

August 31, 2020

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

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

	Six months ended June 30,	
	2020	2019
Sales	2,903,148	4,076,751
Net gain (loss) from trading activity	14,438	(32,615)
Operating expenses	(2,693,257)	(3,196,687)
Impairment loss on financial assets	<u>(34,344)</u>	<u>(66,571)</u>
Operating profit	189,985	780,878
Finance income	459,352	353,638
Finance expense	(740,984)	(124,493)
Share of profit of associates and joint ventures	<u>74,841</u>	<u>115,255</u>
(Loss) profit before profit tax	(16,806)	1,125,278
Current profit tax expense	(37,788)	(197,494)
Deferred profit tax income (expense)	<u>100,054</u>	<u>(49,140)</u>
Profit tax	62,266	(246,634)
Profit for the period	45,460	878,644
Other comprehensive income (loss):		
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	(71,273)	47,499
Remeasurement of provision for post-employment benefits	<u>(35,091)</u>	<u>(77,852)</u>
Total other comprehensive loss that will not be reclassified to profit or loss	(106,364)	(30,353)
Items that may be reclassified subsequently to profit or loss:		
Share of other comprehensive loss of associates and joint ventures	(34,535)	(4,329)
Translation differences	172,076	(140,628)
(Loss) gain from hedging operations, net of tax	<u>(11,999)</u>	<u>10,024</u>
Total other comprehensive income (loss) that may be reclassified subsequently to profit or loss	125,542	(134,933)
Total other comprehensive income (loss) for the period,	<u>19,178</u>	<u>(165,286)</u>

net of tax		
Comprehensive income for the period	64,638	713,358
Profit for the period attributable to:		
Owners of PJSC Gazprom	32,919	836,497
Non-controlling interest	<u>12,541</u>	<u>42,147</u>
	45,460	878,644
Comprehensive income for the period attributable to:		
Owners of PJSC Gazprom	40,666	679,588
Non-controlling interest	<u>23,972</u>	<u>33,770</u>
	64,638	713,358

Total sales (net of excise tax, VAT and customs duties) decreased by RUB 1,173,603 million, or 29%, to RUB 2,903,148 million for the six months ended June 30, 2020 compared to the same period of the prior year.

More detailed information concerning the main items of the sales structure for the six months ended June 30, 2020 and June 30, 2019 is presented in the table below.

in RUB million (unless indicated otherwise)	Six months ended June 30,	
	2020	2019
Sales of gas		
<i>Europe and other countries</i>		
Net sales (net of excise tax and customs duties)	756,279	1,433,591
Volumes in bcm	98.2	117.9
Average price, RUB per mcm (including excise tax and customs duties)	9,475.4	15,331.0
<i>Former Soviet Union countries</i>		
Net sales (net of customs duties)	139,283	179,738
Volumes in bcm	14.9	19.1
Average price, RUB per mcm (including customs duties)	9,803.5	10,637.1
<i>Russian Federation</i>		
Net sales (net of VAT)	488,703	518,256
Volumes in bcm	117.6	126.4
Average price, RUB per mcm (net of VAT)	4,156.8	4,100.8
<i>Total gas sales</i>		
Retroactive gas price adjustments	2,324	8,009
Net sales (net of excise tax, VAT and customs duties)	1,386,589	2,139,594
Volumes in bcm	230.7	263.4
Net sales of refined products (net of excise tax, VAT and customs duties)	820,853	1,043,371
Net sales of crude oil and gas condensate (net of VAT and customs duties)	212,050	382,947
Electric and heat energy net sales (net of VAT)	252,240	277,895
Gas transportation net sales (net of VAT)	109,290	110,154
Other sales (net of VAT)	<u>122,126</u>	<u>122,790</u>
Total sales (net of excise tax, VAT and customs duties)	2,903,148	4,076,751

Net sales of gas decreased by RUB 753,005 million, or 35%, to RUB 1,386,589 million for the six months ended June 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 677,312 million, or 47%, to RUB 756,279 million for the six months ended June 30, 2020 compared to the same period of the prior year. The change was mainly due to the decrease in average prices (including excise tax and customs duties)

denominated in the Russian Ruble by 38% and the decrease in volumes of gas sold by 17%, or 19.7 bcm. At the same time average prices denominated in US Dollar decreased by 42%.

Net sales of gas to Former Soviet Union countries decreased by RUB 40,455 million or 23%, to RUB 139,283 million for the six months ended June 30, 2020 compared to the same period of the prior year. The change was mainly due to the decrease in volumes of gas sold by 22%, or 4.2 bcm, and the decrease in average prices (including customs duties) denominated in the Russian Ruble by 8%. At the same time average prices denominated in US Dollar decreased by 14%.

Net sales of gas in the Russian Federation decreased by RUB 29,553 million, or 6%, to RUB 488,703 million for the six months ended June 30, 2020 compared to the same period of the prior year. This change was explained by the decrease in volumes of gas sold by 7%.

Net sales of refined products (net of excise tax, VAT and customs duties) decreased by RUB 222,518 million, or 21%, to RUB 820,853 million for the six months ended June 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 170,897 million, or 45%, to RUB 212,050 million for the six months ended June 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 503,430 million to RUB 2,693,257 million for the six months ended June 30, 2020 compared to the same period of the prior year.

The decrease in operating expenses was mainly caused by the decrease of expenses in the item "Purchased gas and oil" by RUB 288,257 million, or 39%, for the six months ended June 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 decrease in the item "Taxes other than on profit" by RUB 115,830 million, or 16%, for the six months ended June 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 foreign exchange gain on operating items amounted to RUB 63,459 million for the six months ended June 30, 2020 compared to the foreign exchange loss in the amount of RUB 51,390 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 13% for the six months ended June 30, 2020, compared to the depreciation of the US Dollar and the Euro against the Russian Ruble by 9% and 10

%, respectively, for the same period of the prior year.

The balance of foreign exchange differences reflected within the item "Net finance (expense) income" produced the loss in the amount of RUB 285,108 million for the six months ended June 30, 2020 compared to the gain in the amount of RUB 218,487 million for the same period of the prior year.

Profit attributable to the owners of PJSC Gazprom amounted to RUB 32,919 million for the six months ended June 30, 2020.

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) increased by RUB 516,317 million, or 16%, from RUB 3,167,847 million as of December 31, 2019 to RUB 3,684,164 million as of June 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 US Dollar and Euro against the Russian Ruble.

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

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