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## Pampa Energía Q1 2021 Conference Call

Buenos Aires, May 13, 2021 (10 am Eastern Time)

Presenting:

Gustavo Mariani, CEO

Gabriel Cohen, CFO

Lida Wang, Investor relations and sustainability officer

Hello everyone, and thank you for joining our conference call. I hope you all are safe and well.

In the interest of time, I will summarize the latest events and financial figures. For more details, you can check our earnings release or contact us. Our CEO Mr. Mariani and CFO, Mr. Cohen, are both here and joining us for Q&A.

Despite the challenging context, the first quarter showed solid figures from sales to net cash flow – a great proof of the Company’s resiliency. As of 2021, figures are shown without Edenor, as we announced the divestment last year, and clearance should be anytime. Therefore, Pampa is getting simpler and leaner.

The revenues from continuing businesses increased 4% year on year to 420 million dollars, mainly due to Genelba’s new PPA, growing gas self-supplied by our E&P. We also recorded higher petrochemical and E&P prices due to the rise in international prices and Plan Gas GSA. All of them were partially offset by the drop in legacy prices and hydrocarbon volumes, as well as the tariff freeze and devaluation effect over utility businesses. In Q1 21, 83% of our sales were dollar-linked and almost 88% in EBITDA terms, mainly coming from our core businesses, PPA-power capacity, followed by E&P.

The adjusted EBITDA from continuing businesses amounted to 204 million dollars for the quarter, 16% higher year on year, mainly explained by the same reasons detailed before, plus production efficiencies and decreasing Peso-linked expenses due to deval effect. Quarter on quarter, EBITDA increased by 11%, mainly due to Plan Gas, petrochemicals price improvement and the high seasonality on power and liquid businesses, offset by Barragán’s outages and deval effect on regulated income. Therefore, oil and gas is regaining exposure by taking 41%, as we show on the right below, while excluding Edenor, electricity takes 59% of the consolidated adjusted EBITDA.

Moreover, during Q1, the CAPEX from continuing business fell 11% year on year and 10% quarter on quarter, explained by the commissioning of Genelba last year’s first half, offset by a recovering E&P activity due to the Plan Gas and Barragán expansion project.

Moving to the power generation segment, as seen on slide 4, during the first quarter of 2021, we posted an adjusted EBITDA of 115 million dollars, similar to Q1 20, mainly contributed by Genelba Plus CCGT, higher B2B electricity sales and the devaluation impact on our Peso-nominated expenses. These effects were offset primarily by the dilution in US\$ of legacy prices, which are frozen since February last year. Quarter on quarter, EBITDA decreased by 5%, mainly due to Barragán outage and deval impact, offset by the summer season that rose spot energy prices in Q1 21. Spot energy comprises 59% of our capacity but only represented 22% of our power generation EBITDA in the quarter, and it will keep shrinking until the regulator grants inflation adjustment, which is imperative to continue with the proper maintenance of these plants, underpaid considering their contribution to the grid’s availability.

Generation in Q1 21 was 4% down year on year, impacted by the increasing renewables in the grid combined by weaker demand, lesser Bolivian gas in the north of the country, in addition to Barragán’s outage. All of them were partially offset by Genelba’s new CCGT and CAMMESA’s exports using our efficient dual-fuel units at Parque Pilar and Ingeniero White. Quarter on quarter generation was quite similar, with thermal outpacing hydro and wind generation.



Keep in mind that the power generation business model relies on capacity payment, so lower dispatch does not impact the revenue-making as long as availability is outstanding, especially for PPA-based energy. The availability rate in Q1 21 reached 94.9% with an installed capacity of 5 GW operated by Pampa, slightly lower year on year mainly due to Barragán's unavailability.

We expect exports by CAMMESA to remain but slow down as it is forecasted droughts – meaning more reliance on thermal generation, regardless of fuel. All in all, our 2021 generation is expected to increase year on year.

Regarding our expansions, our crucial project is closing to CCGT at Ensenada Barragán thermal power plant, as seen on slide 5. The project is considered critical infrastructure for Argentina's grid, which will add 280 MW in the south of Greater Buenos Aires. The project is 40% advanced; Siemens carried out the steam turbine inspection without anomalies. We are beginning to install the water system and review the facility's connection to the grid. Around 900 people are right now at the site, working with the strictest protocols to minimize the circulation of COVID. We also implemented the night shift to recover the delays caused by the pandemic's second wave to achieve COD by the second quarter of 2022. Keep in mind that Pampa operates Ensenada Barragán, and it is the fourth CCGT project for us. Once closed, the installed capacity will amount to 847 MW, contributing to the grid with one of the most efficient thermal units.

So, moving on to the E&P results seen on slide 6, we posted an adjusted EBITDA of 33 million dollars in Q1 21, 13% higher year on year, primarily driven by Plan Gas, rebounding gas prices as of the beginning of this year. Crude oil prices also grew to pre-pandemic levels due to international prices. However, the lower oil demand and gas exports and more royalties because of higher prices compensated for the EBITDA's increase. Quarter on quarter, the EBITDA increase is remarkable considering they are both off-peak quarters, driven by Plan Gas and also higher gas production.

Efficiency wise, we recorded 23 million dollars of lifting cost, 24% improvement than Q1 20, driven by higher productivity at competitive gas blocks such as El Mangrullo, less oil volume and the devaluation. By boe produced, we reached less than 6 dollars of lifting cost, 19% lower year on year and 2% quarter on quarter.

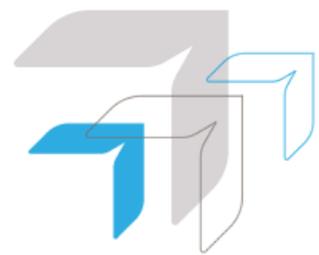
Despite the harsh environment and industry depletion, it is worth highlighting that our oil and gas production only decreased 5% year on year, mainly because of lower oil output, and remained similar quarter on quarter. We reached almost 44 thousand barrels of oil equivalent per day, of which 90% is composed of natural gas.

On the oil side, which represented 21% of the segment's revenue in the quarter, volume sold decreased by 39% year on year to 3.2 thousand barrels per day, explained by lower domestic demand as refined products haven't recovered to pre-pandemic levels. Although, we resumed exports in April. As per crude oil prices, they increased by 11% year on year and 34% quarter on quarter, reaching more than 55 dollars per barrel, driven by Brent and bouncing back from the sharp fall at the beginning of the lockdown.

Regarding gas, as we can see on slide 7, Q1 21 reached an average of 241 million cubic feet per day of volume sold, 7% lower year on year but similar quarter on quarter, explained by still weak but recovering domestic demand and lower exports to Chile. The fact that drilling and completion activity reactivated in Q1 after a dreadful year also impacted the production. Although, the growth efforts are placed for the winter season when prices surge, and gas shortage happen.

Production was lower at our less efficient gas-bearing blocks but was partially offset by the steady growth at El Mangrullo, a block with outstanding productivity wholly owned and operated by us. In Q1 21, El Mangrullo reached 165 million cubic feet per day of gas production, 9% higher than Q1 20 and contributing close to 70% of our overall gas, ranked the fourth largest gas-producing block at Neuquina basin.

During the first quarter of 2021, our average gas price was 2.8 dollars per million BTU, 21% higher year on year and 32% quarter on quarter, mainly explained by the Plan Gas, where over 70% of our output is sold



US\$3 per MBTU. Though this GSA does not cover the spot market or CAMMESA's additional gas tenders, free prices improved but haven't reached Plan Gas levels. As we approach the winter season, free prices are expected to converge Plan Gas levels.

As you can see right below, the quarter's sales are more diversified than a year ago but still mainly destined to CAMMESA, whether through Plan Gas or spot sales. DistCos are also part of Plan Gas and will soar during winter, increasing its share to one-third of this year's production. Also, we put in place a campaign to appeal to gas B2B sales, with positive results increasing our market share. The only segment shrinking was gas exports, which decreased by half year on year.

Let me briefly comment again on the importance of Plan Gas, which sets a turnaround for our E&P business. Plan Gas grants a 4-year GSA, intended to revert the declining trend on local gas production. Pampa was the third major awardee and the only producer tendering the largest winter production growth in the Neuquina Basin. Winter is seasonally critical because, on top of industrial consumption, retail and thermal power increase their demand dramatically, resulting in a gas shortage and massive imports, which are paid with reserves, and it does not help the Argentine macro.

Under the GSA, we are committed to increase our annual production by 15% and by 28% during the winter, charging 3 dollars per MBTU off-peak and 4.5 dollars per MBTU on peak season. That makes a year weighted average of 3.6 under this GSA. Therefore, in Q1 2021 we reactivated our investment activity by drilling six tight gas wells at Río Neuquén and Sierra Chata and completing two tight gas wells at El Mangrullo, our main production field. In that block, we are preparing for the output surge by building the second gas treatment plant, which will more than double the evacuation capacity, to reach 290 million cubic feet per day. Drilling activities in the mentioned blocks will increase during the following months to fulfill our commitment, especially for the winter.

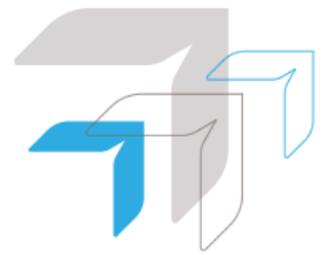
It is worth mentioning petrochemical's outstanding performance, despite the economic downturn context. The EBITDA increase was mainly explained by the significant rise of international reference prices and local spreads thanks to the growing demand linked to the industry recovery. Exports, which are 40% of our sales, are growing for SBR and reforming products. Continuing with the pricing trend, we expect to achieve similar performance during Q2, but beyond, we are not sure how commodities markets behave as they are highly volatile.

Finally, moving on to slide 10, our solid performance allows us to keep deleveraging our balance sheet. Therefore, improve our leverage ratios, granting us some degrees of freedom compared to other industry peers amid this challenging environment. This slide shows consolidated figures, including our affiliates at ownership, but let's only focus on the Restricted Group for covenant purposes. Since Edenor was deconsolidated, Pampa under IFRS is equivalent to the Restricted Group.

As of year-end, the restricted group gross debt recorded 1.6 billion dollars, similar to last December. 91% denominated in US dollar, up from 88% in December 2020, because we've been paying down short-term peso debt. The dollar-debt bears an average interest rate of 7.4%, while the peso-debt averages 39% interest. Average life decreased from 4.8 years to 4.6 years.

The cash amounted to 409 million dollars, 12% lower than last quarter's stock, mainly due to higher working capital by Plan Gas, coupon and peso debt payments and share buyback, partially offset by positive operating cash flow. The restricted group's net debt is similar to last quarter, amounting to 1.2 billion dollars. The net leverage ratio improved from 2.4 times to 2.3 times, driven by higher LTM EBITDA.

In the next 12 months, the Company only faces 165 million dollars of maturities, of which 84% in local currency. After Q1, we paid at maturity 16 million dollars of Peso debt and made some share buyback. We



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will keep reducing short-term Peso debt unless we find other opportunities to capitalize on, either through M&A or further securities buybacks.

Regarding our affiliates, Barragán amended its VRD's amortization schedule, easing the maturity profile for the next two years.

Finally, last April's annual shareholders' meeting approved to cancel of another 2.3 million treasury ADRs. As of today, our outstanding capital amounts to 55.7 million ADRs. Also, keep in mind that our board also approved a new program for up to 30 million dollars last March, with a price cap of 16 dollars per ADR.

So, this concludes our presentation. Now, I will turn the word to Margarita, who will open the floor for questions. Thank you.