



RELEASE

24.12.2019

Board of Directors approves Gazprom's new Dividend Policy

- Dividends will 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.
- Dividend calculation mechanism was made as transparent as possible.

The Gazprom Board of Directors approved the new revision of the Company's Dividend Policy.

The document, which was developed as part of the effort to streamline the financial strategy of Gazprom, 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.

From now on, dividends will 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). In the past, dividend calculation was carried out based on the net profit of the head company in line with the Russian Accounting Standards.

According to the 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 document includes a full list of adjustments. The dividend calculation principles and procedure are outlined very clearly, providing investors and analysts with a framework for more precise and better-quality forecasting in relation to the Company's payouts.

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 keep its debt burden at a comfortable level.

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

The Board of Directors' resolution dated 2010 for the approval of the previous revision of the Dividend Policy is considered no longer valid. The full text of the new document will be made available in the Investors section of Gazprom's official website.

INFORMATION DIRECTORATE, PJSC GAZPROM

www.gazprom.ru

Media

+7 (812) 609-34-21

+7 (812) 609-34-05

+7 (812) 609-34-31

+7 (812) 609-34-27

pr@gazprom.ru

Investment Community

+7 (812) 609-41-29

ir@gazprom.ru