



GAZPROM: FY2020 IFRS RESULTS

APRIL 29, 2021

DISCLAIMER



This presentation has been prepared by PJSC Gazprom (the “Company”), and comprises the slides for a presentation to investors concerning the Company. This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any shares or other securities representing shares in the Company, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Any viewer of this presentation considering a purchase of such securities is hereby reminded that any such purchase should be made solely on the basis of the information contained in the prospectus or other offering document prepared in relation thereto and will be subject to the selling restrictions set out therein. The information in this presentation should not be treated as investment advice. Care has been taken to ensure that the facts stated in this presentation are accurate, and that the opinions expressed are fair and reasonable. However, the contents of this presentation have not been verified by the Company. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company or any of its members, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in or discussed at this presentation. None of the Company or any of their respective members, directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

The information in this presentation includes forward-looking statements, such statements may also occur during the Q&A session. These forward-looking statements include all matters that are not historical facts, statements regarding the Company’s intentions, beliefs or current expectations concerning, among other things, the Company’s results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Company operates. By their nature, forward-looking statements involve risks and uncertainties, including, without limitation, the risks and uncertainties to be set forth in the prospectus, because they relate to events and depend on circumstances that may or may not occur in the future. The Company cautions you that forward looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Company’s results of operations, financial condition and liquidity and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods.

The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice. No person is under any obligation to update or keep current the information contained herein.

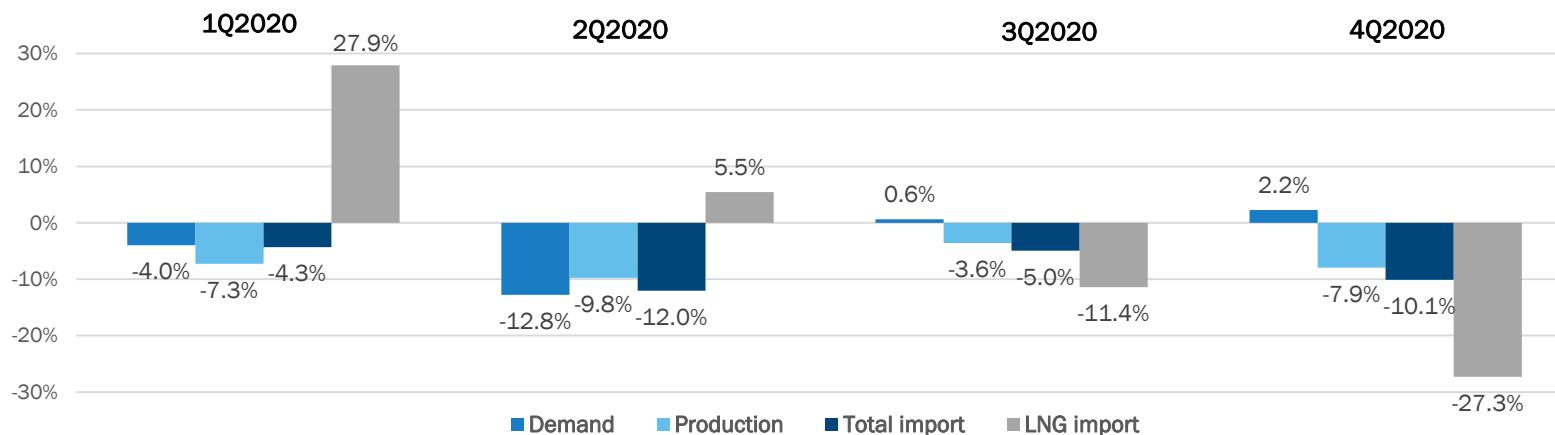
By attending the presentation you agree to be bound by the foregoing limitations.

MARKET ENVIRONMENT



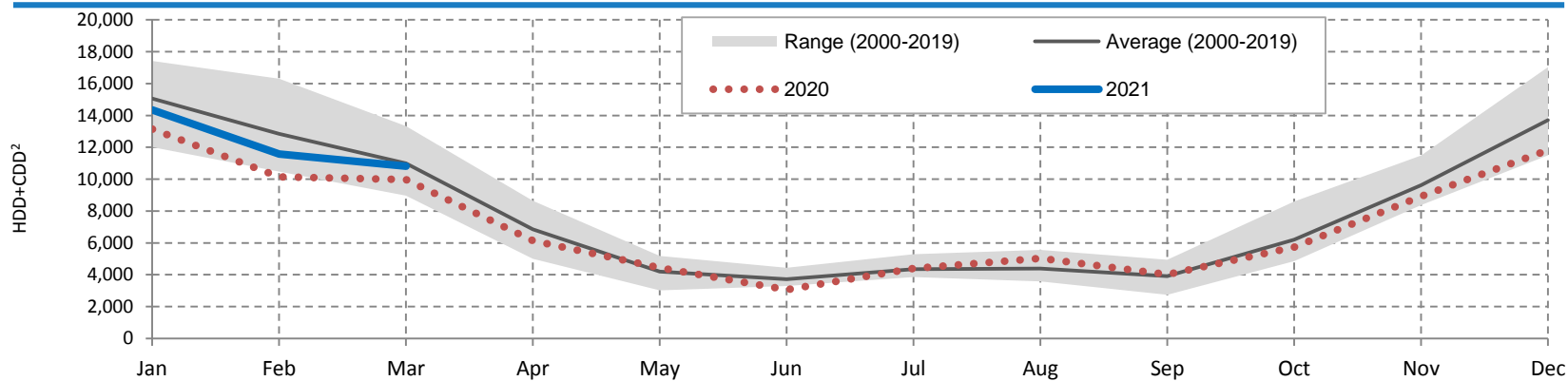
EUROPEAN¹ GAS MARKET IN 2020 (Y/Y)

Weak dynamics in 1H20 was partially offset by gradual rebound in 2H20



WEATHER INDEX² IN EUROPE

Weather conditions in the winter of 2020/21 winter were weaker than 20yr average, but still supported gas demand



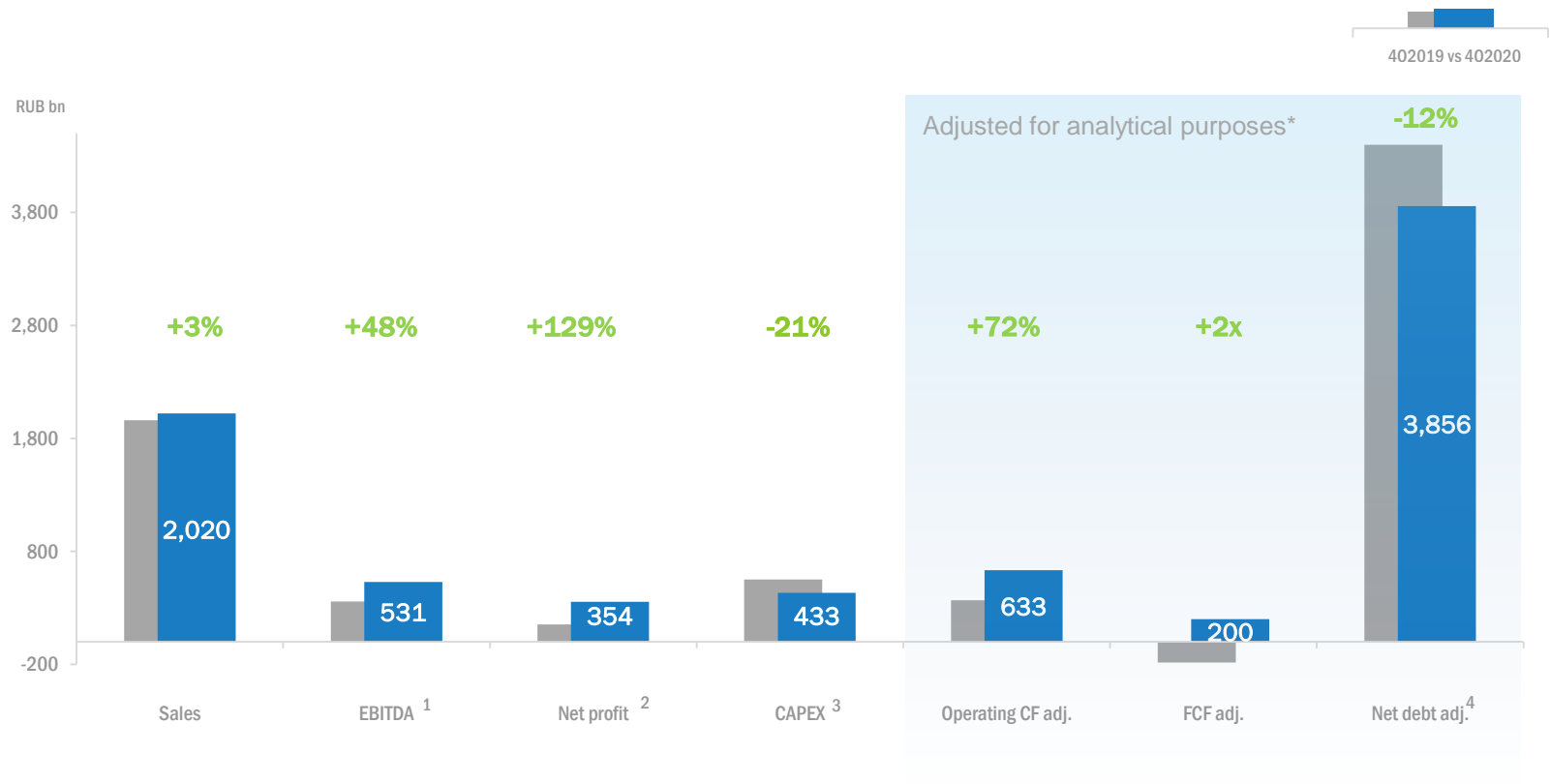
¹ In this presentation "Europe" includes EU-27 countries except Baltic states, plus Albania, Bosnia and Herzegovina, UK, Macedonia, Norway, Serbia, Turkey, Switzerland.

² Weather index is calculated as the sum of degree*days for the corresponding month: HDD (Heating Degree Days) means degree*days for heating season, CDD (Cooling Degree Days) means degree*days of cooling season. Calculation is done based on weather conditions in 90 regions of Europe.

4Q20 IFRS RESULTS

GAZPROM MANAGED TO COME BACK TO AND EVEN EXCEED PRE-COVID FINANCIAL RESULTS IN 4Q20 DUE TO:

- CONTINUING REBOUND IN OIL&GAS MARKETS,
- ACCUMULATED EFFECT OF THE COSTS OPTIMIZATION MEASURES INTRODUCED IN 2020



¹ EBITDA adjusted for changes in impairment provisions

² Profit attributable to PJSC Gazprom's shareholders for the period

³ Cash capital expenditures

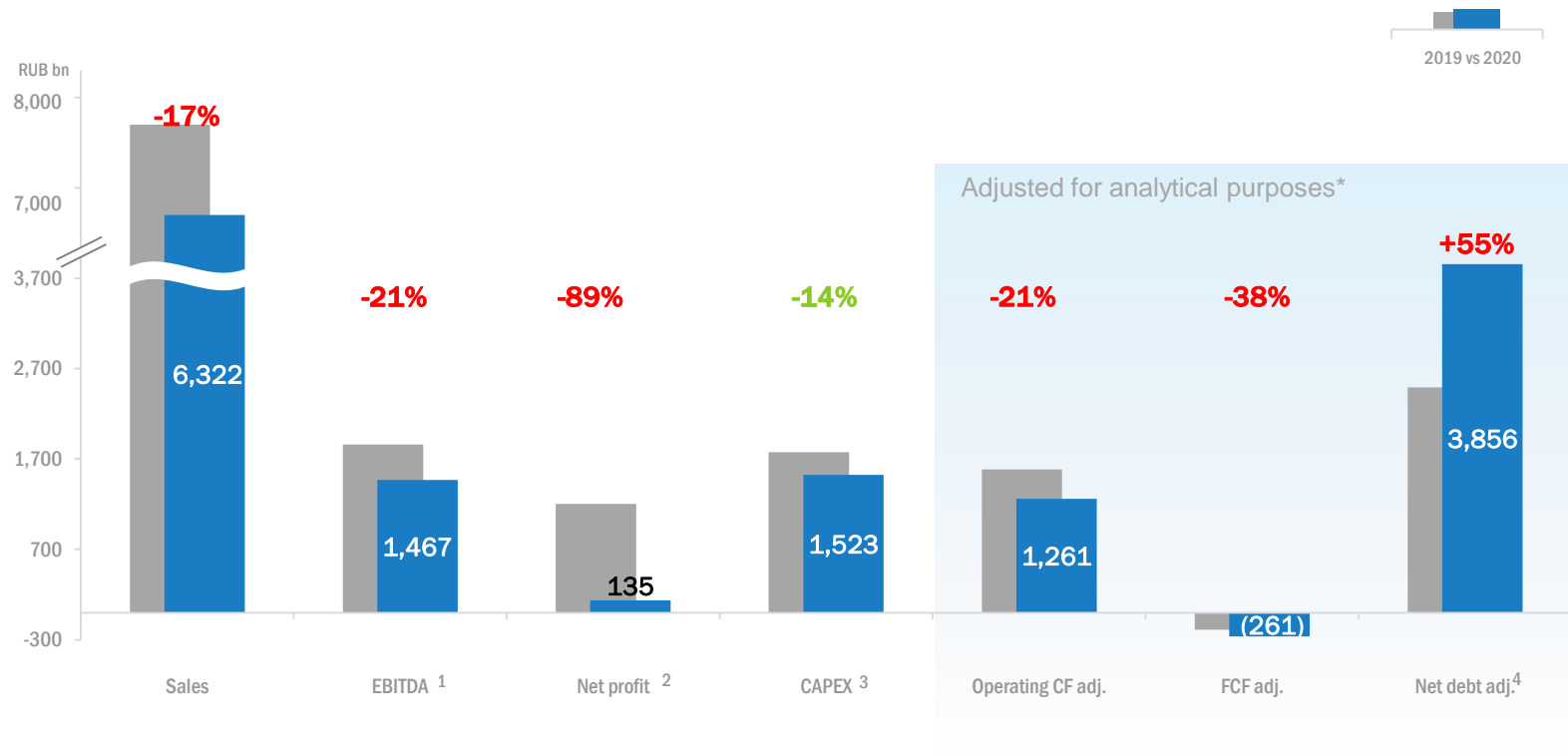
⁴ Compared to Net debt as of September 30, 2020

*In order to reflect the effects of the decrease in bank deposits (reported as part of Other current and Other non-current assets)

2020 IFRS RESULTS

...WHILE FY2020 FINANCIAL PERFORMANCE STILL LEFT SUBDUED ON THE BACK OF:

- LOWER AVERAGE OIL&GAS PRICES IN FY2020, AFFECTING THE TOP LINE
- UNFAVORABLE FX RATE DYNAMICS 2020 VS 2019, SQUEEZING THE BOTTOM LINE AND SWELLING THE DEBT LEVEL



¹ EBITDA adjusted for changes in impairment provisions

² Profit attributable to PJSC Gazprom's shareholders for the period

³ Cash capital expenditures

⁴ Compared to Net debt as of December 31, 2019

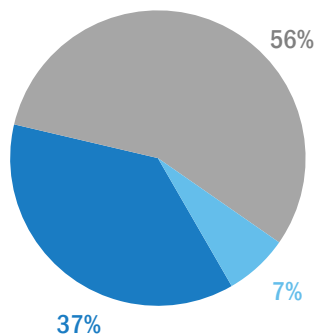
*In order to reflect the effects of the decrease in bank deposits (reported as part of Other current and Other non-current assets)

REVENUE BREAKDOWN BY BUSINESS SEGMENTS

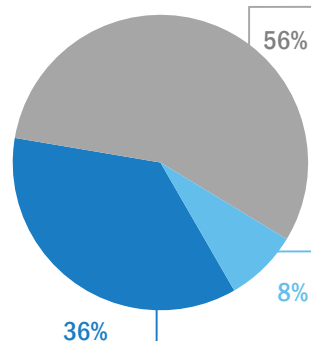


REVENUE BY SEGMENT¹

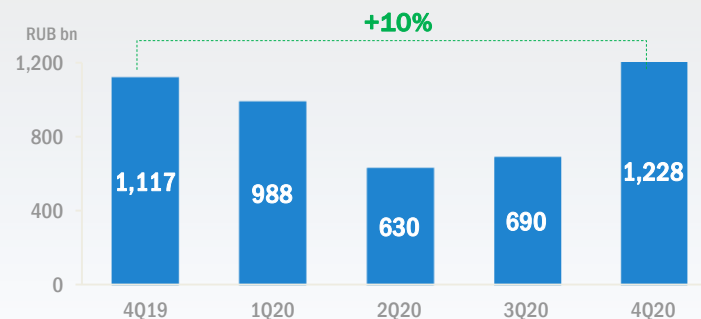
FY2019



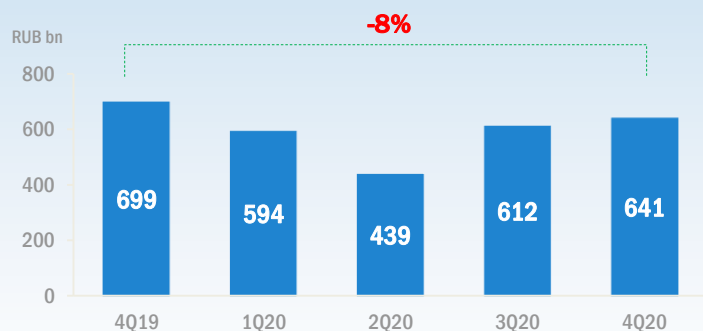
FY2020



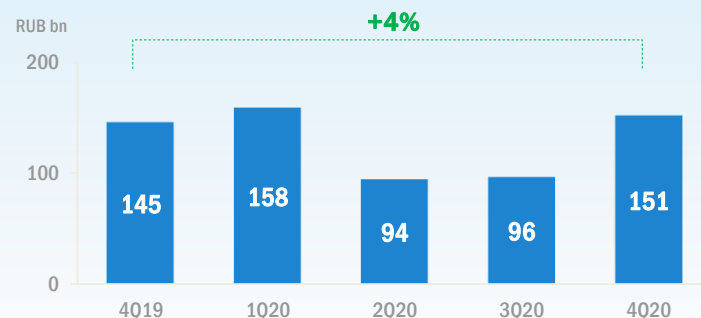
GAS BUSINESS, TRANSPORTATION AND OTHER



OIL AND GAS CONDENSATE, REFINED PRODUCTS



ELECTRICITY AND HEAT



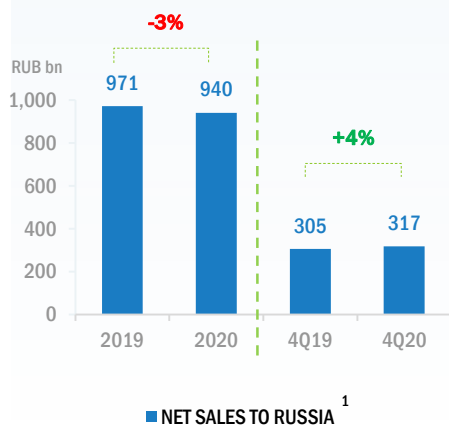
Calculations may differ due to rounding.

¹ Net of value added tax (VAT), excise tax and custom duties.

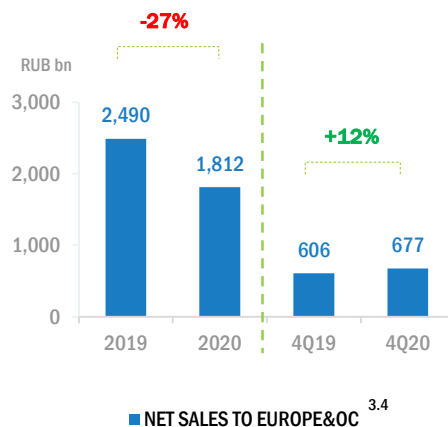
GAS BUSINESS



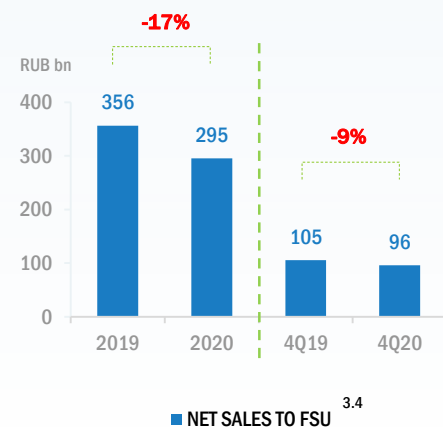
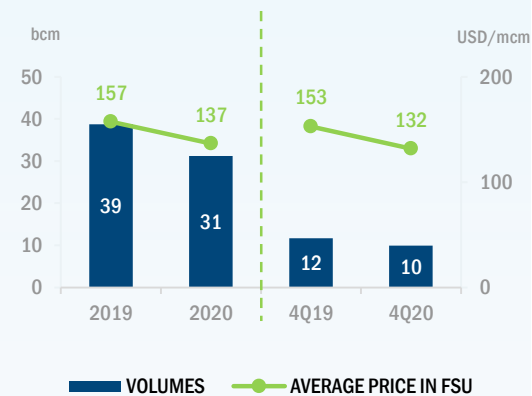
RUSSIA



EUROPE & OC²



FSU



Calculations may differ due to rounding.

¹ Net of value added tax (VAT)

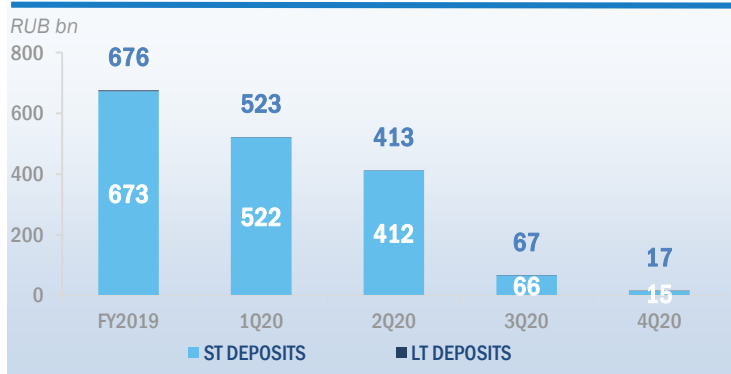
² OC — other countries, including LNG sales

³ VAT is not charged on export sales

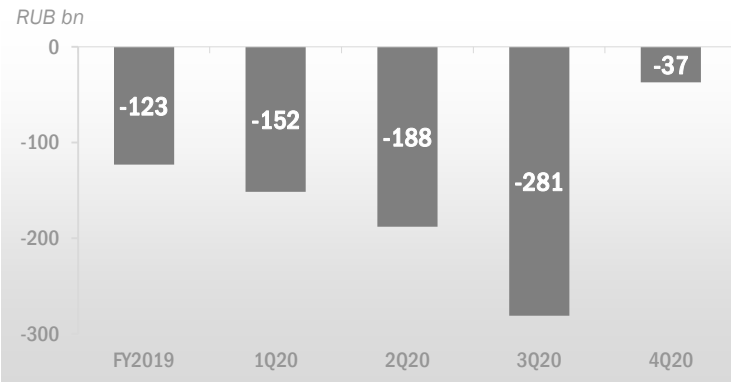
⁴ Net of custom duties and excise tax on gas exports

IMPACT OF BANK DEPOSITS

ST & LT BANK DEPOSITS



ST BANK DEPOSIT CHANGES (Y/Y)



IMPACT OF BANK DEPOSITS¹ ON NET DEBT

- **Bank deposits with the term of over 3 months** are not included in Cash and cash equivalents item of the balance sheet
- **Early withdrawal clause** allows Net Debt and Net Debt/EBITDA to be adjusted for ST and LT deposits for analytical purposes

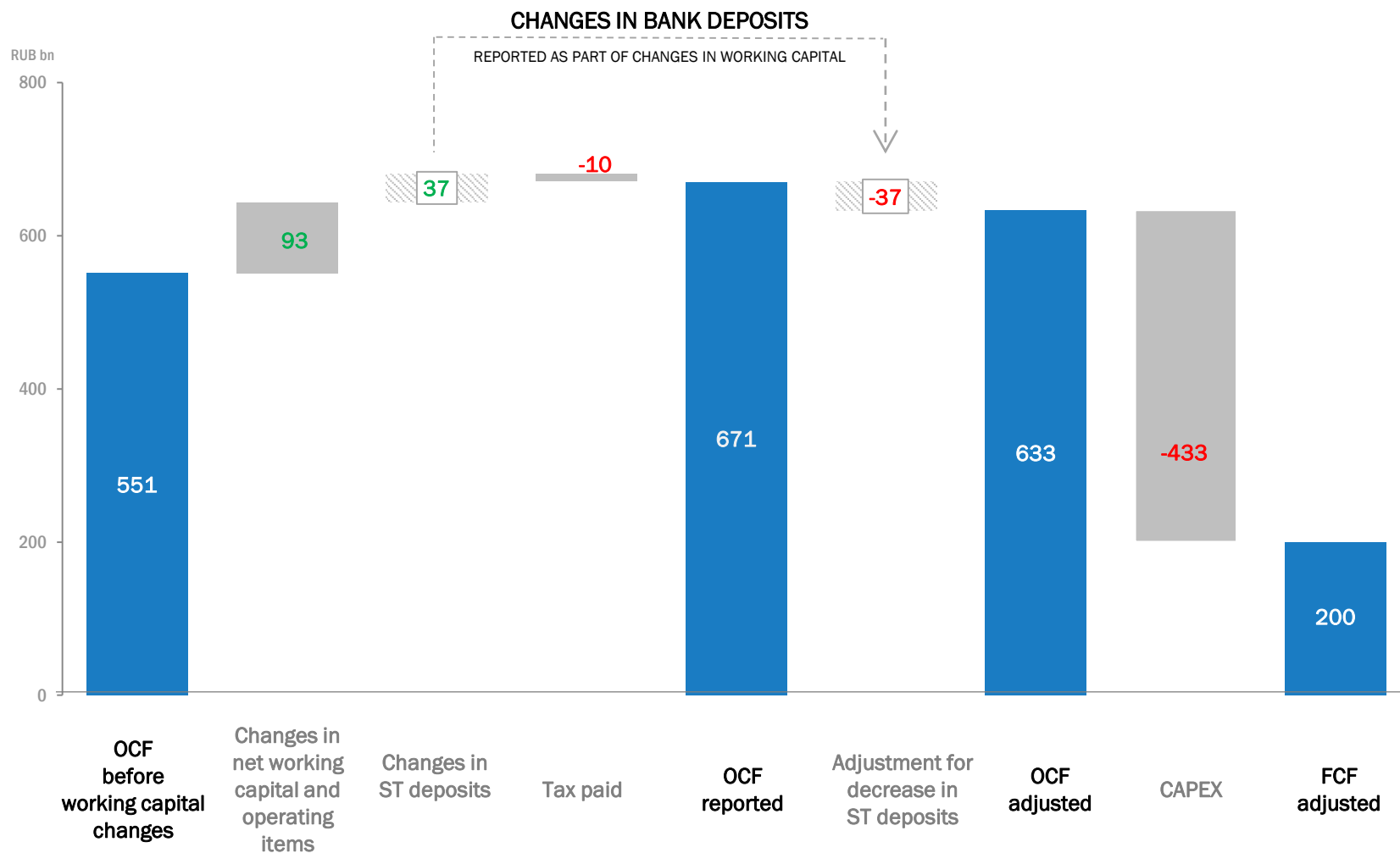
IMPACT OF CHANGES IN ST DEPOSITS ON CASH FLOWS

- Changes in working capital (part of Operating cash flow) include **changes in ST bank deposits**
- Operating cash flow and Free cash flow need to be **adjusted for changes in ST bank deposits** for analytical purposes

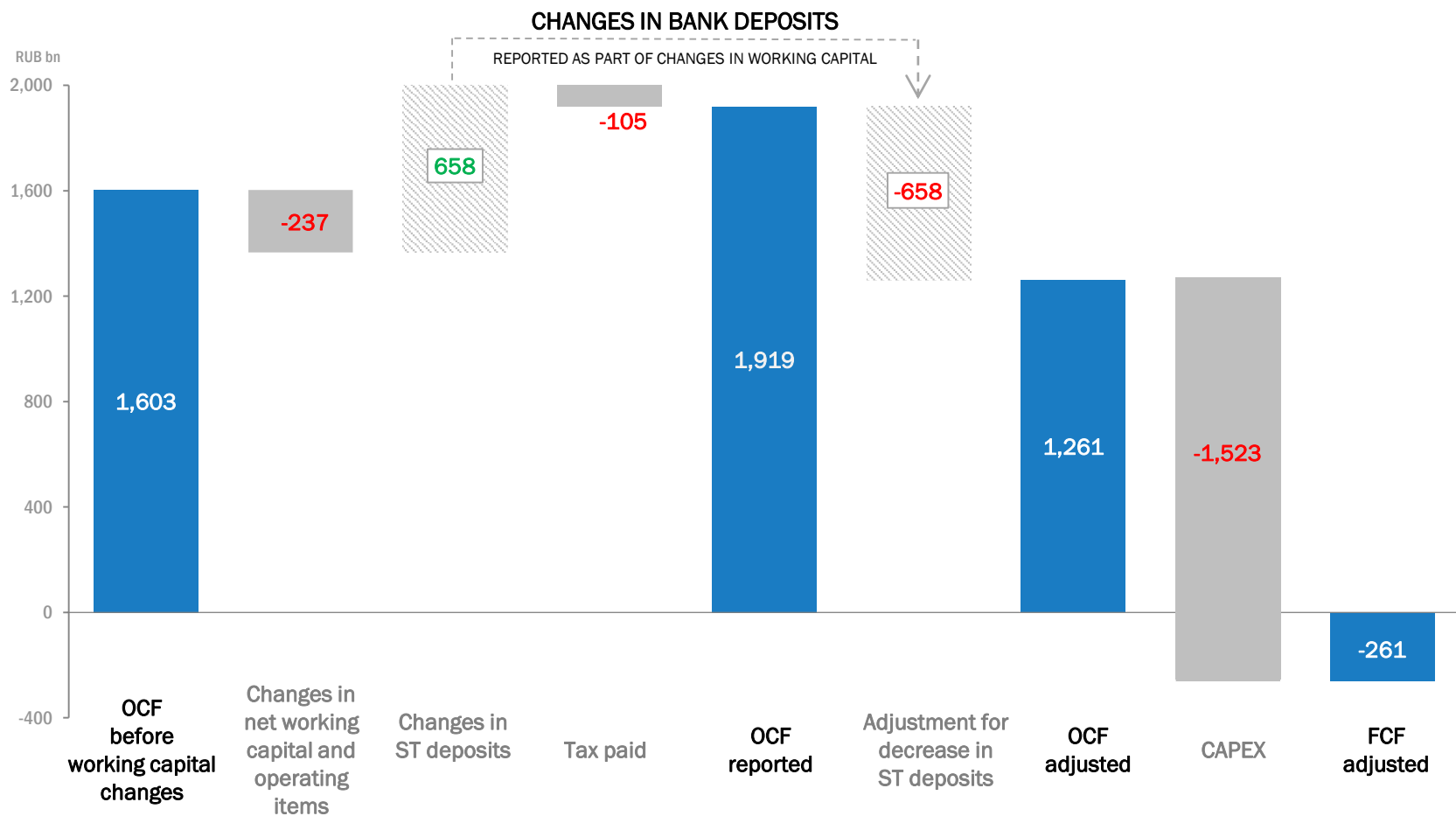
LT AND ST BANK DEPOSITS IMPROVE THE EFFICIENCY OF LIQUIDITY MANAGEMENT

¹ Reported as a part of other current assets and other non-current assets
Source: Gazprom FY2020 IFRS report, note 12

4Q2020 ADJUSTED FREE CASH FLOW

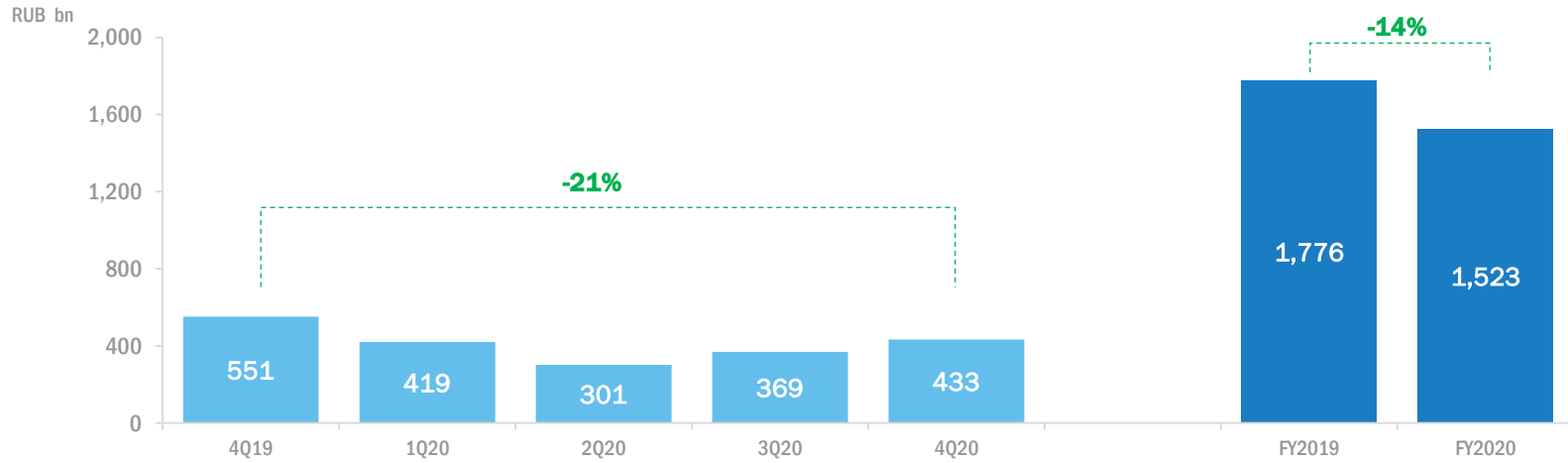


FY2020 ADJUSTED FREE CASH FLOW

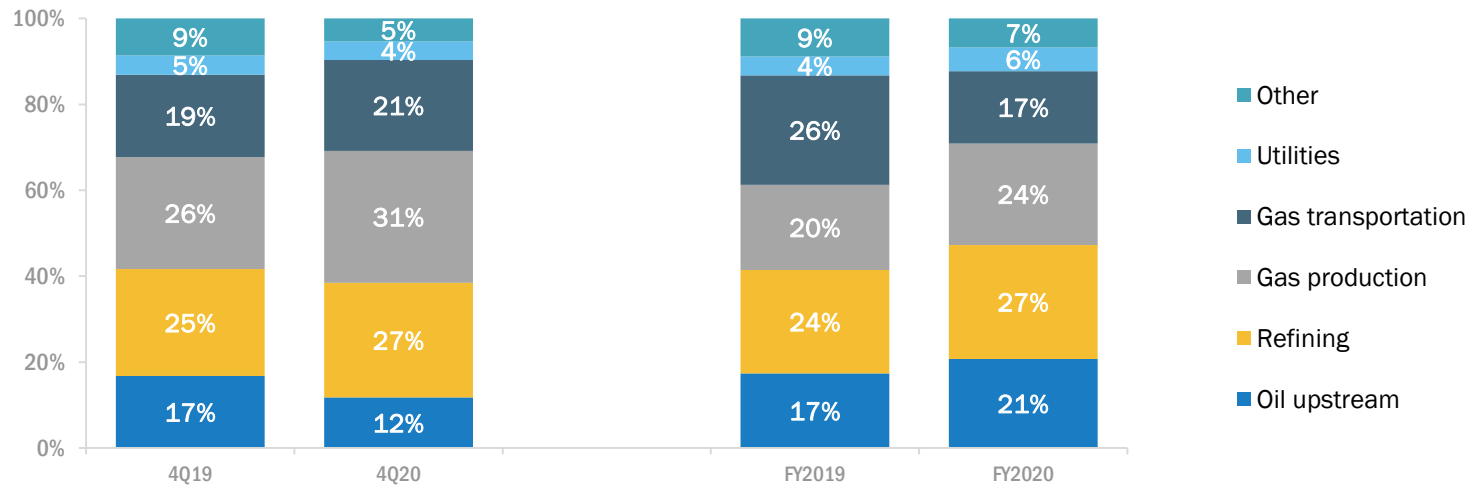


CAPITAL EXPENDITURES

CASH CAPITAL EXPENDITURES

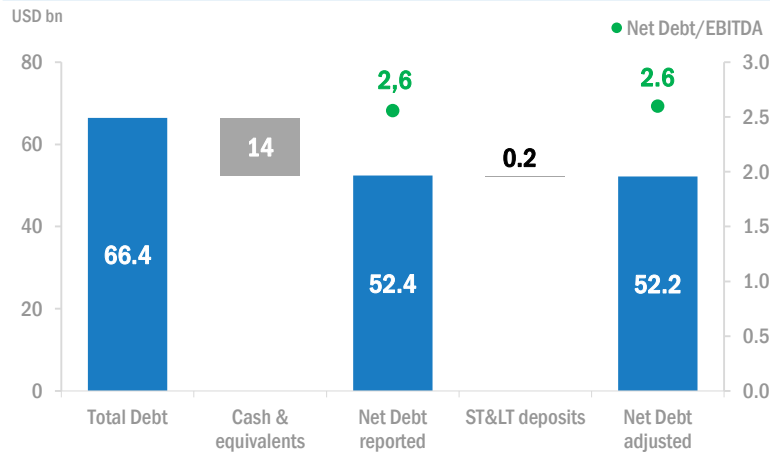


CAPEX BREAKDOWN

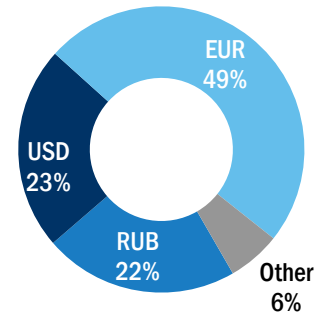


KEY DEBT METRICS

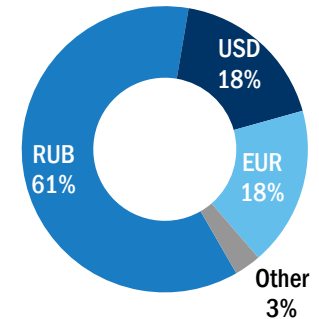
NET DEBT IN FY2020¹



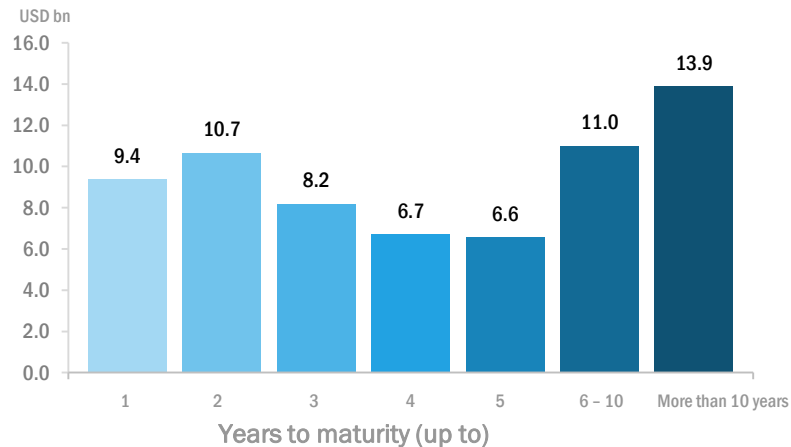
TOTAL DEBT



CASH&EQUIVALENTS (INCL. DEPOSITS)



DEBT MATURITY PROFILE IN 4Q2020



CREDIT RATINGS

Fitch	BBB / stable
Moody's	Baa2 / stable
S&P	BBB- / stable
Dagong	AAA / stable
ACRA	AAA (RU) / stable

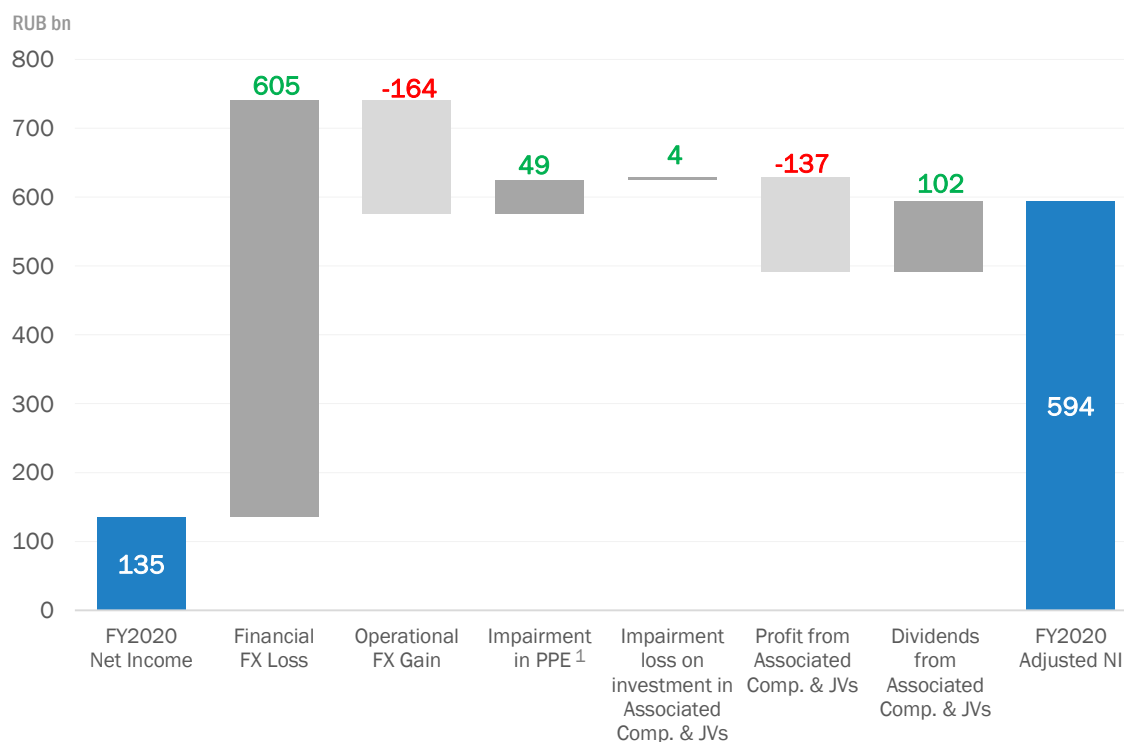
¹ Net Debt adjusted for the bank deposits reported as a part of Other current assets and Other non-current assets (see Slide 10 for details). Based on calculations in USD.

DIVIDENDS



DIVIDEND PAYMENT AS PER THE APPROVED POLICY IS GAZPROM'S PRIORITY

FY2020 ADJUSTED NET INCOME



¹ Impairment loss on property, plant and equipment and assets under construction

OUTLOOK

- **Strong commitment to the Dividend Policy** even under stressful market conditions
- **Management Committee recommended** to move towards 50% payout ratio **ahead of schedule** stated in the Policy
- **Payout ratio – not less than 50%** of adjusted net income for 2021 and beyond
- Dividend payouts are planned to be fully covered by **Free cash flow**



ADDITIONAL INFORMATION

GAZPROM INVESTMENT CASE

FUNDAMENTAL ADVANTAGES



- Low cash cost of gas production
- **Leadership** in the European gas market
- **Increasing diversification** of the gas export portfolio (due to ramp-up of supplies to China)
- **Balanced portfolio** of long-term gas contracts (gas hub and oil basket linked prices)
- **Diversified business structure**: strong oil and low-risk utilities segments

ROBUST FINANCIAL POSITION



- **Conservative financial policy** (stringent debt management)
- Large short-term **liquidity buffer**
- **Favorable FX breakdown** of cash flows (natural hedge in P&L and balance sheet)

FCF SUPPORT EFFORTS



- **OPEX optimization program** to underpin OCF in 2020-2021
- **CAPEX budget tightening** to bolster FCF in 2020-2021
- Launch of key projects to boost FCF in the mid-term

FOCUS ON DIVIDENDS



- **Commitment to the Dividend Policy** despite challenging market conditions
- **Recommendation to pay 50% of 2020 adjusted net income** – **ahead of initial schedule**

SUSTAINABLE DEVELOPMENT PRIORITY



- **Initiatives in all aspects of ESG**: Environmental, Social and Corporate Governance
- Focus on transparency, accountability and investor relations
- Responsible corporate citizen with **focus on sustainability and green technology**

MARKET ENVIRONMENT: FY2020 VS FY2019



EUROPEAN GAS MARKET STARTED TO REBALANCE IN 3Q20

	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Gas demand in EU	189.0	110.1	97.6	163.5	181.5	96.0	98.2	167.2
y/y change, %					-4.0%	-12.8%	0.6%	2.2%
Gas production in EU	65.0	58.9	51.8	60.7	60.3	53.2	50.0	55.8
y/y change, %					-7.3%	-9.8%	-3.6%	-7.9%
Total gas import in EU	90.0	87.2	82.5	101.0	86.1	76.7	78.4	90.8
y/y change, %					-4.3%	-12.0%	-5.0%	-10.1%
LNG import in EU	28.3	29.7	24.2	33.0	36.3	31.3	21.6	24.0
y/y change, %					27.9%	5.5%	-11.4%	-27.3%
Gas inventories in EU	44.4	80.0	105.0	96.7	59.5	87.8	103.9	81.5
y/y change, %					34.1%	9.7%	-1.4%	-15.6%
Brent price	63.2	68.8	61.9	63.3	50.1	29.2	43.0	44.2
y/y change, %					-20.7%	-57.6%	-30.6%	-30.1%
Average TTF 1-month ahead	216.6	150.4	132.8	156.6	108.9	63.7	99.6	152.9
y/y change, %					-49.7%	-57.6%	-25.0%	-2.4%

WHILE LNG SUPPLIES TO EUROPE LAGGED BEHIND DUE TO INTERNAL REASONS

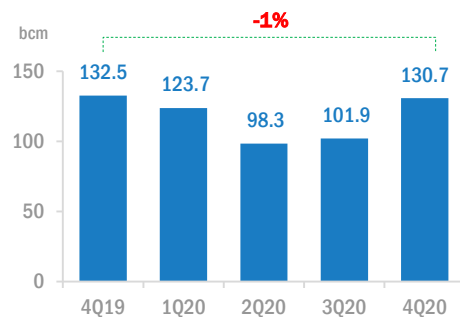
	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
US LNG import in EU	4.0	3.6	2.7	7.9	11.4	6.0	2.4	6.1
y/y change, %					181.9%	65.9%	-13.7%	-23.1%
Liquefaction capacity utilization in US	79.9%	77.2%	67.5%	79.6%	89.6%	63.5%	35.5%	76.8%
y/y change, %					11.4%	-18.9%	-47.3%	-3.5%
Oil production in US	12.0	12.2	12.2	12.7	13.0	11.6	10.7	10.8
y/y change, %					8.3%	-4.9%	-12.3%	-15.1%
Henry Hub gas price	2.9	2.6	2.4	2.4	1.9	1.7	2.0	2.5
y/y change, %					-34.6%	-33.6%	-16.5%	2.5%

Sources: Bloomberg, Eurostat, US Department of Energy, IEA, national statistical bodies, ENTSOG, IHS, S&P Platts

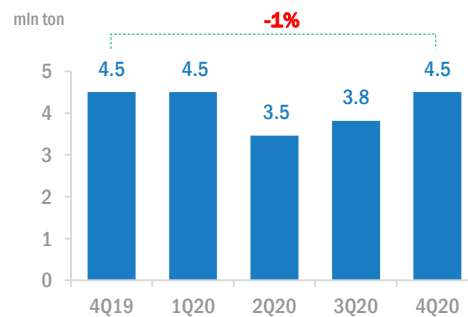
OPERATING METRICS



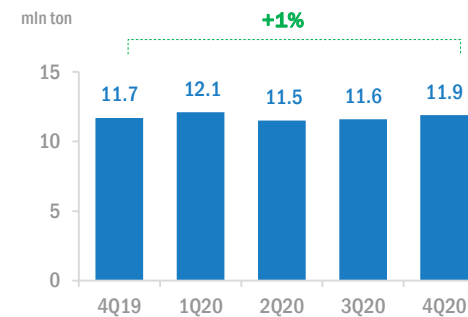
Natural gas



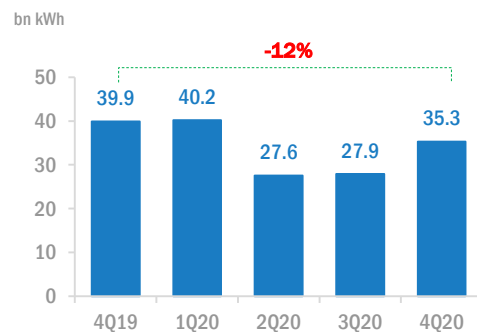
Gas condensate



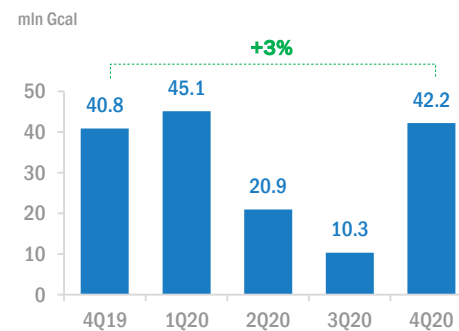
Crude oil



Electricity



Heat



Gazprom Group's volumes produced in Russia
Calculations may diverge due to rounding.

THANK YOU!