



RELEASE

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Management Committee endorses Gazprom's revised Dividend Policy

- It is proposed that dividends be calculated based on adjusted net profit under IFRS.
- Target level of payouts – at least 50 per cent – is to be reached in three years.
- New version of Dividend Policy will be submitted for approval by Gazprom Board of Directors.

The Management Committee endorsed the draft new revision of Gazprom's Dividend Policy.

The document, which was developed as part of the effort to streamline the financial strategy of the Company, takes into account best practices in the area of corporate governance. The new Dividend Policy aims to make the dividend calculation mechanism as transparent as possible and to create the conditions for increasing shareholder income while maintaining the Company's financial sustainability at a high level.

It is proposed that dividends be calculated on the basis of adjusted profit attributable to the shareholders of Gazprom in accordance with International Financial Reporting Standards (net profit under IFRS). Currently, dividend calculation under IFRS is carried out based on the net profit of the head company in line with the Russian Accounting Standards.

According to the draft new version of the Dividend Policy, net profit will be adjusted with regard to a number of non-monetary items (income and expenditure items unrelated to cash flows in the reporting period). The draft document includes a full list of adjustments.

The target level of dividend payouts is at least 50 per cent of the adjusted net profit under IFRS. It is planned to reach that level gradually: no less than 30 per cent based on the results for 2019; no less than 40 per cent for 2020; and no less than 50 per cent for 2021 and subsequent years.

If the net debt (adjusted)/EBITDA indicator for the full year exceeds 2.5, the Board of Directors may resolve to reduce the amount of dividends recommended for approval by the General Shareholders Meeting. If necessary, this will allow the Company to maintain its debt burden at a comfortable level.

"The new dividend policy of Gazprom is an important step towards the shareholders and investors. I am convinced that the Company's shares, which have considerable potential for growth, will become an even more attractive asset for financial investors," said Alexey Miller, Chairman of the Company's Management Committee.

The issue regarding the approval of the draft new revision of Gazprom's Dividend Policy will be submitted for consideration by the Board of Directors.

Gazprom is going to enact its dividend policy at its subsidiaries and affiliates as well.

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