>		
Net sales (net of VAT)	622,882	666,125
Volumes in bcm	151.1	162.9
Average price, RUB per mcm (net of VAT)	4,122.9	4,089.5
<i>Total gas sales</i>		
Retroactive gas price adjustments	2,324	8,009
Net sales (net of excise tax, VAT and customs duties)	1,959,882	2,808,726
Volumes in bcm	326.8	361.3
Net sales of refined products (net of excise tax, VAT and customs duties)	1,301,542	1,591,926
Net sales of crude oil and gas condensate (net of VAT and customs duties)	343,161	573,381
Electric and heat energy net sales (net of VAT)	348,467	373,195
Gas transportation net sales (net of VAT)	163,838	160,020
Other sales (net of VAT)	184,328	191,091
Total sales (net of excise tax, VAT and customs duties)	4,301,218	5,698,339

Net sales of gas decreased by RUB 848,844 million, or 30 %, to RUB 1,959,882 million for the nine months ended September 30, 2020 compared to the same period of the prior year. The change was mainly due to a decrease in average prices and volumes of gas sold in the "Europe and other countries" segment.

Net sales of gas to Europe and other countries decreased by RUB 748,850 million, or 40 %, to RUB 1,135,130 million for the nine months ended September 30, 2020 compared to the same period of the prior year. The change was due to the decrease in average prices (including excise tax and customs duties)

denominated in the Russian Ruble by 34 % and the decrease in volumes of gas sold by 10 %, or 17.0 bcm. At the same time average prices denominated in the US Dollar decreased by 40 %.

Net sales of gas to Former Soviet Union countries decreased by RUB 51,066 million, or 20 %, to RUB 199,546 million for the nine months ended September 30, 2020 compared to the same period of the prior year. The change was due to the decrease in volumes of gas sold by 21 %, or 5.7 bcm, and the decrease in average prices (including customs duties) denominated in the Russian Ruble by 5 %. At the same time average prices denominated in the US Dollar decreased by 13 %.

Net sales of gas in the Russian Federation decreased by RUB 43,243 million, or 6 %, to RUB 622,882 million for the nine months ended September 30, 2020 compared to the same period of the prior year. This change was mainly explained by the decrease in volumes of gas sold by 7 %, or 11.8 bcm.

Net sales of refined products (net of excise tax, VAT and customs duties) decreased by RUB 290,384 million, or 18 %, to RUB 1,301,542 million for the nine months ended September 30, 2020 compared to the same period of the prior year. The decrease in net sales of refined products was mainly due to a decrease 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) decreased by RUB 230,220 million, or 40 %, to RUB 343,161 million for the nine months ended September 30, 2020 compared to the same period of the prior year. The change was mainly due to a decrease in net sales of crude oil primarily caused by a decrease in average prices of crude oil.

Operating expenses decreased by RUB 673,654 million to RUB 3,944,332 million for the nine months ended September 30, 2020 compared to the same period of the prior year.

The decrease in operating expenses was mainly caused by the decrease in expenses in the item "Purchased gas and oil" by RUB 423,819 million, or 40 %, for the nine months ended September 30, 2020 compared to the same period of the prior year caused by a decrease in average prices of gas and oil and a decrease in volumes of purchased gas and oil.

The foreign exchange gain on operating items amounted to RUB 166,574 million for the nine months ended September 30, 2020 compared to the foreign exchange loss in the amount of RUB 68,013 million for the same period of the prior year. This change was mainly due to the revaluation of accounts receivable from foreign customers and loans issued, which was caused by the appreciation of the US Dollar and the Euro against the Russian Ruble by 29 % and 34 %, respectively, for the nine months ended September 30, 2020 compared to the depreciation of the US Dollar and the Euro against the Russian Ruble by 7 % and 12 %, respectively, for the same period of the prior year.

The decrease in the item "Taxes other than on profit" by RUB 134,708 million, or 13 %, for the nine months ended September 30, 2020, compared to the same period of the prior year was mainly due to a decrease in the mineral extraction tax expenses, mainly caused by a decrease in oil prices and a decrease in volumes of gas production.

The balance of foreign exchange differences reflected within the item "Net finance (expenses) income" produced the loss in the amount of RUB 749,452 million for the nine months ended September 30, 2020 compared to the gain in the amount of RUB 230,816 million for the same period of the prior year. This fact had a major impact on the financial result of the Gazprom Group.

Loss attributable to the owners of PJSC Gazprom amounted to RUB 218,378 million for the nine months ended September 30, 2020.

Net debt balance (defined as the sum of short-term borrowings and current portion of long-term borrowings, short-term promissory notes payable, long-term borrowings, long-term promissory notes payable, less cash and cash equivalents) increased by RUB 1,295,949 million, or 41 %, from RUB 3,167,847 million as of December 31, 2019 to RUB 4,463,796 million as of September 30, 2020. This change was mainly due to an increase in the amount of long-term borrowings denominated in the Russian Ruble caused by the appreciation of the US Dollar and the Euro against the Russian Ruble.

More detailed information on the IFRS consolidated interim condensed financial information for the nine months ended September 30, 2020 can be found on the PJSC Gazprom's site (www.gazprom.ru).

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