

April 29, 2021

**Gazprom's financial statements under International Financial Reporting Standards (IFRS)
for 2020**

Today PJSC Gazprom issued its audited consolidated financial statements prepared in accordance with International Financial Reporting Standards for the year ended December 31, 2020.

The table below presents the main items of the consolidated statement of comprehensive income prepared in accordance with IFRS for the years ended December 31, 2020 and December 31, 2019. All amounts are presented in millions of Russian Rubles.

	Year ended December 31,	
	2020	2019
Sales	6,321,559	7,659,623
Net gain (loss) from trading activity	31,349	(24,957)
Operating expenses	(5,665,762)	(6,387,071)
Impairment loss on financial assets	(72,295)	(127,738)
Operating profit	614,851	1,119,857
Finance income	747,400	654,916
Finance expenses	(1,365,518)	(354,835)
Share of profit of associates and joint ventures	136,736	207,127
Profit before profit tax	133,469	1,627,065
Current profit tax expenses	(75,606)	(327,618)
Deferred profit tax income (expenses)	104,544	(29,930)
Profit tax	28,938	(357,548)
Profit for the year attributable to:		
Owners of PJSC Gazprom	135,341	1,202,887
Non-controlling interest	27,066	66,630
	162,407	1,269,517

More detailed information concerning the main items of the sales structure is presented below.

in RUB million (unless indicated otherwise)	Year ended December 31,	
	2020	2019
Sales of gas		
<i>Europe and other countries</i>		
Net sales (net of excise tax and customs duties)	1,811,636	2,490,372
Volumes in bcm	219.0	232.4
Average price, RUB per mcm (including excise tax and customs duties)	10,355.9	13,613.0
<i>Former Soviet Union countries</i>		
Net sales (net of customs duties)	295,254	356,102
Volumes in bcm	31.2	38.7
Average price, RUB per mcm (including customs duties)	9,899.8	10,175.9
<i>The Russian Federation</i>		
Net sales (net of VAT)	940,155	970,913
Volumes in bcm	225.1	235.8
Average price, RUB per mcm (net of VAT)	4,176.9	4,118.2
<i>Total gas sales</i>		
Retroactive gas price adjustments	2,294	(16,657)
Net sales (net of excise tax, VAT and customs duties)	3,049,339	3,800,730
Volumes in bcm	475.3	506.9
Net sales of refined products (net of excise tax, VAT and customs duties)	1,798,396	2,111,181
Net sales of crude oil and gas condensate (net of VAT and customs duties)	487,349	752,790
Electric and heat energy net sales (net of VAT)	499,469	518,373
Gas transportation net sales (net of VAT)	223,824	215,335
Other sales (net of VAT)	263,182	261,214
Total sales (net of excise tax, VAT and customs duties)	6,321,559	7,659,623

Net sales of gas decreased by RUB 751,391 million, or 20%, to RUB 3,049,339 million for the year ended December 31, 2020 compared to the year ended December 31, 2019, that was mainly due to a decrease in the 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 678,736 million, or 27%, to RUB 1,811,636 million for the year ended December 31, 2020 compared to the year ended December 31, 2019. The change was mainly due to a decrease in average prices (including excise tax and customs duties) denominated in the Russian Ruble by 24% and a decrease in the volumes of gas sold by 6%, or 13.4 bcm. At the same time average prices denominated in the US Dollar decreased by 32%.

Net sales of gas to Former Soviet Union countries decreased by RUB 60,848 million, or 17%, to RUB 295,254 million for the year ended December 31, 2020 compared to the year ended December 31, 2019. The change was due to a decrease in the volumes of gas sold by 19%, or 7.5 bcm, and to a decrease in average prices (including customs duties) denominated in the Russian Ruble by 3%. At the same time average prices denominated in the US Dollar decreased by 13%.

Operating expenses decreased by RUB 721,309 million to RUB 5,665,762 million for the year ended December 31, 2020 compared to the prior year.

The decrease in operating expenses is primarily caused by a decrease in the item "Purchased gas and oil" by RUB 441,644 million, or 31%, for the year ended December 31, 2020 compared to the prior year due to a decrease in the average prices for gas and oil and a decrease in the volumes of purchased gas and oil.

The foreign exchange gain on operating items for the year ended December 31, 2020 amounted to RUB 164,128 million compared to the foreign exchange loss in the amount of RUB 78,287 million for 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 19% and 31%, respectively, for the year ended December 31, 2020 compared to the depreciation of the US Dollar and the Euro against the Russian Ruble by 11% and 13%, respectively, for the prior year.

The decrease in the item "Taxes other than on profit" by RUB 173,426 million, or 12%, for the year ended December 31, 2020 compared to the previous year was mainly due to a decrease in mineral extraction tax expenses, mainly caused by a decrease in crude oil prices and a decrease in the volumes of gas production.

For the year ended December 31, 2020 the balance of foreign exchange differences reflected within the item "Net finance (expenses) income" produced a loss in the amount of RUB 604,810 million compared to the gain of RUB 285,581 million for the prior year. This fact had a major impact on the financial result of the Gazprom Group.

For the year ended December 31, 2020 profit attributable to the owners of PJSC Gazprom amounted to RUB 135,341 million.

Adjusted EBITDA (calculated as the sum of operating profit, depreciation, impairment loss or reversal of impairment loss on financial assets and non-financial assets, less changes of allowance for expected credit losses on accounts receivable and impairment allowance on advances paid and prepayments) decreased by RUB 393,138 million, or by 21%, for the year ended December 31, 2020 compared to the year ended December 31, 2019 and amounted to RUB 1,466,541 million. This change was mainly due to a decrease in sales.

Net debt balance (defined as the sum of short-term borrowings and the 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 704,848 million, or 22%, from RUB 3,167,847 million as of December 31, 2019 to RUB 3,872,695 million as of December 31, 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 financial statements for the year ended December 31, 2020 can be found on PJSC Gazprom's site (www.gazprom.ru).

INFORMATION DIRECTORATE, PJSC GAZPROM

www.gazprom.ru

Media

+7 (812) 609-34-21

+7 (812) 609-34-32

+7 (812) 613-29-27

pr@gazprom.ru

Investment Community

+7 (812) 609-41-29

ir@gazprom.ru