Pampa Energía Q1 2026 Conference Call

Buenos Aires, May 7, 2026 (10:00 am Eastern Time)
Presenting:
Gustavo Mariani, CEO
Horacio Turri, head of oil and gas
Adolfo Zuberbühler, CFO
Lida Wang, IR & ESG Officer

Hello everyone, and thank you for joining. I will make a quick summary so we can spend more time on Q&A with senior management. Today we have our CEO, Mr. Gustavo Mariani, our head of oil and gas, Mr. Horacio Turri, and our CFO, Mr. Adolfo Zuberbühler.

In Q1, production exceeded 100 thousand boe per day, reaching a new quarterly all-time high, driven by the sustained ramp-up at Rincón de Aranda and higher gas output under the new power generation framework. Rincón de Aranda, which began ramping up a year ago, is now producing approximately 25 thousand barrels per day. The new regulatory framework also had a positive impact on our power segment, as our non-PPA CCGTs benefited from stronger spot dispatch margins. Also, leveraging our solid balance sheet, in April we successfully issued 200 million dollars in three-year bullet notes at a highly competitive 5.49% fixed rate.

Adjusted EBITDA amounted to 325 million dollars, up 48% year-on-year. As mentioned before, Rincón de Aranda, gas operations and power generation were the main contributors. Rincón de Aranda alone represented 17% of the quarter's total EBITDA, increasing 8 times versus Q1 last year. Quarter on quarter, EBITDA grew 41%, supported by synergies between gas and power businesses, as Loma de La Lata and Genelba CCGTs self-procured gas for thermal dispatch, enhancing spot margins.

Capex rose 36% year-on-year to 242 million dollars during the quarter, of which 163 million were invested in the development of Rincón de Aranda.

Moving on to slide 4, the oil and gas adjusted EBITDA was 104 million dollars in Q1, 2 and a half times last year, driven by Rincón de Aranda, higher gas production for self-supply to our thermal power plants, exports and industrial demand. These factors were partially offset by lower realized crude oil prices and higher royalties, transport and treatment costs associated with production growth. Rincón de Aranda contributed 54 percent of the segment's EBITDA, up from 15 percent last year. Quarter on quarter, EBITDA increased by 36%, mainly due to higher gas demand for CCGT self-supply and exports to Chile.

As we mentioned before, total production averaged more than 100 thousand boe per day, primarily contributed by Rincón de Aranda and Sierra Chata, partially offset by lower output from non-operated blocks and El Mangrullo. The production mix continued to diversify, with oil accounting for 19% of total production, entirely driven by Rincón de Aranda.

Lifting costs averaged 6.1 dollars per boe, down 11% last year and 23% sequentially, explained by higher oil and gas output outpacing a stable cost base, and the divestment of mature non-operated oil assets. Gas lifting cost decreased 10% year-on-year to 0.9 dollars per million BTU and 23% quarter-on-quarter, supported by higher output. Oil lifting costs declined sharply to below 10 dollars per barrel from 41 in Q1 last year, thanks to Rincón de Aranda's ramp-up and the divestment of mature fields.

Focusing on crude oil, output multiplied by 6 year-on-year to 19 and a half thousand barrels per day as Rincón de Aranda ramped up following the commissioning of the Duplicar trunk pipeline. Realized prices averaged 58 dollars per barrel in Q1, 15% lower than last year due to the oil hedge. Without the hedge, realized prices would have been over 69 dollars per barrel, resulting in approximately 21 million of additional revenue. Exports accounted for 55% of total volume sold in Q1 26.

At Rincón de Aranda, the ramp-up continues to progress as planned. Average production during Q1 reached 18.2 thousand barrels per day across 43 producing wells, up 7% quarter-on-quarter. In Q1 last year, production was below 1 thousand barrels per day.

During Q1 2026, 6 wells were drilled and 15 wells were tied in, of which 7 came online in March, bringing the quarter's exit rate to more than 21 thousand barrels per day. For the remainder of the year, we expect to tie in an additional 20 wells and reach 28 thousand barrels per day milestone by mid-2026, supported by a second temporary facility commissioned in late March. We target a production plateau of 45 thousand barrels per day once the central processing facility and the Vaca Muerta Oil Sur pipeline are online.

It is worth noting that Rincón de Aranda completed its first full year of operations, with clear efficiency gains already visible. Drilling performance improved from 200 meters per day on the first pad last year to nearly 330 meters per day on the most recent pad, a more than 50% improvement. Completion activity also improved from almost 7 to 9 stages per day, an increase of over 30%. These improvements reflect the team's consistent execution and shorter cycle times across the development program.

Also, on March 9 we submitted the project's application to the RIGI incentive program, which is expected to accelerate the development in the northern area of Rincón de Aranda, support a faster ramp-up and sustain plateau production for a longer period. The estimated investment under the project amounts to 4.5 billion dollars, including new shale oil wells and associated infrastructure. Approval remains pending.

Moving on to gas, production grew 17% year-on-year and 28% from Q4 to almost 14 million cubic meters per day, driven by gas self-supply to our CCGTs under the new power market framework, higher exports to Chile and stronger industrial demand. Exported volumes increased 65% year-on-year, from 0.9 to 1.5 million cubic meters per day, and we expect these levels to continue throughout the remainder of the year.

El Mangrullo and Sierra Chata, our two operated blocks, accounted for 88% of the total gas production. No new wells were connected during Q1, although a pad tied in during Q4 at Sierra Chata explains the 70% year-on-year growth, while El Mangrullo dropped 7%.

During the quarter, Sierra Chata drilled 3 new wells, completing a 4-well DUC pad. For the second half of the year, the plan includes drilling 2 additional pads, tying in 1 pad before winter, aligned with seasonal gas demand from our power generation business. At El Mangrullo, the plan is to drill a 6-well pad, which will remain as DUC inventory.

Gas prices averaged 2.9 dollars per million BTU, flat year-on-year, due to lower export prices, offset by higher retail prices as tariffs increased above peso devaluation.

In Q1, 47% of our gas was sold under Plan Gas GSAs through CAMMESA and retailers, down from 82% last year, following the transfer of said GSAs to our CCGTs. As a result, interco consumption increased to 32% of total sales, compared to 2% last year. Under the new framework, we expect approximately 40% of this year's production to supply our own power generation assets.

As for power generation, we posted an adjusted EBITDA of 144 million dollars in Q1, up 11% year-on-year and 30% quarter-on-quarter, mainly driven by stronger spot margins at our CCGTs under the new power framework, which operates under a marginal pricing system that benefits efficient units.

Total availability fell to 90%, mainly due to the ongoing Nihuiles outage since January 2025, the GT04 outage at Loma de La Lata, which is expected to return to service in June, and scheduled maintenance at Barragán. However, Pampa's thermal availability continues to outperform peers in the national grid. In addition, 32% of our installed capacity was contracted in the B2B market, recovering to the levels before the implementation of the new framework.

Regarding the expansion of the Perito Moreno gas pipeline and its final sections toward the Buenos Aires Metro area, on April 15 TGS awarded the tender's first tranche, corresponding to 4.8 out of the 12 million cubic meters daily of expansion in transportation capacity – 40%. Pampa secured 3.2 million cubic meters per day, representing 27% of the expansion capacity and two-thirds of the first tranche.

The transportation contract is for 35 years, under a take-or-pay (aka ship-or-pay), and requires prepayment of the first 15 years of tariffs, which, in our case, amount to approximately US$330 million, payable in four installments, with final maturity in April 2027. The expansion is expected to begin operations during the winter of 2027.

Participation in this gas pipeline expansion is underpinned by a clear economic rationale. Under the new power market framework, electricity generated using gas transported through new infrastructure —such as the Perito

Moreno and its final sections expansion— captures the full dispatch margin when sold in the spot market, with FRA equal to 1. Therefore, the new deregulation guidelines create two key drivers of profitability for Pampa: they secure additional transportation capacity for gas produced from our upstream operations for self-supply, enabling further monetization of our reserves. Second, it enhances the profitability of our power generation assets, particularly our CCGTs.

Turning to cash flow on slide 8, we show the Parent Company figures, aligned with our bond perimeter, free cash flow was negative 402 million dollars in Q1, explained by collateral requirements related to oil hedge, intensive capex at Rincón de Aranda on top of payments associated with last year's capex, and a slightly higher days of sale outstanding, offset by strong EBITDA generation. As a result, cash and cash equivalents stood at 677 million dollars at quarter-end, 414 million dollars less than Q4.

Finally, on the balance sheet, gross debt as of March was nearly 1.9 billion dollars, similar to the 2025 year-end level, but net debt rose to 1.2 billion dollars, representing net leverage of 1.5 times to last 12 months EBITDA.

So, this concludes our presentation. Now, the floor is open for questions.