



**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 20-F

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2021

Commission File Number: 001- 39000

Vista Energy, S.A.B. de C.V.
(Exact name of registrant as specified in its charter)

N.A.

(Translation of registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

**Pedregal 24, Floor 4
Colonia Molino del Rey, Alcaldía Miguel Hidalgo
Mexico City, 11040
Mexico**

(Address of principal executive offices)

**Alejandro Cherñacov
Pedregal 24, Floor 4
Colonia Molino del Rey, Alcaldía Miguel Hidalgo
Mexico City, 11040
Mexico**

Tel.: + 52 (55) 8647-0128

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Series A Shares American Depositary Shares, each representing 1 Series A share, with no par value	VISTA VIST	New York Stock Exchange* New York Stock Exchange

* Not for trading, but only in connection with the registration of American Depositary Shares, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None



Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report:

- 88,629,877 outstanding Series A shares, with no par value.
- 2 outstanding Series C shares, with no par value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

- Yes
- No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

- Yes
- No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

- Yes
- No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

- Yes
- No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

- Large Accelerated Filer
- Accelerated Filer
- Non-Accelerated Filer
- Emerging Growth Company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.

† The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

- U.S. GAAP
- International Financial Reporting Standards as issued by the International Accounting Standards Board
- Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

- Item 17
- Item 18

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

- Yes
- No

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (§ 15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.



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PRESENTATION OF INFORMATION

This document comprises the annual report of Vista Energy, S.A.B. de C.V. (“Vista”) on Form 20-F for the year ended December 31, 2021.

On March 16, 2022, our Board of Directors called for an Ordinary and Extraordinary General Shareholders’ meeting, to propose, discuss, and, if applicable, approve certain amendments to the Company’s by-laws. One item to be considered included a proposal to amend the Company’s corporate name to “Vista Energy”, which will be followed by the words “Sociedad Anónima Bursátil de Capital Variable” or its abbreviation, “S.A.B. de C.V.” Subsequently, on April 26, 2022, the Extraordinary General Shareholders’ meeting approved said amendment and the change to our corporate name became effective shortly after upon the completion of certain Mexican statutory requirements. No change to our ticker symbol or CUSIP was made during this process.

On the same date our subsidiaria in Argentina, changed its legal name from Vista Oil & Gas Argentina, S.A.U., to Vista Energy Argentina, S.A.U.

References

Unless otherwise indicated or the context otherwise requires, (i) the terms “Vista,” “Company,” “we,” “us,” and “our,” refer to Vista Energy, S.A.B. de C.V., a corporation (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico, and its consolidated subsidiaries, (ii) the term “Issuer” refers to Vista exclusive of its subsidiaries, (iii) the term “Vista Argentina” refers to Vista Energy Argentina S.A.U. (formerly known as Vista Oil & Gas Argentina S.A.U., prior thereto as Vista Oil & Gas Argentina S.A., and prior thereto, as Petrolera Entre Lomas S.A.); (iv) the term “PELSA” refers to Petrolera Entre Lomas S.A. (or following the change of its corporate name, Vista Argentina); (v) the term “Vista Holding I” refers to Vista Oil & Gas Holding I, S.A. de C.V.; (vi) the term “Vista Holding II” refers to Vista Oil & Gas Holding II, S.A. de C.V.; (vii) the term “APCO International” refers to APCO Oil & Gas S.A.U. (formerly known as APCO Oil and Gas International, Inc. before its re-domiciliation to Argentina, which was merged into Vista Argentina pursuant to the Argentine Reorganization (as defined herein) and is no longer in existence as of the date of this annual report; see “Item 4—Information on the Company—History and Development of the Company”); (viii) the term “APCO Argentina” refers to APCO International’s subsidiary APCO Argentina S.A. (which was merged into Vista Argentina pursuant to the Argentina Reorganization and is no longer in existence as of the date of this annual report; see “Item 4—Information on the Company—History and Development of the Company”); and (ix) the term “APCO Argentina Branch” refers to APCO Oil & Gas S.A.U. (formerly known as APCO Oil and Gas International, Inc. (Argentina Branch)) (together with APCO International and APCO Argentina, the “APCO Entities”). See “Item 4—Information on the Company—History and Development of the Company.”

References to “series A shares” refer to shares of our series A common stock, no par value, and references to “ADSs” are to American Depositary Shares, each representing one series A share, except where the context requires otherwise.

In addition, the term “Mexico” refers to the United Mexican States, the term “United States” refers to the United States of America, and the term “Argentina” refers to the Argentine Republic. Moreover, the phrase “Mexican government” refers to the federal government of Mexico, the phrase “U.S. government” refers to the federal government of the United States, and the phrase “Argentine government” refers to the federal government of Argentina.

Accounting terms have the definitions set forth under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”).

Financial Statements and Information

The financial statements included in this annual report have been prepared on a historical basis in accordance with IFRS, as described herein.

We maintain our books and records in U.S. Dollars, which is the presentation currency for our financial statements and also the functional currency of our operations.

The financial information contained, or referred to, in this annual report includes the audited consolidated financial statements as of December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, and the notes thereto (the “Audited Financial Statements”).

The Audited Financial Statements have been prepared in accordance with IFRS as issued by the IASB and are presented in U.S. Dollars.

Presentation of Currencies and Rounding

All references to “\$,” “US\$,” “U.S. Dollars” and “Dollars” are to U.S. Dollars, the lawful currency of the United States of America, references to “Mexican Pesos” and “Ps.” are to Mexican Pesos, the lawful currency of Mexico and “ARS,” “Argentine Pesos” and “AR\$” are to Argentine Pesos, the lawful currency of Argentina. The Audited Financial Statements are presented in U.S. Dollars.



Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Emerging Growth Company Status

We qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth Company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. These provisions include exemption from the auditor attestation requirement under Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, in the assessment of the emerging growth Company’s internal control over financial reporting. The JOBS Act also provides that an emerging growth Company can take advantage



of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act, for complying with new or revised accounting standards. However, we have elected to “opt out” of this provision that would have allowed us to take advantage of an extended transition period and, as a result, we will comply with new or revised accounting standards as required. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

We have elected to adopt certain of the reduced disclosure requirements available to emerging growth companies. For a description of the qualifications and other requirements applicable to emerging growth companies and certain elections that we have made due to our status as an emerging growth Company, see “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Series A shares and the ADSs—As a foreign private issuer and an “emerging growth company,” we have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies.”

Public Company in Mexico

Because we are a public company in Mexico, investors can access our historical financial statements published in Spanish on the Mexican Stock Exchange’s (*Bolsa Mexicana de Valores, S.A.B. de C.V.*), the CNBV’s (*Comisión Nacional Bancaria y de Valores*) and our websites at www.bmv.com.mx, www.gob.mx/cnbv and www.vistaenergy.com, respectively. The information found on the Mexican Stock Exchange’s, the CNBV’s and our websites is not a part of this annual report.

Non-IFRS Financial Measures

In this annual report, we present Net Debt, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Income, which are non-IFRS financial measures. A non-IFRS financial measure is generally defined as a numerical measure of a registrant’s historical or future financial performance, financial position or cash flows that: (i) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with IFRS in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the issuer; or (ii) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

We define Adjusted EBITDA as (loss)/profit for the year/period plus income tax expense, financial results, net, depreciation, depletion and amortization, transaction costs related to business combinations, restructuring and reorganization expenses, bargain purchase on business combination and gain from asset disposals and impairment (recovery) of long-lived assets. We believe that the nature of the restructuring and reorganization expenses were such that they are not reasonably likely to recur within two years as they are mainly related to permanent reductions in our workforce derived from our business combinations, and that restructuring and reorganization expenses and transaction expenses are not normal, recurring operating expenses. We believe that by excluding restructuring and reorganization expenses and transaction costs related to business combinations, we are able to provide supplemental information for our management and investors to analyze our core operating performance on a consistent basis from period to period. In addition, the impairment (recovery) of long-lived assets was excluded from the determination of our Adjusted EBITDA because it corresponds to an adjustment to the valuation of our fixed assets which charge is similar in nature to the depreciation of property, plant and equipment. This metric allows management and investors to analyze our operating performance on a consistent basis from period to period. In this regard, we note that the elimination of these costs and expenses does not result in a reduction of operating expenses necessary to conduct our business. In light of the foregoing factors, our management excludes restructuring and reorganization expenses, transaction costs from business combinations and impairment (recovery) of long-lived assets from our Adjusted EBITDA to facilitate reviews of operational performance and as a basis for strategic planning. Our management believes that excluding such items will allow investors to supplement their understanding of our short-term and long-term financial trends.

We define Adjusted Net Income as net income plus deferred income taxes, changes in fair value of warrants and impairment loss/recoveries. Deferred income taxes was excluded as it relates to recognition of temporary differences between the tax bases of assets and liabilities and the carrying amounts in the financial statement using the liability method. Changes in the fair value of warrants was excluded because it corresponds to an adjustment valuation of financial liabilities assumed by the Company, likewise impairment (recovery) of long-lived assets was excluded from the determination of our adjusted net income because it corresponds to an adjustment to the valuation of our long-lived assets. Our management believes that excluding such items will allow investors to facilitate the comparison performance from period to period by removing these identified non-cash items that are mainly driven by external factors and that affect (benefit) the Company’s net income.



We define Net Debt as current and non-current borrowings minus cash, bank balances and other short-term investments. We define Adjusted EBITDA Margin as the ratio of Adjusted EBITDA to revenue from contracts with customers.

We present Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt, and Adjusted Net Income because we believe they provide investors with supplemental measures of the financial condition and performance of our core operations that facilitate period to period comparisons on a consistent basis. Our management uses Net Debt, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Income, among other measures, for internal planning and performance measurement purposes. Net debt, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Income are not measures of liquidity or operating performance under IFRS and should not be construed as alternatives to net profit, operating profit, or cash flow provided by operating activities (in each case, as determined in accordance with IFRS). Net Debt, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Income, as calculated by us, may not be comparable to similarly titled measures reported by other companies. For a reconciliation of Net Debt, Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted Net Income to the most directly comparable IFRS financial measure, see “Item 5A—Operating and Financial Review and Prospects—Operating Results.”

Market and Industry Data

This annual report includes market share, ranking, industry data and forecasts that we obtained from industry publications and surveys, public filings, and internal company sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, including Wood Mackenzie Ltd. (“Wood Mackenzie”), but there can be no assurance as to the accuracy or completeness of included information.

We have not independently verified any of the data from third-party sources, nor have we ascertained the underlying economic assumptions relied upon therein. We believe data regarding the size of our markets and market share are inherently imprecise, but generally indicate size and position and market share within our markets. While we are not aware of any misstatements regarding our industry data presented herein, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the section titled “Risk Factors.”

Presentation of Oil and Gas Information

The Company’s Oil and Gas Reserves Information

The information included in this annual report regarding estimated quantities of proved reserves is derived from estimates of the proved reserves as of December 31, 2021. The proved reserves estimates are derived from the report dated January 28, 2022, prepared by DeGolyer and MacNaughton (“D&M”), for our concessions located in Argentina, and the report dated February 8, 2022, prepared by Netherland Sewell & Associates, Inc. (“NSAI”) for our concession located in Mexico (collectively, the “2021 Reserves Reports”). The 2021 Reserves Reports are included as Exhibits 99.1 and 99.2 to this annual report. D&M and NSAI are independent reserves engineering consultants. The 2021 Reserves Report prepared by D&M is based on information provided by us and presents an appraisal as of December 31, 2021, of oil and gas reserves located in the Entre Lomas Río Negro, Entre Lomas Neuquén, Bajada del Palo Oeste, Bajada del Palo Este, Charcho del Palenque, Jarilla Quemada, Coirón Amargo Norte, Acambuco, Jagüel de los Machos, 25 de Mayo-Medanito, Aguada Federal, Bandurria Norte concessions in Argentina. The 2021 Reserves Report prepared by NSAI is based on information provided by us and presents an appraisal as of December 31, 2021, of our oil and gas reserves located in the CS-01 concession in Mexico.

Argentina and Mexico Oil and Gas Reserves Information

The information included in “Item 4—Information on the Company—Industry and Regulatory Overview” of this annual report regarding Argentina’s and Mexico’s proved reserves has been prepared based on official and publicly available information of the Argentine Secretariat of Energy (“SdE”) and Mexico’s National Hydrocarbon



Commission (“CNH”). References to the “proved reserves” of Argentina and Mexico follow the definition of “proved reserves” as set forth in the guidelines published by the SdE and CNH, as applicable. However, the information regarding Vista’s proved reserves included elsewhere in this annual report has been prepared according to the definitions of Rule 4-10(a) of Regulation S-X or the Society of Petroleum Engineers’ Petroleum Resources Management System, which may differ from the relevant guidelines published by the Argentine and Mexican authorities. For more information, see “Item 4—Information on the Company—Industry and Regulatory Overview —Oil and Gas Regulatory Framework in Argentina—Reserves and Resources Certification in Argentina” and “Item 4—Information on the Company—Industry and Regulatory Overview —Oil and Gas Regulatory Framework in Mexico—Reserves and Resources Certification in Mexico.”

Certain Definitions

“**ADR**” means American Depositary Receipt.

“**ADS**” means American Depositary Share.

“**Argentine Secretariat of Energy**” or “**SdE**” means the current Argentine *Secretaría de Energía* under the supervision of the Ministry of Productive Development (the Argentine *Ministerio de Desarrollo Productivo*), and/or any of its predecessors (the Argentine Ministry of Energy and the Argentine Ministry of Energy and Mining), and/or any other Argentine federal governmental agency that is in charge of enforcing the Hydrocarbons Law in the future, as applicable.

“**BCRA**” means the Argentine Central Bank (*Banco Central de la República Argentina*.)

“**CNH**” means the Mexican National Hydrocarbon Commission (*Comisión Nacional de Hidrocarburos*.)

“**EIA**” means the U.S. Energy Information Administration.

“**ESG**” means Environmental, Social and Governance.

“**Executive Team**” means the Company’s management team that is comprised of Miguel Galuccio, Pablo Vera Pinto, Juan Garoby and Alejandro Cheriñacov.

“**GHG emissions**” or “**GSGs**” means greenhouse gas emissions. Scope 1 emissions are direct emissions that occur from sources that are controlled by the Company. Scope 2 emissions are indirect GHG emissions associated with the purchase or generation of electricity.

“**IEA**” means the International Energy Agency.

“**Initial Business Combination**” means the acquisition by Vista of certain assets from Pampa Energia S.A. and Pluspetrol Resources Corporation on April 4, 2018. For more information, please see “Presentation of Information—The Initial Business Combination” in Vista’s Form 20-F filed with the SEC on April 30, 2020.

“**LNG**” means liquefied natural gas.

“**LPG**” means liquefied petroleum gas (includes butane and propane.)

“**MMBtu**” means million British thermal units.

“**NGL**” means natural gas liquids.

“**NOLs**” means Net Operating Losses.

“**OPEC**” means Organization of Petroleum Exporting Countries.

“**Pemex**” means the Mexico’s national oil company (*Petróleos Mexicanos*.)

“**production**” when used with respect to (i) our gas production, it excludes flared gas, injected gas and gas consumed in our operations and (ii) our NGL production, consists only of LPG.



“*Proved developed reserves*” means those proved reserves that can be expected to be recovered through existing wells and facilities and by existing operating methods.

“*Proved reserves*” means those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. For a complete definition of “proved oil and natural gas reserves,” refer to the SEC’s Regulation S-X, Rule 4, 10(a)(22.)

“*Proved undeveloped reserves*” means those proved reserves that are expected to be recovered from future wells and facilities, including future improved recovery projects which are anticipated with a high degree of certainty in reservoirs which have previously shown favorable response to improved recovery projects. For a complete definition of “proved undeveloped oil and natural gas reserves,” refer to the SEC’s Regulation S-X, Rule 4, 10(a)(31.)

“*SENER*” means *Secretaría de Energía*, or Energy Secretariat, in Mexico.

“*UTs*” or “*Unidades de Trabajo*” means the base unit used as reference to state and evaluate the fulfillment of the activities provided under (i) a minimum work commitment program assumed by a contractor under a hydrocarbons exploration and production contract, (ii) the increase in the activities of such program, as well as (iii) any other additional work commitments undertaken for any given phase of the exploration and production contract not included in the commitment program.

Measurements, Oil and Natural Gas Terms and Other Data

In this annual report, we use the following measurements:

- “m” or “meter” means one meter, which equals approximately 3.28084 feet;
- “km” means one kilometer, which equals approximately 0.621371 miles;
- “km²” means one square kilometer, which equals approximately 247.1 acres;
- “m³” means one cubic meter;
- “bbl” “bo,” or “barrel of oil” means one stock tank barrel, which is equivalent to approximately 0.15898 cubic meters;
- “boe” means one barrel of oil equivalent, which equals approximately 160.2167 cubic meters of natural gas;
- “cf” means one cubic foot;
- “M,” when used before bbl, bo, boe or cf, means one thousand bbl, bo, boe or cf, respectively;
- “MM,” when used before bbl, bo, boe or cf, means one million bbl, bo, boe or cf, respectively;
- “Bn,” when used before bbl, bo, boe or cf, means one billion bbl, bo, boe or cf, respectively;
- “T,” when used before bbl, bo, boe or cf, means one trillion bbl, bo, boe or cf, respectively;
- “/d,” or “pd” when used after bbl, bo, boe or cf, means per day;
- “CO₂e” means Carbon dioxide equivalent; and
- “Tn” means a metric ton.



FORWARD-LOOKING STATEMENTS

This annual report contains estimates and forward-looking statements, principally in “Item 3—Key Information—Risk Factors,” “Item 4—Information on the Company—Business Overview “ and “Item 5—Operating and Financial Review and Prospects.” Some of the matters discussed herein concerning our business operations and financial performance include estimates and forward-looking statements within the meaning of the U.S. Securities Act of 1933, as amended (the “Securities Act”) and the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”).

The words such as “believes,” “expects,” “anticipates,” “intends,” “should,” “seeks,” “estimates,” “future,” “may,” “could,” “would,” “likely” or similar expressions are included with the intention of identifying statements about the future. We have based these forward-looking statements on numerous assumptions, including our current beliefs, expectations and projections about present and future events and financial trends affecting our business. These expectations and projections are subject to significant known and unknown risks and uncertainties which may cause our actual results, performance or achievements, or industry results, to be materially different from any expected or projected results, performance or achievements expressed or implied by such forward-looking statements. Many important factors, in addition to those discussed elsewhere in this annual report, could cause our actual results, performance or achievements to differ materially from those expressed or implied in our forward-looking statements, including, among other things:

- uncertainties relating to future government concessions and exploration permits;
- adverse outcomes in litigation that may arise in the future;
- general political, economic, social, demographic and business conditions in Argentina, Mexico, in other countries in which we operate;
- the impact of political developments and uncertainties relating to political and economic conditions in Argentina, including the policies of the government in Argentina;
- significant economic or political developments in Mexico and the United States;
- uncertainties relating to future election results in Argentina and Mexico;
- changes in law, rules, regulations and interpretations and enforcements thereto applicable to the Argentine and Mexican energy sectors, including changes to the regulatory environment in which we operate and changes to programs established to promote investments in the energy industry;
- any unexpected increases in financing costs or an inability to obtain financing and/or additional capital pursuant to attractive terms;
- any changes in the capital markets in general that may affect the policies or attitude in Argentina and/or Mexico, and/or Argentine and Mexican companies with respect to financings extended to or investments made in Argentina and Mexico or Argentine and Mexican companies;
- fines or other penalties and claims by the authorities and/or customers;
- any future restrictions on the ability to exchange Mexican or Argentine Pesos into foreign currencies or to transfer funds abroad;
- the revocation or amendment of our respective concession agreements by the granting authority;
- our ability to implement our capital expenditures plans or business strategy, including our ability to obtain financing when necessary and on reasonable terms;
- government intervention, including measures that result in changes to the Argentine and Mexican, labor markets, exchange markets or tax systems;
- continued and/or higher rates of inflation and fluctuations in exchange rates, including the devaluation of the Mexican Peso or Argentine Peso;
- any force majeure events, or fluctuations or reductions in the value of Argentine public debt;
- changes to the demand for energy;



- uncertainties relating to the effects of the COVID-19 outbreak and its different variants;
- the effects of a pandemic or epidemic and any subsequent mandatory regulatory restrictions or containment measures;
- environmental, health and safety regulations and industry standards that are becoming more stringent;
- energy markets, including the timing and extent of changes and volatility in commodity prices, and the impact of any protracted or material reduction in oil prices from historical averages;
- changes in the regulation of the energy and oil and gas sector in Argentina and Mexico, and throughout Latin America;
- our relationship with our employees and our ability to retain key members of our senior management and key technical employees;
- the ability of our directors and officers to identify an adequate number of potential acquisition opportunities;
- our expectations with respect to the performance of our recently acquired businesses;
- our expectations for future production, costs and crude oil prices used in our projections;
- uncertainties inherent in making estimates of our oil and gas reserves, including recently discovered oil and gas reserves;
- increased market competition in the energy sectors in Argentina and Mexico;
- potential changes in regulation and free trade agreements as a result of U.S., Mexican or other Latin American political conditions;
- the ongoing conflict involving Russia and Ukraine; and
- additional matters identified in “Risk Factors.”

Forward-looking statements speak only as of the date on which they were made, and we undertake no obligation to release publicly any updates or revisions to any forward-looking statements contained herein after we distribute this annual report because of new information, future events or other factors. In light of these limitations, undue reliance should not be placed on forward-looking statements contained in this annual report.



ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Capitalization and Indebtedness

Not applicable.

Reasons for the Offer and Use of Proceeds

Not applicable.

RISK FACTORS

You should carefully consider the following risk factors in evaluating us and our business before investing in Vista. In particular, you should consider the risks related to an investment in companies operating in Argentina, Mexico and Latin America generally, for which we have included information in these risk factors to the extent that information is publicly available. In general, investing in the securities of issuers whose operations are located in emerging market countries such as Argentina and Mexico involve a higher degree of risk than investing in the securities of issuers whose operations are located in the United States or other more developed countries. If any of the risks discussed in this annual report actually occur, alone or together with additional risks and uncertainties not currently known to us, or that we do not presently consider material, our business, financial condition, results of operations and prospects may be materially adversely affected. If this were to occur, the value of our series A shares or ADSs may decline and you may lose all or part of your investment. When determining whether to invest, you should also refer to the other information contained in this annual report, including the Audited Financial Statements and the related notes thereto. Our actual results could differ materially and adversely from those anticipated in this annual report.

Risk Factor Summary

The following summarizes the main risks to which we are subject. You should carefully consider all of the information discussed below in “—Detailed Risk Factors” for a comprehensive description of these and other risks.

Risks Related to Our Business and Industry:

As an oil and gas company, our business and industry is subject to particular risks, such as exploration, drilling, completion, production, equipment and resources, gathering, treatment and transportation risks; risks related to natural hazards, weather conditions, and mechanical difficulties; fluctuations in international and domestic oil prices; the availability of financial resources for our business plan and its corresponding costs; inflation; government regulation; and contractions in demand of crude oil and natural gas or any of their by-products. Additional risks exist in light of the ongoing impact of the COVID-19 pandemic, the conflict involving Russia and Ukraine, and the related economic and trade sanctions and restrictions that have been imposed or may be imposed in the future. Additionally, as a company which primarily operates in Argentina and Mexico, our business may be affected by changes in those markets.

Our business operations require significant and long-term capital investments and maintenance costs. Our liquidity, business activities, profitability and ability to compete in the market may be adversely affected if we are not able to acquire and correctly use necessary new technologies in connection with future drilling projects, obtaining financing for such projects, obtain and maintain and/or partners to develop and maintain our business activities.

The enhanced focus on climate change and the transition to lower carbon energy sources on the part of the international community, governments, and investors, promote an increase in the use of energy from renewable sources. This energy transition could significantly impact our industry and business, resulting in increased operating



costs, reduced demand for the oil and natural gas we produce, and reputational risks in connection with our business activities. If we fail to meet the pace and extent of society's changing demands for lower carbon energy as the energy transition unfolds, we could fail in sustaining and developing our business. Further, adverse climate conditions may adversely affect our results of operations and our ability to conduct drilling operations. Such risk exists in particular, since our operations are substantially dependent upon the availability of water and our ability to dispose of produced water gathered from drilling and production activities.

Risks Related to our Company:

Most of our producing properties and total estimated proved reserves are geographically concentrated in Argentina. The results of our planned development programs in new or emerging shale development areas and formations may be subject to more uncertainties than programs in more established areas and formations. As such, may fail to fully identify problems with any properties we acquire, and as such, assets we acquire may prove to be worth less than we paid because of uncertainties in evaluating recoverable reserves and potential liabilities.

The oil and gas industry is competitive and our ability to achieve our strategic objectives depends on our ability to successfully compete in the market.

We are not concessionaires or operating partners in all of our joint ventures, as a result must rely on the activities of our operating partners in such joint ventures. Also, we must achieve certain milestones to protect the exploitation rights in our concessions. If we do not succeed, our ability to grow our business may be materially affected.

We may also be parties to labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely to us, result in the imposition of material costs, fines, judgments or other losses. Additionally, we are subject to Mexican, Argentine and international anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations. Our failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our reputation, business, financial condition and results of operations.

Risks Related to the Argentine and Mexican Economic and Regulatory Environments:

Certain risks are inherent in an investment in a company operating in emerging and standalone markets such as Argentina and Mexico. For example, some of these risks may include, among others, the economic and political conditions in Argentina and Mexico, Argentina's ability to obtain financing from international markets, changing regulation in the countries in which we operate, direct and indirect restrictions on imports and exports under Argentine law, current or potential Argentine exchange controls, the imposition of export duties and other taxes, inflation, significant fluctuations in the value of the Argentine Peso, criminal activity in Mexico, and joint and several tax liability.

Risks Related to our series A shares and the ADSs:

The series A shares and ADSs are traded in more than one market and this may result in price variations. Also, if securities or industry analysts do not publish research reports about our business, or publish negative reports about our business, the price and trading volume of our series A shares and the ADS could decline.

As a foreign private issuer and an "emerging growth company," we have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies. We are also permitted to rely on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of our ADSs.

ADS holders may also be subject to additional risks related to holding ADSs rather than series A shares. For example, ADS holders may be unable to exercise voting rights with respect to the shares underlying the ADSs at our shareholders' meetings, and preemptive rights may be unavailable to non-Mexican holders of ADSs. Additionally, our bylaws, in compliance with Mexican law, restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders. Our bylaws also contain provisions aimed at restricting the acquisition of our shares and restricting the execution of voting agreements among our shareholders. ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.



Dividend distributions to holders of our series A shares will be made in Mexican Pesos and are subject to certain restrictions from the BCRA. Additionally, holders of our series A shares who sell or transfer series A shares acquired after January 1, 2018 and representing 10% or more of our equity may be subject to Argentine capital gains tax under Argentine tax law.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud.

Detailed Risk Factors

Risks Related to Our Business and Industry

The oil and gas industry is subject to particular operational and economic risks.

Oil and gas exploration and production (“E&P”) activities are subject to particular economic and industry-specific operational risks, some of which are beyond our control, such as drilling, completion, production, equipment, gathering, treatment and transportation risks, as well as natural hazards and other uncertainties, including those relating to the physical characteristics of onshore and offshore oil or natural gas fields. Our operations may be curtailed, delayed or canceled due to bad weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment, compliance with governmental requirements, fire, explosions, blow-outs, pipe failure, abnormally pressured formations, lockdown restrictions on the general population and reduced hydrocarbons demand due to a pandemic, such as COVID-19, and environmental hazards, such as oil spills, gas leaks, ruptures or discharges of toxic gases. Drilling may be unprofitable, not only with respect to dry wells, but also with respect to wells that are productive but do not produce sufficient revenues to return a profit after drilling, operating and other costs are considered.

We are exposed to the effects of fluctuations in and the regulation of international and domestic oil prices. In addition, limitations on local pricing of our products in Argentina may adversely affect our results of operations.

Most of our revenues in Argentina and Mexico are derived from sales from oil and natural gas. International and domestic oil and gas prices have fluctuated significantly in recent years and are likely to continue fluctuating in the future. Factors affecting international prices for crude oil are: political developments in crude oil producing regions, particularly in the Middle East, the ongoing conflict involving Russia and Ukraine, the ability of the OPEC and other crude oil producing nations to set and maintain crude oil production levels and prices; macroeconomic conditions, including inflation; global and regional supply and demand for crude oil, gas and related products; investment in new projects to bring new oil production volumes to the market; global supply chain disruptions, and shipping bottlenecks, competition from other energy sources, the effects of a pandemic (including COVID-19) or epidemic and any subsequent mandatory regulatory restrictions or containment measures, domestic and foreign government regulations, weather conditions, and global and local conflicts, war, or acts of terrorism. We cannot predict how these factors will influence oil and related oil products prices and we have no control over them. Price volatility curtails the ability of industry participants to adopt long-term investment decisions given that returns on investments become unpredictable. A substantial or extended downturn in the international prices of crude oil and its derivatives could have a material adverse effect on our business, operating results, and financial condition, as well as the value of our reserves and the market value of our series A shares or ADSs.

Secondly, the domestic price of crude oil has fluctuated in the past in Argentina and Mexico not only due to international prices and the risks outlined above, but also due to local taxation, regulations affecting commercialization in the domestic and export markets, macroeconomic conditions, the impact of a pandemic on general economic activity and therefore crude oil demand and refining margins. A substantial or extended downturn in the domestic crude oil and oil product prices could have a material adverse effect on our business, operating results, and financial condition, as well as on the value of our reserves and the market value of our Series A shares or ADSs.

Thirdly, the domestic price of crude oil is also subject to local price limitations imposed by the Argentine and Mexican governments. For example, in May 2020, at historic lows in international crude oil prices, the Argentine



government enacted Decree 488/20, which set a price per barrel higher than the market price (\$45/bbl). However, these measures were reversed in recent months, as the Argentine government indirectly intervened in the market to keep local crude oil prices artificially low in order to avoid a further increase in inflation. The average Brent price in 2021 was \$71.0/bbl, but our average realization price was \$54.9/bbl, implying a discount to Brent of 23%, which is higher than in 2018 and 2019 averages. This de-coupling affected most or all producers in Argentina, generating lower revenues than if the average crude oil price in the domestic market had traded at a lower discount to Brent. The determination by the Argentine and Mexican governments to fix, or indirectly intervene to generate, local crude oil prices at different values than those considered for pricing our products could have an adverse effect on our results of operations, financial condition, and cash flows.

In the event that local prices are reduced through any of the factors described above, which we cannot control, could affect the economic performance of our existing and future projects, generating a loss of reserves as a result of changes in our development plans, our assumptions and our estimates, and consequently affect the recovery value of certain assets. Despite our expectation to substantially align our local prices with those of international markets, we cannot assure you that certain critical factors taken into account in our pricing policy (including, but not limited to, abrupt changes in exchange rates or international prices, or regulatory or other legal restrictions affecting the ability of the market to cope with abrupt changes in the prices of our products) will not have an adverse impact on our ability to align with international markets.

A decline in realized crude oil prices for an extended period of time (or if prices for certain products fail to keep pace with cost increases) could adversely affect both the economic viability of our drilling projects and, consequently, our ability to meet our operational and financial targets. These price declines could result in changes to our development plans, reduced capital expenditures, failure of our joint venture partners to approve investment projects, a loss of proved developed reserves and proved undeveloped reserves, an adverse effect on our ability to improve our hydrocarbon recovery rates, find new reserves, develop unconventional resources and carry out certain of our other capital expenditure plans. With respect to capital expenditures, we budget capital expenditures related to exploration, development, refining and distribution activities taking into account, among other things, current and expected local and international market prices for hydrocarbon products. If a reduction in our capital expenditures and those of our domestic competitors materializes, there could potentially be a negative impact on the number of active drilling rigs, completion sets, workover rigs and extraction equipment, together with related services, thereby affecting the number of active workers in the industry. We cannot predict whether, or to what extent, the potential consequences of such actions could affect our business, impact our production, or affect our financial condition and results of operations.

Our business could be adversely affected by a decline in general economic conditions or a weakening of the broader energy industry, and inflation may adversely affect our financial position and operating results.

A prolonged economic slowdown or recession, adverse events relating to the energy industry, or regional, national, or global economic conditions and factors, particularly a slowdown in the E&P industry, could negatively impact our operations and therefore adversely affect our results. The risks associated with our business are more acute during periods of economic slowdown or recession because such periods may be accompanied by decreased demand for oil and natural gas, and decreased prices for oil and natural gas.

Supply chain pressures in global production, trade and logistics resulting from the pandemic and subsequent strong pick-up in demand have fueled price inflation in a number of sectors, including energy and other commodities. Inflationary factors, such as increases in the labor costs, material costs, and overhead costs, may also adversely affect our financial position and operating results. In 2021, we faced and we continue to face effects including cost inflation with both labor and materials, driven by the appreciation of the Argentine Peso in real terms, general inflation impacting the price formula of different services, and the result of collective bargaining agreements on unionized personnel in our company and contractors which could offset any price increases for our products and services.

We are exposed to contractions in demand of crude oil and natural gas and contractions in demand of any of their by-products.

Demand for our crude oil and gas products is largely influenced by the economic activity and growth in Argentina, Mexico and globally. Although demand increased in the past, it has recently contracted significantly (in part, due to the COVID-19 pandemic) and is subject to volatility in the future. Demand for crude oil by-products, such as gasoline, may also contract under certain conditions, particularly during economic downturns, or due to changes in consumer preferences following from the energy transition currently underway.



A contraction of the demand of our products, or the maintenance of the current demand levels for significant periods of time, would adversely affect our revenues, causing economic losses to our Company. In addition, further contraction of demand and pricing of our products can impact the valuation of our reserves and, in periods of lower commodity prices, we may curtail production and capital spending or may defer or delay drilling wells because of lower cash generation. Continuous poor economic performance could eventually lead to a deterioration in our financial coverage ratios, impairment charges and cause us to exceed the financial covenants agreed upon in the Credit Agreement (as defined below). A contraction of crude oil demand could also affect us financially, including our ability to pay our suppliers for their services, which could, in turn, lead to further operational distress.

The outbreak of the COVID-19 pandemic has had and may continue to have an adverse effect on our business, results of operations and financial condition.

Since December 2019, a novel strain of coronavirus (2019-nCov, referred to as COVID-19) has spread throughout the world. On March 11, 2020, COVID-19 was categorized as a pandemic by the World Health Organization. The COVID-19 pandemic has resulted in numerous deaths and the imposition of local, municipal and national governmental “shelter-in-place” and other quarantine measures, border closures and other travel restrictions, causing unprecedented commercial disruption in a number of jurisdictions, including Mexico and Argentina. To mitigate the impact of the COVID-19 pandemic, the Argentine and Mexican governments, have over time implemented different measures involving mandatory social restrictions on mobility and closures of non-essential businesses. Some of the consequences generated by these measures were (i) a material adverse impact on financial markets, (ii) a reduction in the demand for hydrocarbon products and, therefore, in our revenues, (iii) a significant drop in the international price of oil and increased price volatility and (iv) the deepening of Argentina’s economic recession. During 2021, the demand for, and price of, crude oil and crude oil by-products surpassed pre-COVID-19 levels and most economies, including Argentina and Mexico, experienced GDP growth as mobility and closure restrictions were substantially eased towards the end of the year (mainly due to vaccination coverage). However, some of the above-mentioned effects continued to impact Argentina and Mexico weakening their economies, the purchasing power of their populations, and therefore, the demand for energy in general and hydrocarbons in particular. These effects have increased the probability of an economic downturn. In Argentina, in particular, poverty has increased to 40.6% as of June 2021 and annual inflation was 50.9% for the year ended as of December 2021.

The extent to which COVID-19 or other health pandemics or epidemics may continue to impact Mexico and Argentina, the Mexican and Argentinian economy and the global economy and, in turn, our business, results of operations and financial condition is highly uncertain and will depend on numerous evolving factors that we cannot predict, including, but not limited to (i) the duration, scope, and severity of the COVID-19 pandemic and its variants; (ii) ongoing reduced oil demand and oil price volatility; (iii) the implementation of political and monetary measures to reduce the impact of the COVID-19 pandemic to which we are subject, including travel bans, work-from-home policies, or shelter-in-place orders; (iv) staffing shortages; (v) general economic, financial, and industry conditions, particularly conditions relating to liquidity, financial performance, which may be amplified by the effects of COVID-19; and (vi) the long-term effects of COVID-19 on the national and global economy, including on consumer confidence and spending, financial markets and the availability of credit for us, our suppliers and our customers.

Additional variants or strains of COVID-19 or an outbreak of another pandemic, disease or similar public health threat could have or continue to have material adverse effects on global economic, financial and business conditions that could materially and adversely affect our business, financial condition and results of operations. We cannot predict or estimate the impact that COVID-19 or a future pandemic may have on our business, results of operations and financial condition, and will depend on events beyond our control, including the intensity and duration of the pandemic and the measures taken by the different governments to contain the pandemic and/or mitigate the economic impact.



The conflict involving Russia and Ukraine, and the associated new, additional, and/or enhanced economic and trade sanctions and restrictions that have been imposed by various countries, could have a material adverse effect on our business, financial condition and results of operations.

The conflict involving Russia and Ukraine has recently had, and will likely continue to have, significant global economic effects, including an impact on commodity prices, especially with regard to international crude oil and gas prices which have increased significantly in February and March 2022. Furthermore, the conflict has resulted in the imposition of economic and trade sanctions and restrictions targeting Russia and certain Russian economic sectors and companies by the United States, the European Union, the United Kingdom and other major countries. The severity of these sanctions may increase and could contribute to a shortage of raw materials and commodities, which could, in turn, generate greater levels of inflation and create interruptions in the global supply chain. Interruptions in the global supply chain could particularly affect the energy sector and could create supply chain difficulties in local markets.

Due to the uncertainties inherent to the scale and duration of the conflict and its direct and indirect effects, it is not reasonably possible to estimate the impact this conflict will have on the global economy and financial markets, on the economies of the countries in which we operate and, consequently, our business, financial condition and results of operations.

Also, our revenues and our profitability are heavily dependent on the prices we receive from our sales of oil and natural gas. Oil prices are particularly sensitive to actual and perceived threats to global political stability and to changes in oil production in, and oil supply from, various key countries, including Russia. The conflict has led to an increase in international oil prices, which creates transitory increases in the revenues of upstream companies around the globe. In addition, it has also lead to increased volatility in global commodities in general and hydrocarbon prices, in particular. We cannot predict whether such volatility will lead to further price increases or, on the contrary, lead to a general downturn in economic activity or oil and gas prices, and therefore adversely affect our profitability. Recent increases in oil prices could accelerate the transition to other sources of energy and led to an unpredictable drop in pricing in the medium to long-term, which in turn could adversely affect our business, financial condition and results of operations. Such price increases could also lead to energy shortages and an increasing amount of the global population, including in Argentina and Mexico, without access to energy supplies. It could also lead to new regulation by the Argentine and/or Mexican governments to further de-couple domestic energy pricing from international energy pricing, or restrict energy-related exports from Argentina or Mexico, which would affect our business. Additionally, changes to worldwide oil prices and demand could cause turmoil in the global financial system, and in turn materially affect our business, financial condition and results of operations.

We benefit from natural gas subsidies to natural gas producers that may be limited or eliminated in the future.

We currently benefit from certain subsidies granted to natural gas producers, such as Gas Plan IV. This subsidy program was approved by the Argentine government to provide economic incentives aimed at increasing the domestic production of natural gas. In this regard, the government issued a series of complementary regulations to execute Gas Plan IV. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina – Gas Market.” On December 15, 2020, the Secretariat of Energy of Argentina issued Resolution No. 391/2020, awarding the volumes and prices tendered under Gas Plan IV. The base volume awarded to Vista under the tender was 0.86 MMm³/d (30.4 million cubic feet/day) at an average annual price of US\$3.29 per million BTU for a four-year term as of January 1, 2021.

We cannot assure you that any changes to Gas Plan IV, or additional regulation would not adversely affect our results of operations. The restriction or withdrawal of subsidies would adversely affect the selling price of our products and therefore result in a decrease in our revenues.

Our business requires significant and long-term capital investments and maintenance cost.

The oil and gas industry is a capital-intensive industry. We make and expect to continue to make substantial capital expenditures related to development and acquisition of oil and gas resources and in order to maintain or increase the amount of our hydrocarbon reserves, incurring significant maintenance costs.



We have funded, and we expect that we will continue to fund, our capital expenditures with cash generated by existing operations, debt and our existing cash; however, our financing needs may require us to alter or increase our capitalization substantially through the issuance of debt or equity securities or the sale of assets. We cannot guarantee that we will be able to maintain our current production levels, generate sufficient cash flow or that we will have access to sufficient borrowing or other financing alternatives to continue our exploration, exploitation and production activities at current or higher levels.

Additionally, the incurrence of additional indebtedness would require that a portion of our cash flow from operations be used for the payment of interest and principal on our indebtedness, thereby reducing our ability to use cash flow from operations to fund working capital, capital expenditures and acquisitions. The actual amount and timing of our future capital expenditures may differ materially from our estimates as a result of various factors. We may decrease our actual capital expenditures in response to lower commodity prices, which would negatively impact our ability to increase production.

If our revenues decrease, we may have limited ability to obtain the capital necessary to sustain our operations at current levels. If additional capital is needed, we may not be able to obtain debt or equity financing on terms acceptable to us, if at all. If cash flow generated by our operations are not sufficient to meet our capital requirements, the failure to obtain additional financing could result in a curtailment of our operations relating to development of our properties. This, in turn, could lead to a decline in production, and could materially and adversely affect our business, financial condition and results of operations, and the market value of our series A shares or ADSs may decline.

We may not be able to acquire, develop or exploit new reserves, which could adversely affect our financial condition and our results of operations.

Our results of operations largely depend on our ability to produce oil and gas from existing reserves, to discover additional oil and gas reserves, and to economically exploit oil and gas from these reserves. Unless we are successful in our exploration of oil and gas reserves and their development or otherwise acquire additional reserves, our reserves would show a general decline in oil and gas as long as oil and gas production continue. While we have geological reports evaluating certain proved, contingent and prospective reserves in our blocks, there is no assurance that we will continue to be successful in the exploration, appraisal, development and commercialization of oil and gas. The drilling activities are also subject to numerous risks and may involve unprofitable efforts, not only with respect to dry wells but also with respect to wells that are productive but do not produce enough net income to derive profit after covering drilling costs and other operating costs. The completion of a well does not assure a return on investment or recovery of the costs of excavation, completion and operating costs. Lower oil and natural gas prices could also affect our growth, including future and pending acquisitions.

There is no guarantee that our future exploration and development activities will be successful, or that we will be able to implement our capital investment program to develop additional reserves or that we will be able to economically exploit these reserves. Such events would adversely affect our financial condition and results of operations and the market value of our series A shares and ADSs could decline.

Unless we replace our existing oil and gas reserves, or acquire new reserves, the volume of our reserves will decrease over time. In addition, we may not be able to acquire, develop or exploit new reserves.

The production of oil and gas reservoirs decrease as reserves drain with the range of decrease depending on the characteristics of the reservoir. Additionally, the available amount of reserves decrease as the reserves are produced and consumed. Also, drilling involves numerous risks, including the risk that no commercially productive oil or gas reservoirs will be encountered, and the cost of drilling, completing and operating wells is often uncertain and drilling operations may be curtailed, delayed or canceled, or become costlier. The future level of oil and gas reserves, as well as the level of production, and therefore of our revenues and cash flows depend, in a large part, on our success in our exploration and development campaigns, ability to develop current reserves, and to find or acquire new reserves to be developed. We may not be able to identify commercially exploitable deposits, complete or produce more oil and gas reserves, and the wells we plan to drill may not result in the discovery or production of oil or natural gas. If we are unable to replace our production with new reserves, or acquire new reserves, our reserves will decline and our financial condition, results of operations, cash flow and market value of our series A shares and ADSs could be negatively affected.



The oil and gas reserves that we estimate are based on assumptions that could be inaccurate.

Our oil and gas reserves are estimates based on certain assumptions that could be inaccurate. Reserve estimates depend on the quality of engineering and geological data at the date of the estimate and the manner in which they are interpreted. The accuracy of estimates of proved reserves depends on a number of factors, many of which are beyond our control and are subject to change over time. Consequently, measures of reserves are not precise and are subject to revision. Any downward revision in our estimated quantities of proved reserves could adversely impact our financial condition and results of operations, and ultimately have a material adverse effect on the market value of our series A shares or ADSs.

In addition, reserve engineering is a subjective process for estimating oil and gas accumulations that cannot be accurately measured, and the estimates of other engineers may differ materially. A number of assumptions and uncertainties are inherent in estimating the amounts that make up the proven reserves of oil and gas (including, but not limited to production forecasts, the time and amount of development expenditures, testing and production after the date of the estimates, among others), many of which are beyond our control and are subject to change over time. Consequently, measures of reserves are not precise and are subject to revision. In addition, the estimation of “proved oil and natural gas reserves” based on Secretariat of Energy Resolution No. 324/2006 and Secretariat of Hydrocarbon Resources Resolution No. 69-E/2016 may differ from the standards required by SEC’s regulations.

As a result, reserve estimates could be materially different from the amounts that are ultimately extracted, and if such amounts are significantly lower than the initial reserves estimates it could result in a material adverse effect on our financial performance, operating results and the market value of our series A shares and ADSs. See “Item 4—Information on the Company—Industry and Regulatory Overview —Oil and Gas Regulatory Framework in Argentina—Reserves and Resources Certification in Argentina” and the 2021 Reserves Reports attached hereto as Exhibits 99.1 and 99.2.

The lack of availability of transport may limit our possibility of increasing hydrocarbon production and may adversely affect our financial condition and results of operations.

Our capacity to exploit our hydrocarbon reserves largely depends upon the availability of transport infrastructure on commercially acceptable terms to transport the produced hydrocarbons to the markets in which they are sold. Typically, oil is transported by pipelines and tankers to refineries, and gas is usually transported by pipeline to customers. The lack of oil transportation storage or loading infrastructure, as well as the lack of vessels for maritime oil transportation, may adversely affect our financial condition and results of operations. The lack of gas transportation infrastructure may also adversely affect our financial condition and results of operations.

In particular, most of our crude oil production is transported from the Neuquina Basin through the Oldelval pipeline system to Bahia Blanca, from where it is sent to refineries in Argentina or port facilities for exports. This pipeline system is currently working close to full capacity. Although Oldelval has identified several projects to expand its transportation capacity, if Vaca Muerta production grows at a greater pace than its capacity expands, a potential lack of transportation capacity may limit our production and therefore adversely affect our financial condition and results of operations.

Developments in the oil and gas industry and other factors may result in substantial write-downs of the carrying amount of our assets, which could adversely affect our financial condition and results of operations.

Changes in the economic, regulatory, business or political environment in Argentina, Mexico or other markets where we operate, such as price controls over crude oil or crude oil by-products or the significant decline in international crude oil and gas prices in recent years, among other factors, may result in the recognition of impairment charges in certain of our assets.

We evaluate the carrying amount of our assets for possible impairment on an annual basis, or more frequently where the circumstances require. Our impairment tests are performed by a comparison of the carrying amount of an individual asset or a cash-generating unit with its recoverable amount. Whenever the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, an impairment loss is recognized to reduce the carrying amount to the recoverable amount. Substantial write-downs of the carrying amount of our assets could adversely affect our financial condition and results of operations.



Exploration and development drilling may not result in commercially productive reserves.

Drilling involves numerous risks, including the risk that no commercially productive oil or gas reservoirs will be encountered. The cost of drilling, completing and operating wells is often uncertain and drilling operations may be curtailed, delayed or canceled, or become costlier, as a result of a variety of factors, including (i) unexpected drilling conditions; (ii) unexpected pressure or irregularities in formations; (iii) equipment failures or accidents; (iv) construction delays; (v) hydraulic stimulation accidents or failures; (vi) adverse weather conditions; (vii) restricted access to land for drilling or laying pipelines; (viii) title defects; (ix) lack of available gathering, transportation, processing, fractionation, storage, refining or export facilities; (x) lack of available capacity on interconnecting transmission pipelines; (xi) access to, and the cost and availability of, the equipment, services, resources and personnel required to complete our drilling, completion and operating activities; and (xii) delays imposed by or resulting from compliance with environmental and other governmental or regulatory requirements, including those imposed in connection with the COVID-19 pandemic.

Our future drilling activities may not be successful and, if unsuccessful, our proved reserves and production would decline, which could have an adverse effect on our future results of operations and financial condition. While all drilling, whether development, extension or exploratory, involves these risks, exploratory and extension drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. We expect that we might continue to record exploration and abandonment expenses during 2022.

Our operations are substantially dependent upon the availability of water and our ability to dispose of produced water gathered from drilling and production activities. Restrictions on our ability to obtain water or dispose of produced water may have a material adverse effect on our financial condition, results of operations and cash flows.

Water is an essential component of both the drilling, completion and hydrocarbon production activities. Limitations or restrictions on our ability to secure sufficient amounts of water (including limitations resulting from natural causes such as drought), could materially and adversely impact our operations. Severe drought conditions can result in local water districts taking steps to restrict the use of water in their jurisdiction for drilling and hydraulic stimulation in order to protect the local water supply. If we are unable to obtain water to use in our operations from local sources, it may need to be obtained from new sources and transported to drilling sites, or other facilities, resulting in increased costs, which could have a material adverse effect on our financial condition, results of operations and cash flows.

Our business plan includes future drilling of shale oil and gas wells; if we are not able to acquire and correctly use the necessary new technologies, as well as obtaining financing and/or partners, our business may be affected.

Our ability to execute and carry out our plan depends on our ability to obtain financing at a reasonable cost and in reasonable conditions. We have identified drilling opportunities and prospects for future drilling related to shale oil and gas reserves, such as shale oil and gas in the Vaca Muerta play. These drilling locations and prospects represent the most important part of our drilling plans for the future. Our ability to drill and develop these locations depends on several factors, including seasonal conditions, regulatory approvals, negotiations of agreements with third parties, commodity prices, costs, availability of equipment, services and personnel, and drilling results. Further, our identified potential drilling locations are in various stages of evaluation, ranging from locations that are ready to drill to locations that will require substantial additional analysis. In addition, the demand for drilling rigs and other equipment and supplies, as well as for qualified personnel with experience in drilling and completing wells and in field operations, including geologists, geophysicists, engineers and other professionals, tends to fluctuate significantly in conjunction with oil prices, resulting in temporary shortages. These shortages and their increased costs could adversely affect our business and financial condition. We cannot predict in advance of drilling and testing whether any particular drilling location will yield oil or natural gas in sufficient quantities to recover drilling or completion costs or to be economically viable. The use of technologies and the study of producing fields in the same area will not



enable us to know conclusively prior to drilling whether oil or natural gas will be present or, if present, whether oil or natural gas will be present in sufficient quantities to be economically viable. Even if sufficient amounts of oil or natural gas exist, we may damage the potentially productive hydrocarbon bearing formation or experience mechanical difficulties while drilling or completing the well, possibly resulting in a reduction in production from the well or abandonment of the well. If we drill additional wells that we identify as dry holes in our current and future drilling locations, our drilling success rate may decline and materially harm our business. Further, initial production rates reported by us or other operators may not be indicative of future or long-term production rates. In addition, the drilling and exploitation of such oil and gas reserves depends on our ability to acquire the necessary technology and hire personnel or other means of support for the extraction, and on obtaining financing and partners to develop such activities. Due to these uncertainties, we cannot provide any guarantee as to the sustainability of these drilling activities, that such drilling activities will eventually result in proved reserves, or that we will be able to meet our expectations of success, which could adversely affect our production levels, financial condition and results of operations.

Climate change legislation or regulations restricting emissions of greenhouse gases (“GHGs”) and legal frameworks promoting an increase in the participation of energies from renewable sources could significantly impact our industry and result in increased operating costs and reduced demand for the oil and natural gas we produce.

In December 1993, Argentina approved the United Nations Framework Convention on Climate Change (“UNFCCC”) by Federal Law No. 24,295. The 2015 United Nations Climate Change Conference adopted by consensus the Paris Agreement, which is known to be the successor of the Kyoto Protocol (which was approved in Argentina by Federal Law No. 27,270). The Paris agreement deals with GHG emission reduction measures, targets to limit global temperature increases and requires countries to review and “represent a progression” in their intended nationally determined contributions. International treaties together with increased public awareness related to climate change may result in increased regulation to reduce or mitigate GHG emissions.

Compliance with legal and regulatory changes relating to climate change set out by the Argentine and Mexican governments, including those resulting from the implementation of international treaties, may in the future increase our costs to operate and maintain our facilities, install new emission controls on our facilities and administer and manage any GHG emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

The effects upon the oil and gas industry relating to climate change and the resulting regulations and regimes promoting alternative energy resources may also lead to declining demand for crude oil and natural gas, or any of their by-products, in the long-term. In addition, increased regulation of GHG may create greater incentives for the use of alternative energy sources. Any long-term material adverse effect on the oil industry could adversely affect the financial and operational aspects of our business, which we cannot predict with certainty as of the date of this annual report.

Climate change could impact our operating results, access to capital and strategy.

Climate change poses new challenges and opportunities for our business. The physical effects of climate change such as, but not limited to, increases in temperature and sea levels and fluctuations in water levels could also adversely affect our operations and supply chains.

Due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, new regulatory requirements to reduce greenhouse gas emissions, such as carbon taxes, increased efficiency standards or the adoption of cap and trade regimes. More stringent environmental regulations can result in the imposition of costs associated with GHG emissions, either through environmental agency requirements relating to mitigation initiatives, compliance costs and operational restrictions, and/or through other regulatory measures such as GHG emissions taxation and market creation of limitations on GHG emissions that have the potential to increase our operating costs. We expect that a growing share of our GHG emissions could be subject to regulation, resulting in increased compliance costs and operational restrictions. Regulators may seek to limit certain oil and gas projects or make it more difficult to obtain required permits. Additionally, climate activists around the globe are challenging the grant of new and existing regulatory permits. We expect that these challenges are likely to continue and could delay or prohibit operations in certain cases.



In December 2021, we announced our aspiration to become net zero in scope 1 and 2 GHG emissions in 2026. Our plan combines a 35% reduction in absolute GHG emissions from our operation with the development of our nature based solutions portfolio to offset the residual emissions. Achieving our target of becoming net zero on all emissions from our operations could result in additional costs.

We also expect that actions by customers to reduce their emissions will continue to lower demand for hydrocarbons and their by-products, and potentially affect prices for oil and gas, for example if households continue switching to electric vehicles, if public transport switches to electricity or other renewable fuels, if power generation continues to migrate to cleaner sources to produce electricity, or if hydrogen or alternative sources of green energy are adopted on a massive scale. This could be a factor contributing to additional provisions for our assets and result in lower earnings, cancelled projects, reduced access to capital, and potential impairment of certain assets.

In addition, environmental laws that may be implemented in the future could increase litigation risks and have a material adverse effect on us. For example, in 2019, the Argentine Congress enacted Law No. 27,520 on Minimal Standards on Global Climate Change Adaptation and Mitigation, which focused on implementing policies, strategies, actions, programs and projects that can prevent, mitigate or minimize the damages or impacts associated with climate change. If additional requirements were adopted in Argentina, these requirements could add to our production costs (including compliance related costs such as for monitoring or reducing emissions) and impact adversely on our competitiveness, and may also shift hydrocarbon demand toward relatively lower-carbon sources such as renewable energies.

Compliance with legal and regulatory changes relating to climate change set out by the Argentine and Mexican governments, including those resulting from the implementation of international treaties, may in the future increase the costs to run our operations, through additional tax on emissions or sales of hydrocarbons or refined products, or technical requirements related to emissions measurement or control. Such events would adversely affect our financial condition and results of operations and the market value of our series A shares and ADSs could decline.

Other risks associated with climate change include increased conflict with landowners and local communities, difficulties in the hiring and retention of staff, and increased difficulty accessing technology. Certain investors have also decided to divest their investments in fossil fuel companies. If this were to continue, it could have a material adverse effect on the price of our securities and our ability to access capital markets. Stakeholder groups are also putting pressure on commercial and investment banks to stop financing fossil fuel companies. According to press reports, some financial institutions have started to limit their exposure to fossil fuel projects. Accordingly, our ability to use financing for these types of future projects may be adversely affected. These factors could have a negative impact on the demand for our products and services and may jeopardize or even impair the implementation and operation of our business, adversely impacting our operating and financial results and limiting our growth opportunities.

If we fail to meet the pace and extent of society's changing demands for lower carbon energy as the energy transition unfolds, we could fail in sustaining and developing our business.

The pace and extent of the energy transition could pose a risk to the company if our own transition towards decarbonisation moves at a different speed than society's. If we are slower than society, our reputation may suffer and customers may prefer a different supplier which would adversely impact demand for our hydrocarbon products, including the market value of our non-conventional acreage and associated resources we expect to develop in the future. If we move faster than society, we risk investing in technologies, markets or low-carbon products that are unsuccessful because there is limited demand for them. Our failure to time the transition of our production to address climate-change related concerns could have a material adverse effect on our earnings, cash flows and financial condition.

Our operations may pose risks to the environment, and any change in the applicable environmental laws could give rise to an increase in our operating costs.

Some of our operations are subject to environmental risks which could materialize unexpectedly and could have a material adverse impact on our financial condition and results of operations. These include the risk of injury, death, environmental damages and remediation expenses, damages to our equipment, civil liability, and administrative action. There can be no assurance that future environmental issues will not result in cost increases which could lead to a material adverse effect on our financial condition and results of operations.



In addition, we are subject to extensive environmental regulation in Argentina and Mexico. Local authorities in the countries in which we operate could impose new environmental laws and regulations, which could require us to incur increased costs to comply with the new standards. The imposition of more stringent regulatory measures and permit requirements the countries in which we operate could give rise to a material increase in our operating costs.

We cannot predict the overall impact that the enactment of new environmental laws or regulations could have on our financial results, results of operations, and cash flows.

Adverse climate conditions may adversely affect our results of operations and our ability to conduct drilling operations.

Adverse climate conditions may lead to, among others, cost increases, drilling delays, power outages, production stoppages and difficulties in transporting the oil and gas produced by us. Any decrease in our oil and gas production could have a material adverse effect on our business, financial condition or results of operations.

Energy saving measures and technological advances may lead to a decline in the demand for oil and gas.

Fuel conservation measures, the demand for alternative fuels, and advances in fuel-saving and power generation technologies may lead to a decline in the demand for oil and gas. Any change in the demand for oil and gas could have a material adverse effect on our financial condition, results of operations, or cash flows.

Our business operations rely heavily on our production facilities.

A material portion of our revenues depends on our oil and gas facilities, which are key to producing, transporting, treating and injecting oil and gas in transportation infrastructure for sale. While we believe that we maintain adequate insurance coverage and appropriate security measures in respect of such facilities, any material damage to, accident at, or other disruption at such production facilities could have a material adverse effect on our production capacity, financial condition and results of operations.

Our activities are subject to social and reputational risks, including negative media attention and the potential for protests by members of the local communities in the places where we operate.

Although we are committed to operating in a socially responsible manner, we may face opposition from local communities and negative media attention. For example, several of our operations are carried out in the province of Neuquén, Argentina. Local communities, including indigenous communities, have engaged in various forms of protest against business activities in general, including oil and gas. Although we consider our relationship with local communities, including indigenous communities to be good, we cannot assure you that any blockade will not impact our operations. Any such action could have an adverse effect on our reputation, financial condition and results of operations.

Our industry has become increasingly dependent on digital technologies to carry out daily operations and is subject to increasing cybersecurity threats.

As dependence on digital technologies has increased, cyber incidents, including deliberate attacks or unintentional events have also increased worldwide. Even if we have implemented, and continue to implement, a cybersecurity plan (See Item 4—Information of the Company—Business Overview—Information Technology), the technologies, systems, and networks that we have implemented, or may implement in the future, and those of our service providers may be the object of cyberattacks or failures to the security of information systems, which could lead to interruptions in critical industrial systems, the unauthorized disclosure of confidential or protected information, data corruption, or other interruptions of our operations. In addition, certain cyber incidents, such as the advanced persistent threat, may not be detected for a prolonged period of time. We cannot assure you that cyber incidents will not happen in the future and that our operations and/or our financial performance will not be affected.



Information security risks have generally increased in recent years as a result of the proliferation of new technologies and the increased sophistication and activities of cyber-attacks. We depend on digital technology, including information systems to process financial and operating data, analyze seismic and drilling information and oil and gas reserves estimates. We have increasingly connected equipment and systems to the Internet. Because of the critical nature of their infrastructure and the increased accessibility enabled through connection to the Internet, they may face a heightened risk of cyber-attack. In the event of such an attack, they could have our business operations disrupted, property damaged and customer information stolen, experience substantial loss of revenues, response costs and other financial loss; and be subject to increased litigation and damage to their reputation. A cyber-attack could adversely affect our business, results of operations and financial condition.

Risks Related to our Company

The historical financial information included in this annual report and the past performance and experience of our Executive Team may not be indicative of future results.

Our business is inherently volatile due to the influence of external factors, such as domestic demand, market prices, availability of financial resources for our business plan and its corresponding costs and government regulations. Our periodic operating results could fluctuate for many reasons, including many of the risks described in this section, which are beyond our control. Consequently, our past financial condition, results of operations and the trends indicated by such results and financial condition may not be indicative of current or future financial conditions, results of operations or trends. Additionally, we believe that the experience of our Executive Team constitutes a differentiated source of competitive strength for us. However, the experience of our Executive Team in the past (whether in Vista or in other companies) may not be indicative of our future results of operations. For more information regarding our historical condensed consolidated financial information, see “Presentation of Information,” “Item 8—Financial Information” and the Audited Financial Statements included elsewhere in this annual report.

The results of our planned development programs in new or emerging shale development areas and formations may be subject to more uncertainties than programs in more established areas and formations and may not meet our expectations for reserves or production.

The results of our horizontal drilling efforts in emerging areas and formations in Argentina such as in the Vaca Muerta formation in the Neuquina Basin are generally more uncertain than drilling results in areas that are more developed and have more established production. Because emerging areas and associated target formations have limited or no production history, we are less able to rely on past drilling results in those areas as a basis to predict our future drilling results. In addition, horizontal wells drilled in shale formations, as distinguished from vertical wells, utilize multilateral wells and stacked laterals, which requirements could adversely impact our ability to maximize the efficiency of our horizontal wells related to reservoirs drainage over time. Further, access to adequate gathering systems or pipeline takeaway capacity and the availability of drilling rigs and other services may be more challenging in new or emerging areas. If our drilling results are less than anticipated or we are unable to execute our drilling program because of capital constraints, access to gathering systems and takeaway capacity or otherwise, and/or natural gas and oil prices decline, our investment in these areas may not be as economic as we anticipate, we could incur material write-downs of unevaluated properties and the value of our undeveloped acreage could decline in the future.

Part of our strategy involves using some of the latest available horizontal drilling and completion techniques, which involve risks and uncertainties in their application.

Our operations involve utilizing some of the latest drilling and completion techniques we have developed, along with those developed by our key service providers. Risks that we face while drilling horizontal wells include, but are not limited to, the following (i) landing the wellbore in the desired drilling zone; (ii) staying in the desired drilling zone while drilling horizontally through the formation; (iii) running casing the entire length of the wellbore; and (vi) being able to run tools and other equipment consistently through the horizontal wellbore.

Risks that we face while completing wells include, but are not limited to, the following: (i) the ability to stimulate the planned number of stages; (ii) the ability to run tools the entire length of the wellbore during completion operations; and (iii) the ability to successfully clean out the wellbore after completion of the final hydraulic stimulation stage.



Our operations and drilling activity are concentrated in areas of high competition such as the Neuquina Basin in Argentina, which may affect our ability to obtain the personnel, equipment, services, resources and facilities access needed to complete our development activities as planned or result in increased costs; such concentration also makes us vulnerable to risks associated with operating in a limited geographic area.

As of December 31, 2021, most of our producing properties and total estimated proved reserves were geographically concentrated in the Neuquina Basin, located in Argentina. A substantial portion of our operations and drilling activity are concentrated in areas in such basins where industry activity is high. As a result, demand for personnel, equipment, power, services and resources may increase in the future, as well as the costs for these items. Any delay or inability to secure the personnel, equipment, power, services and resources could result in oil, NGL and gas production being below our forecasted volumes. In addition, any such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on our results of operations, cash flow and profitability.

As a result of this concentration, we may be disproportionately exposed to the impact of delays or interruptions of operations or production in this area caused by external factors such as governmental regulation, state politics, market limitations, water or sand shortages or extreme weather-related conditions.

The oil and gas industry is competitive and our ability to achieve our strategic objectives depends on our ability to successfully compete in the market.

The oil and gas industry is competitive and we compete with the major independent and state-owned oil and gas companies engaged in the E&P sector, including state-owned E&P companies that possess substantially greater financial and other resources than we do for researching and developing E&P technologies, accessing to markets, equipment, labor and capital required to acquire, develop and operate our properties. We also compete for the acquisition of licenses and properties in the countries in which we operate.

Should we choose to bid for exploration or exploitation rights with respect to a hydrocarbon area, we would face significant competition not only from private companies, but also from national or provincial public companies.

We are also affected by competition for drilling rigs and the availability of related equipment, leading to higher drilling costs over the past several years. Higher commodity prices generally increase the demand for drilling rigs, supplies, services, equipment and crews, and can lead to set rig services contracts with international contractors, or shortages of, and increasing costs for, drilling equipment, services and personnel. While we seek to differentiate our services and products, many of our products are competing in commodity markets. Accordingly, failure to manage our costs and our operational performance could result in a material adverse effect on our earnings, cash flows and financial condition.

We also compete for resources with state-owned oil and gas companies in Argentina and Mexico such as YPF, as well as with privately-owned local and international companies. Such entities could be motivated by political or other factors in making their business decisions. See “Item 4—Information on the Company—Business Overview—Customers and Marketing—Competition.”

We must achieve certain milestones to protect the exploitation rights in our concessions.

In order to keep our exploitation rights in our concessions, we must achieve certain milestones, including investment commitments, related to drilling and production in determined time periods, as stated in the relevant agreements. Operating and maintenance costs may increase significantly due to adverse local or international market conditions, including local recession, foreign exchange volatility or high financing costs, which could prevent us from meeting our commitments under such agreements on commercially reasonable terms or at all, which may force us to forfeit our interests in such areas.

If we do not succeed in meeting these milestones, renewing our agreements, maintaining our operations in these concessions or securing new ones, our ability to grow our business may be materially affected. See “Item 5B—



Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures” and “Item 5A—Operating and Financial Review and Prospects—Operating Results—Factors Affecting our Results of Operations—Contractual Obligations.”

Our ability to expand our business will depend on how we react to competitive forces.

As we operate in a very competitive business, our competitors may be able to pay more for productive oil and natural gas properties and exploratory prospects and to evaluate, bid for and purchase a greater number of properties and prospects than our financial or personnel resources permit. Our competitors may also be able to offer better compensation packages to attract and retain qualified personnel than we are able to offer. In addition, there is substantial competition for capital available for investment in the oil and natural gas industry. As a result of each of the foregoing, we may not be able to compete successfully in the future in acquiring prospective reserves, developing reserves, marketing hydrocarbons, attracting and retaining quality personnel or raising additional capital, which could have a material adverse effect on our business, financial condition or results of operations. See “Item 4—Information on the Company—History and Development of the Company—Competition.”

We may fail to fully identify problems with any properties we acquire, and as such, assets we acquire may prove to be worth less than we paid because of uncertainties in evaluating recoverable reserves and potential liabilities.

We might seek to acquire additional acreage in Argentina and Mexico and more broadly in Latin America. Successful acquisitions require an assessment of a number of factors, including estimates of recoverable reserves, exploration potential, future oil and natural gas prices, adequacy of title, operating and capital costs and potential environmental and other liabilities. Although we conduct a review of properties we acquire which we believe is consistent with industry practices, we can give no assurance that we have identified or will identify all existing or potential problems associated with such properties or that we will be able to mitigate any problems we do identify. Such assessments are inexact, and their accuracy is inherently uncertain. In addition, our review may not permit us to become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We do not inspect every well. Even when we inspect a well, we do not always discover structural, subsurface, title and environmental problems that may exist or arise. We are generally not entitled to contractual indemnification for preclosing liabilities, including environmental liabilities. We may acquire interests in properties on an “as is” basis with limited remedies for breaches of representations and warranties. As a result of these factors, we may not be able to acquire oil and natural gas properties that contain economically recoverable reserves or be able to complete such acquisitions on acceptable terms.

Our success in our acquisition-related activities depends on our ability to identify suitable acquisition candidates, acquire them on acceptable terms, and integrate their operations successfully with ours.

From time to time we undertake evaluations of opportunities to acquire additional oil and gas assets and businesses. Any resulting acquisitions may be significant in size, may change the scale of our business, and may expose us to new geographic, political, operating financial and geological risks. Our success in these acquisition-related activities depends on our ability to identify suitable acquisition candidates, to acquire them on acceptable terms, and integrate their operations successfully with ours. Any acquisition would be accompanied by risks, such as a significant decline in oil or gas prices; the difficulty of assimilating the operation and personnel; the potential disruption of our ongoing business; the inability of management to maximize our financial and strategic position through the successful integration of acquired assets and businesses; the maintenance of uniform standards, control, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; and the potential unknown liabilities associated with acquired assets and business. In addition, we may need additional capital to finance an acquisition. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions. If we fail to overcome these risks, it may have a material adverse impact on our reputation and business.

We may be unable to integrate successfully the operations of recent and future acquisitions with our operations, and we may not realize all the anticipated benefits of these acquisitions.

Our business has included and may include in the future acquisitions of producing properties that include undeveloped acreage. We can give no assurance as to whether we will achieve our desired profitability from our



recent acquisitions or any acquisitions we may make in the future. In addition, the inability to successfully assimilate recent and future acquisitions could adversely affect our financial condition and results of operations. Our acquisitions may involve numerous risks, including (i) operating a larger combined organization and adding operations; (ii) difficulties in the assimilation of the assets and operations of the acquired business, especially if the assets acquired are in a new geographic area; (iii) risk that oil and natural gas reserves acquired may not be of the anticipated magnitude or may not be developed as anticipated; (iv) loss of significant key employees from the acquired business; (v) inability to obtain satisfactory title to the assets, concessions, or participation interests we acquire; (vi) a decrease in our liquidity if we use a portion of our available cash to finance acquisitions; (vii) a significant increase in our interest expense or financial leverage if we incur additional debt to finance acquisitions; (viii) dilution to existing shareholders in possible equity financings; (ix) failure to realize expected profitability or growth; (x) failure to realize expected synergies and cost savings; (xi) coordinating geographically disparate organizations, systems and facilities; and (xii) coordinating or consolidating corporate and administrative functions.

Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. If we complete any future acquisition, our capitalization and results of operation may change significantly, and you may not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in evaluating future acquisitions. The inability to effectively manage the integration of acquisitions could reduce our focus on subsequent acquisition and current operations, which in turn, could negatively impact our results of operations.

We are exposed to foreign exchange risks relating to our operations in Argentina and Mexico.

Our results of operations are subject to foreign exchange fluctuation of the Argentine or Mexican Peso against the U.S. Dollar or other currencies, which could adversely affect our business and results of operations. Both the value of the Mexican Peso and the value of the Argentine Peso have experienced significant fluctuations in the past. The main effects of a depreciation or devaluation of the Argentine or Mexican Peso against the U.S. Dollar would be on (a) our realized crude oil prices, given that gasoline prices in Argentina are denominated in local currency, so significant changes in exchange rate limit the ability of refiners to pass through such changes to the end-users, and (b) our U.S. Dollar-denominated expenses. Additionally, given several accounting rules it may also negatively affect: (i) deferred income tax associated with our fixed assets, (ii) current income tax and (iii) foreign exchange differences associated with our Argentine or Mexican Peso exposure.

We cannot predict whether and to what extent the value of the Argentine or Mexican Peso will depreciate or appreciate against the U.S. Dollar nor the extent to which any such change may affect our business.

In the event of an accident or other occurrence which is not covered by our insurance policies, we may suffer significant losses which may have a material adverse effect on our business and results of operations.

Even though we consider that we have insurance coverages consistent with international standards, there is no assurance concerning the availability or sufficiency of insurance coverage with respect to a particular loss or risk. In the event of an accident or other occurrence in our business which is not covered by insurance under our policies, we may suffer significant losses or be forced to provide compensation in a substantial amount from our own resources, which could have a material adverse effect on our financial condition

We are not concessionaires or operating partners in all of our joint ventures, as a result must rely on the activities of our operating partners in such joint ventures. Actions taken by the concessionaires and/or operators in these joint ventures could have a material adverse effect on our success.

Both we and our subsidiaries carry out hydrocarbon E&P activities through unincorporated joint ventures entered into through agreements with third parties (joint operations for accounting purposes). In some cases, our joint venture partners, rather than us, hold the rights to the concession or the E&P license contracts. Pursuant to the terms and conditions of such agreements, one of the parties assumes the role of operator, and therefore assumes the responsibility of executing all activities pursuant to the agreement. However, in certain cases, neither we nor our subsidiaries may be able to assume the role of concessionaire and/or operator, and in such cases we must rely on the activities of our operating partners. For example, as of December 31, 2021, we were not the operator of Sur Río Deseado Este and Acambuco concessions in Argentina. In such cases, we would be subject to risks related to the



performance of, and the measures taken by, the concessionaire and/or operator to carry out the activities. Such actions could adversely affect our financial condition and operating results. See “Item 4—Information of the Company—Business Overview—Concessions”, for a more complete description of Sur Río Deseado Este and Acambuco Concessions.

We face risks relating to certain legal proceedings.

We may be parties to labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely to us, result in the imposition of material costs, fines, judgments or other losses. While we believe that we have provisioned such risks appropriately based on the opinions and advice of our external legal advisors and in accordance with applicable accounting rules, certain loss contingencies, particularly those relating to environmental and tax matters, are subject to change as new information develops and it is possible that losses resulting from such risks, if proceedings are decided in whole or in part adversely to us, could significantly exceed any accruals we have provided.

As of December 31, 2021, we employed third-party employees under contract, mostly with large domestic and international service providers. Although we have policies regarding compliance with labor and social security obligations for our contractors, we can provide no assurance that the contractors’ employees will not initiate legal actions against us seeking indemnification based upon a number of Argentine judicial labor court precedents that established that the ultimate beneficiary of employee services is joint and severally liable with the contractor, which is the employee’s formal employer.

In addition, we may be subject to undisclosed liabilities related to labor, commercial, civil, tax, criminal, environmental or other contingencies incurred by businesses we acquired pursuant to the Initial Business Combination or acquire in the future as part of our growth strategy, that we were not or may not be able to identify or that may not be adequately indemnified under our acquisition agreements with the sellers of such businesses, in which case our reputation, business, financial condition and results of operation may be materially and adversely affected.

Our debt obligations include operating and financial restrictions, which may prevent us from pursuing certain business opportunities and taking certain actions.

As of the date of this annual report, a significant amount of our indebtedness relates to Vista Argentina’s obligations under the Credit Agreement which obligations are guaranteed by us, Aluvional Logística S.A., Vista Holding I, Vista Holding II and AFBN S.R.L. (together with certain other entities that become a guarantor under the Credit Agreement from time to time, the “Guarantors”), and are denominated in U.S. Dollars. For a description of the Credit Agreement, see “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness.” The Credit Agreement contains a number of restrictive covenants imposing significant operating and financial restrictions on us, on the other Guarantors and on Vista Argentina. These restrictions may limit our ability to create liens on certain assets to secure debt, or create liens to secure debt exceeding certain amounts; dispose assets; merge or consolidate with another person or sell or otherwise dispose of all or substantially all of its or our assets; change its or our existing line of business; declare or pay any dividends or return any capital, other than certain limited payments; make certain investments in bonds and capital stock, among others; enter into transactions with affiliates; change our existing accounting practices (except if required or permitted by applicable law and accounting rules); and modify or terminate the organizational documents of Vista Argentina or any Guarantor.

In addition, as further described in Note 18.1 to the Audited Financial Statements, the Credit Agreement includes some financial covenants by which we are required to maintain, on a consolidated basis, certain financial ratios within specified limits. These ratios include consolidated total debt / consolidated EBITDA; and consolidated interest coverage ratio

These covenants could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be of commercial interest.



A breach of any covenant contained in the Credit Agreement could result in a default under this agreement. If any such default occurs, the administrative agent or the required lenders could elect to declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable. If the Credit Agreement were to be accelerated, the assets of Vista Argentina and those of each of the Guarantors, may not be sufficient to repay in full that debt, or any other debt that may become due as a result of that acceleration, and consequently, it could materially and adversely affect our business, financial condition, results of operations and prospects. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Indebtedness” for more information.

Furthermore, pursuant to the foreign exchange regulations imposed by the BCRA, companies resident in Argentina may only have access the foreign exchange market to repay financial indebtedness, if certain conditions are met and/or they have the prior approval of the BCRA. There can be no assurance that the BCRA will not increase or relax such controls or restrictions, make modifications to these regulations, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in currencies other than the Peso, all of which could undermine our ability to repay our financial indebtedness. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Current Argentine exchange controls and the implementation of further exchange controls could adversely affect our results of operations” for more information.

We are subject to Mexican, Argentine and the anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations of other nations. Our failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our reputation, business, financial condition and results of operations.

The United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010 (the “U.K. Bribery Act”), the laws and regulations implementing the Organization for Economic Co-Operation and Development Anti-Bribery Convention, the Mexican Administrative Responsibilities Law (*Ley General de Responsabilidades Administrativas*), the Argentine Corporate Criminal Liability Law (*Ley de Responsabilidad Penal Empresaria*) and other applicable anti-corruption laws in other relevant jurisdictions prohibit companies and their intermediaries from offering or making improper payments (or giving anything of value) to government officials and/or persons in the private sector for the purpose of influencing them or obtaining or retaining business and require companies to keep accurate books and records and maintain appropriate internal controls. The U.K. Bribery Act prohibits such payments or financial or other advantages being made, offered or promised to or from commercial parties and makes it a criminal offense for a commercial organization to fail to prevent bribery by an associated person (i.e., someone who provides services on behalf of the organization) intending to obtain or retain business or an advantage in the conduct of business on its behalf. In particular, the Argentine Corporate Criminal Liability Law (Law No. 27,401) provides for the criminal liability of corporate entities for criminal offences against public administration and transnational bribery committed by, among others, its attorneys-in-fact, directors, managers, employees, or representatives. In this sense, a company may be held liable and subject to fines, cancellation of legal personality and/or suspension of its activities, among other penalties, if such offences were committed, directly or indirectly, with its intervention, or in its behalf, interest or benefit. Furthermore, the Mexican Anti-Money Laundering Law (*Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita*) and its regulations, the Mexican Criminal Code (*Código Penal Federal*), the Argentine Anti-Money Laundering Law (*Ley de Prevención del Lavado de Activos*), which created at the national level the Anti-Money Laundering and Terrorism Financing Regime, criminalizing money laundering, creating and designating the Financial Information Unit (“UIF” for its acronym in Spanish) as the enforcement authority of the regime, and establishing the legal obligation for various public and private sector entities and professionals to provide information and cooperate with the UIF and finally Sections 303-306 of the Argentine Criminal Code (*Código Penal de la República Argentina*), prohibit the engagement in transactions with the purpose of intruding funds obtained through illicit activities into the institutional system and thus masking gains obtained through illegal activities as assets derived from legitimate sources, and the use of funds for terrorist activities.

In addition, we are subject to economic sanctions regulations that restrict our dealings with certain sanctioned countries, individuals and entities.

It may be possible that, in the future, reports may emerge alleging instances of unethical and illegal conduct on the part of former agents, current or former employees or others acting on our behalf or on the part of public



officials or other third parties doing or considering business with us. While we will endeavor to monitor such reports and investigate matters which we believe warrant an investigation in keeping with the requirements of our compliance program, and, if necessary or appropriate make disclosure and notify the relevant authorities, any fines, other penalties or adverse publicity that such allegations may attract may have a negative impact on our business and reputation and lead to increased regulatory scrutiny of our business practices. Given these risks, we have adopted a code of ethics and conduct (“Code of Ethics and Conduct”) that applies to all of Vista’s officers and employees and third parties (contractors, suppliers, partners) which interact with Vista. Our Code of Ethics and Conduct defines the way in which we do our businesses, and it is designed to help us to comply with our obligations, to respect one another at the workplace and to act with integrity in the market. Our Code of Ethics and Conduct expressly sets forth, among other matters, that no one shall offer, in the name of Vista, directly or indirectly through third parties, anything of value to a public officer, or to his/her representatives, and particularly for the purposes of obtaining or maintain a business, influencing the business decisions or assuring an unfair advantage. Additionally, Vista’s mission to conduct business in an ethical manner also entails the commitment of maintaining accuracy in our accounting books, financial statements and accounting records. Our accounting records, including our financial statements, management reports, contracts and agreements, must always be accurate and reflect the economic facts and transactions with integrity and accuracy, pursuant to the professional accounting standards and the laws governing Vista. All of Vista’s transactions, regardless of their amount, must be properly authorized, executed and recorded. Upon a determination that our codes of ethics has been violated, the Company shall take any appropriate disciplinary actions.

We rely on key third-party suppliers, vendors and service providers to provide us with parts, components, services and critical resources that we need to operate our business. We could face material adverse effects to our business and reputation should these key suppliers, vendors and service providers fail to deliver, or are delayed in delivering, equipment, service or critical resources.

Companies operating in the energy industry, specifically the oil and gas sector, commonly rely upon various key third-party suppliers, vendors and service providers to provide them with parts, components, services and critical resources, needed to operate and expand their business. If these key suppliers, vendors and service providers fail to deliver, or are delayed in delivering, equipment, service or critical resources, we may not meet our operating targets in the expected time frame, which could have an adverse effect on our business, financial condition, results of operations, cash flows and/or prospects.

Our operations in the industry could be susceptible to the risks of performance, product quality and financial conditions of our key suppliers, vendors and service providers. For instance, their ability to adequately and timely provide us with parts, components, services and resources critical to our operations may be affected if they are facing financial constraints or times of general financial stress and economic downturn. There can be no assurance that we will not encounter supply disruptions in the future or that we will be able to timely replace such suppliers or service providers that are not able to meet our needs, which might adversely affect a successful execution of our operations, and consequently, our business, financial condition, results of operations, cash flows and/or prospects.

We employ a highly unionized workforce and could be subject to labor actions such as strikes, which could have a material adverse effect on our business.

The sectors in which we operate are highly unionized. We cannot assure you that we or our subsidiaries will not experience labor disruptions or strikes in the future, which could result in a material adverse effect on our business and returns. Moreover, the sharp deterioration of the global economy as a consequence of the COVID-19 pandemic may have an impact on the amount of labor actions initiated by our workforce during 2022 and subsequent years.

In addition, we cannot assure you that we will be able to negotiate new collective bargaining agreements in the same terms, on terms that are substantially similar, as those currently in force or that we will not be subject to strikes or labor interruptions before or during the negotiation process of said agreements. The collective bargaining agreement for the period June 2021 to May 2022 was signed on May 11, 2021, with an amendment signed in April 2022. In the future, if we are unable to renegotiate the collective bargaining agreement in satisfactory terms or are subject to strikes or labor interruptions, our results of operations, financial condition and the market value of our shares could be materially affected.



Our performance is largely dependent on recruiting and retaining key personnel.

Our current and future performance and business operations depend on the contributions of our Executive Team, our engineers, and other employees. We rely on our ability to attract, train, motivate, and retain qualified and experienced administrative staff and specialists. No assurance can be given that we will be able to attract and retain personnel for key positions, and replacing any of our key employees could prove difficult and time consuming. The loss of the services and experience of any of our key employees, or our inability to recruit a suitable replacement or additional staff, could have a material adverse effect on our operations, cash flows and/or expectations.

We may be adversely affected by changes in LIBOR reporting practices or the method in which LIBOR is determined, or by variations in interest rates, including the planned discontinuation of LIBOR.

As of the date of this annual report, our outstanding debt included loans indexed to the London Interbank Offered Rate (“LIBOR”). On March 5, 2021, the United Kingdom Financial Conduct Authority (the “FCA”), which regulates LIBOR, announced that all LIBOR tenors, which are relevant to us, will cease to be published or will no longer be representative after June 30, 2023. The FCA’s announcement coincides with the March 5, 2021, announcement of LIBOR’s administrator, the ICE Benchmark Administration Limited (the “IBA”), indicating that, as a result of not having access to input data necessary to calculate LIBOR tenors relevant to us on a representative basis after June 30, 2023, IBA would have to cease publication of such LIBOR tenors immediately after the last publication on June 30, 2023. These announcements mean that any of our LIBOR-based borrowings that extend beyond June 30, 2023 will need to be converted to a replacement rate. In the United States, the Alternative Reference Rates Committee (the “ARRC”), a committee of private sector entities with ex-officio official sector members convened by the Federal Reserve Board and the Federal Reserve Bank of New York, has recommended the Secured Overnight Financing Rate (“SOFR”) plus a recommended spread adjustment as LIBOR’s replacement. There are significant differences between LIBOR and SOFR, such as LIBOR being an unsecured lending rate while SOFR is a secured lending rate, and SOFR is an overnight rate while LIBOR reflects term rates at different maturities. A transition away from and/or changes to the LIBOR benchmark interest rate could adversely affect our business, financial condition, liquidity and results of operations. If our LIBOR-based borrowings are converted to SOFR, the differences between LIBOR and SOFR, plus the recommended spread adjustment, could result in interest costs that are higher than if LIBOR remained available, which could have a material adverse effect on our operating results. Although SOFR is the ARRC’s recommended replacement rate, it is also possible that lenders may instead choose alternative replacement rates that may differ from LIBOR in ways similar to SOFR or in other ways that would result in higher interest costs for us. It is not yet possible to predict the magnitude of LIBOR’s end on our borrowing costs given the remaining uncertainty about which rates will replace LIBOR. Any of these proposals or consequences could have a material adverse effect on our financing costs.

Additionally, we are exposed to the fluctuations of the variable interest rates applicable to our indebtedness. We may also incur additional variable-rate debt in the future. Increases in interest rates on variable-rate debt would increase our interest expense, which would negatively affect our financial costs.

Risks Related to the Argentine and Mexican Economic and Regulatory Environments

Our business is largely dependent upon economic and political conditions in Argentina.

Substantially all of our operations, properties and customers are located in Argentina, and, as a result, our business is largely dependent on economic conditions prevailing in Argentina. You should make your own assessment about Argentina and prevailing conditions in the country before making an investment decision.

The Argentine economy has experienced significant volatility in past decades, including numerous periods of low or negative growth and high and variable levels of inflation and currency devaluation. In addition, the Argentine economy is also vulnerable to adverse developments affecting its principal trading partners. Argentina’s economic conditions are dependent on a number of factors over which we have no control. We cannot assure you that the Argentine economy will not suffer a recession. If economic or monetary conditions in Argentina were to deteriorate, if inflation were to accelerate further, or if the Argentine government’s measures to attract or retain foreign investment and international financing in the future are unsuccessful, such developments could adversely affect Argentina’s economic growth and in turn affect our financial health and results of operations.



Argentine economic conditions are dependent on a variety of factors, including (but not limited to) the following international demand for Argentina’s principal exports; international prices for Argentina’s principal commodity exports; stability and competitiveness of the Argentine Peso with respect to foreign currencies; competitiveness and efficiency of domestic industries and services; levels of domestic consumption and foreign and domestic investment and financing; and the rate of inflation.

The Argentine economy is also particularly sensitive to local political developments. Presidential elections take place in Argentina every four years and legislative elections every two years, resulting in the partial renewal of both chambers of Congress. The next presidential election is scheduled for October 2023. The result of presidential as well as legislative mid-term and full term elections may lead to changes in government policies that impact upon the Company. We cannot give you any assurance as to whether such changes will occur or as to their timing, nor can we estimate the impact they may have on our business.

In the event of any economic, social or political crisis, the Argentine government’s ability to obtain additional international or multilateral private financing or direct foreign investment may also be limited, which may in turn impair its ability to implement reforms and public policies to foster economic growth, as well as impair its ability to service its outstanding debt obligations, all of which could have an adverse effect on our business, financial condition or results of operations. In such scenario, companies operating in Argentina may also face the risk of price control over these products, strikes, expropriation, nationalization, forced modification of existing contracts, and changes in taxation policies including tax increases and retroactive tax claims. In addition, Argentine courts have issued rulings changing the existing case law on labor matters and requiring companies to assume greater responsibility for, and assumption of costs and risks associated with, sub-contracted labor and the calculation of salaries, severance payments and social security contributions. Since we operate in a context in which the governing law and applicable regulations change frequently, it is difficult to predict if and how our activities will be affected by such changes.

Argentina’s ability to obtain financing from international markets is limited, which could affect its capacity to implement reforms and/or sustain economic growth.

Over the past few years, Argentina has experienced financial distress, which has led to an increase in public debt. During 2020, the Argentine government entered into negotiations with its creditors to restore the sustainability of its external public debt. By August of that year, the Argentine government restructured approximately US\$66.5 billion of its U.S. Dollar-denominated global bonds. Additionally, Argentina reached an agreement with the members of the Paris Club under the 2014 Paris Club Settlement Agreement to extend the maturity of its obligations until March 2022. On the other hand, the Argentine government initiated negotiations with the International Monetary Fund (“IMF”) to renegotiate the principal maturities of the US\$44.1 billion disbursed between 2018 and 2019 under a Stand-By Arrangement, originally scheduled for the years 2021, 2022 and 2023. On January 28, 2022, the Argentine government and the IMF announced that they had reached an understanding on key policies as part of their ongoing discussions an IMF-supported program. Later, on March 3, 2022, the IMF and the Argentine government reached a staff-level agreement on the economic and financial policies to be supported by a 30-month extended fund facility arrangement (the “EFF Agreement”), which was approved by the Argentine Congress through Law No. 27,668 on March 17, 2022, and enacted by Decree No. 130/22. Subsequently, the executive board of the IMF approved the EFF Agreement for an amount equivalent to US\$44 billion, including an immediate disbursement of US\$9.6 billion.

We cannot assure you that the EFF Agreement will not affect Argentina’s ability to implement reforms and public policies and boost economic growth. In addition, the long-term impact of these measures and any future measures taken by the current government on the Argentine economy remains uncertain.

Despite the restructuring of Argentina’s public debt carried out between 2020 and 2022, international markets remain cautious with regards to Argentina’s debt sustainability and, as a result, country risk indicators remain high. There can be no assurance that Argentina’s credit ratings would remain in place or otherwise be downgraded, suspended or cancelled. Any downgrade, suspension or cancellation of Argentina’s sovereign debt rating may have an adverse effect on the Argentine economy and our business.

Without renewed access to the financial markets, the Argentine government may not have the financial resources to implement reforms and drive growth. In addition, Argentina’s inability to obtain credit in international



markets could have a direct impact on our ability to access those markets to finance our operations and growth, including the financing of capital expenditures, which would adversely affect our financial condition, results of operations and cash flows. In addition, we cannot predict the outcome of any future restructuring of Argentine sovereign debt. We have investments in Argentine sovereign bonds in the amount of US\$3.8 million as of December 31, 2021. Any new event of default by the Argentine government could adversely affect their valuation and repayment terms, as well as have a material adverse effect on the Argentine economy and, consequently, our business and results of operations.

Our operations are subject to extensive and changing regulation in the countries in which we operate.

The oil and gas industry is subject to extensive regulation and control by governments in which companies like ours conduct operations, including laws, regulations and rules enacted by federal, state, provincial and local governments. These regulations relate to the award of exploration and development areas, production and export controls, investment requirements, taxation, price controls and environmental aspects, among others. As a result, our business is to a large extent dependent upon regulatory and political conditions prevailing in the countries in which we operate, as described below, and our results of operations may be materially and adversely affected by regulatory and political changes in these countries.

We cannot assure you that changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations, will not adversely affect our results of operations. Similarly, we cannot assure you that future government policies will not adversely affect the oil and gas industry.

We also cannot provide assurances that concessions will be extended in the future as a result of the review by the controlling entities regarding the investment plans presented for analysis or that additional requirements to obtain extensions of permits and concessions will not be imposed.

Furthermore, there can be no assurance that regulations or taxes (including royalties) enacted by the provinces or states in which we operate will not conflict with federal law and regulations, and that such taxes or regulations will not adversely affect our results of operations or financial condition.

Argentina

The Argentine hydrocarbons industry is extensively regulated by federal, provincial, and municipal regulations in matters including the award of exploration permits and exploitation concessions, investment, royalty, price controls, export restrictions and domestic market supply obligations. The Argentine government is further empowered to design and implement federal energy policy, and has used these powers before to establish export restrictions on the free disposition of hydrocarbons and export proceeds and to impose duties on exports, to induce private companies to enter into pricing agreements with the government or, more recently, to impose price agreements among producers and refiners or create fiscal incentive programs to promote increased production. Additionally, given that it cannot be guaranteed that regulations or taxes sanctioned or administered by the provinces will not conflict with national laws, jurisdictional controversies among the federal government and the provinces are not uncommon.

In addition, the Law of Solidarity and Productive Reactivation No. 27,541 (the “Solidarity Law”) empowered the Argentine Executive Branch to “maintain” natural gas tariffs under federal jurisdiction, renegotiate the integral tariff revision or initiate an extraordinary revision in accordance with Laws No. 24,065 and No. 24,076. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—The Social Solidarity and Productive Reactivation Law.”

Any such controversies, limitations or export restrictions or any other measures imposed by Argentine authorities could have a material adverse effect on our future business, financial condition, results of operations, cash flows and/or prospects and as a consequence, the market value of our series A shares or ADSs may decline.

Mexico

On May 4, 2021, the bill to reform and amend the Hydrocarbons Law (*Ley de Hidrocarburos*), was published on the Official Gazette (the “Hydrocarbons Law Reform”). The Hydrocarbons Law Reform grants greater



powers to the Ministry of Energy (SENER) and the Energy Regulatory Commission (“CRE”, *Comisión Reguladora de Energía*) to grant, review and revoke the different permits contemplated in the Hydrocarbons Law. The main objectives of the Hydrocarbons Law Reform include, among others (i) compliance with the public policy of minimum storage of petroleum products issued by the SENER; (ii) increasing the regulation of the revocation of existing permits; (iii) combating fuel theft (illegal bunkering); (iv) providing for the suspension of permits in the event of a national security problem; and (v) including new causes for the revocation of permits.

Moreover, the Hydrocarbons Law Reform wrestles back public control of Mexico’s fuel sales sector. Consequently, the Hydrocarbons Law Reform has a greater impact on entities in the downstream and midstream segments. The amendments introduced by the Hydrocarbons Law Reform affect all kinds of permits, indistinctly, resulting in SENER and CRE having the ability to: (i) revoke, suspend or intervene, export and commercialization permits of hydrocarbons; (ii) liquefaction, transportation and storage of natural gas, oil or petroleum products; and (iii) import, commercialization, distribution and retail of petroleum products.

In light of these reforms, the Mexican Judiciary has admitted more than five thousand injunctions to halt the implementation of some of the measures adopted by the current Mexican Government and minimize the impact of the amendments to the Hydrocarbons Law Reform.

While the Hydrocarbons Law Reform, in principle, does not seem to affect the activities of hydrocarbons exploration and production under our E&P license contracts, it is important to note that, given the broad authority granted to the CRE and SENER, the Hydrocarbons Law Reform may potentially impact our sale of crude oil and natural gas, as such activity is executed through our commercialization permit granted by the CRE (and may indirectly affect the development of our E&P activities under our license contracts).

Additionally, on September 30, 2021, President Andres Manuel Lopez Obrador presented a constitutional initiative to reform the energy sector in Mexico before the Chamber of Deputies (the “Reform”). The Reform consists of amending certain guidelines and precepts of the Mexican energy sector by revising Articles 25, 27 and 28 of the Mexican Constitution and its corresponding amendment to secondary laws, mainly the Electricity Industry Law (*Ley de la Industria Eléctrica*).

On April 17, 2022, the Reform was voted on in the Chamber of Deputies. With 275 votes in favor, 223 against and zero abstentions, the Reform was not approved despite having more votes in favor, as it did not gather the sufficient votes to reach the qualified majority on the Chamber of Deputies (333 votes in favor) required for the Energy Reform to pass. As a consequence, the energy sector, at a constitutional level, remains unchanged as it was approved during the 2013 Energy Reform.

The Reform intended for the Mexican State to retake control of the electricity sector through its state-owned productive company, the Federal Electricity Commission (*Comisión Federal de Electricidad*, “CFE”) through, among others, the establishment of the following conditions:

- a) both CFE and Pemex would have ceased to be productive state-owned companies and would have become governmental entities, by once again becoming companies wholly controlled by the Federal Government in charge of securing Mexico’s energy sovereignty;
- b) the cancellation of all power generation permits (including all permit applications pending resolution) and power purchase agreements currently in force, as well as the non-recognition of self-supply and independent power producer permits modified and in force prior to the 2013 Energy Reform;
- c) CFE would have had the constitutional right to generate at least 54% (fifty-four) percent of Mexico’s electrical power, leaving the remaining 46% (forty-six) percent to the private sector;
- d) CFE would have been granted the authority to determine Transmission and Distribution tariffs and effectively nullify the Clean Energy Certificates program (CELS); and



e) CNH would have been absorbed by SENER and no longer would have been and independent regulator.

Measures adopted by the antitrust authority in Mexico could have a material adverse effect on our results and financial condition.

The Mexican Federal Economic Competition Commission (“COFECE”) is the antitrust authority in Mexico with jurisdiction over a number of sectors of the Mexican economy, including the oil and gas sector, and as such, has jurisdiction over the activities conducted by Vista. The Mexican government has granted COFECE broad powers to investigate and prosecute absolute monopolistic practices (cartel activity), relative monopolistic practices (abuse of dominance) and illegal concentrations, as well as to prevent concentrations which could have anticompetitive effects. Additionally, COFECE can determine the existence of essential facilities and regulate their access and identify barriers to entry and issue recommendations to federal, local and municipal authorities to eliminate such barriers and encourage competition. Therefore, many of our activities may be reviewed by COFECE and, in the particular case of equity transactions involving certain monetary and ownership thresholds, we may be required to notify COFECE of our intent to enter into such transactions and the consummation of such transactions may be subject to COFECE’s authorization in accordance with applicable Mexican laws. As a result, the closing of pending or future acquisitions of assets or common shares in the Mexican market may be subject to the satisfaction or waiver of customary closing conditions, including, among others, the authorization of COFECE. Completion of such transactions is not assured, and they will be subject to risks and uncertainties, including the risk that the necessary regulatory approvals are not obtained or that other closing conditions are not satisfied. If such transactions are not completed, or if they are otherwise subject to significant delays, it could negatively affect the trading prices of our common shares and our future business and financial results.

Further, COFECE might decide to impose penalties or establish conditions on our business if we are unable to request or receive, or are delayed in requesting or receiving, the aforesaid authorizations and, if these were to materialize, such claims could have a material adverse effect on our results and financial condition. Similarly, it cannot be guaranteed that the authorizations that have not been obtained can be obtained or can be obtained without conditions. Failure to obtain those authorizations, or the conditions to which they may be subject, could have a material adverse effect on our results and financial condition.

Certain risks are inherent in any investment in a company operating in an emerging market such as Argentina and Mexico.

Argentina and Mexico are standalone and emerging market economies, respectively, according to MSCI Inc. Investing in such markets generally carries risks. These risks include political, social and economic instability that may affect Argentina’s and Mexico’s economic results, which can stem from many factors, including but not limited to, the following: high interest rates; abrupt changes in currency values; high levels of inflation; exchange controls; wage and price controls; regulations to import equipment and other necessities relevant for operations; changes in governmental economic, administrative or tax policies; political and social tensions. The impact of hostilities or political problems in other countries could affect international trade, the price of commodities and the global economy; and ability to obtain financing from international markets.

Any of these factors, as well as volatility in the capital markets, may adversely affect our business, results of operations, financial condition, the value of our series A shares and ADSs, and our ability to meet our financial obligations.

We are or could be subject to direct and indirect restrictions on imports and exports under Argentine law.

The Argentine Hydrocarbons Law allows hydrocarbons exports, as long as such volumes are not required for the Argentine domestic market and as long as these are sold at reasonable prices. In this respect, oil and gas companies have faced restrictions to export crude oil from Argentina, therefore limiting their access to greater revenues when international prices are above domestic prices in Argentina.

In the case of natural gas, Argentine Law No. 24,076 and the related regulations require that all domestic market needs be considered when authorizing long-term exports of natural gas. In this sense, the SdE may authorize export operations of natural gas surplus provided they are subject to interruption upon local supply shortages.



In recent years, Argentine authorities have adopted certain measures which resulted in restrictions on the exports of natural gas from Argentina. Because of these restrictions, oil and gas companies have been forced to sell part of their natural gas production in the local market that was originally intended for the export market and have been unable in certain cases to comply wholly or partially with their export commitments.

Additionally, there are certain obligations and restrictions for exporters in accordance with current in-force FX regulations, including, but not limited to, obligation to repatriate and settle in Argentine Pesos in the local exchange market proceeds from exports of goods. See “Item 10—Additional Information—Exchange Controls .”

We cannot predict for how long these restrictions on exports will remain in force, or whether future measures will be taken that adversely affect our ability to export and import gas, crude oil, or other products and, consequently, affect our financial condition, results of operations, and cash flows.

Regarding imports, in recent years, the Argentine government has implemented certain measures that control and restrict imports of many products and services, including some product and services which are needed for oil and gas operations. Such restrictions could delay some of our projects and negatively impact our operations and financial metrics.

Furthermore, in order to reduce natural gas imports and the use of the BCRA’s foreign exchange reserves for the payment thereof, the Argentina National Congress enacted Law No. 27,007, which increased the number of participants eligible to benefit from the Investment Promotion Regime under the Hydrocarbons Law. In addition, by Decree No. 892/2020, dated November 13, 2020, the Argentine Government implemented the Argentine Natural Gas Production Promotion Plan—Supply and Demand Scheme 2020-2024. If the Argentine government were unable to comply with its obligations in connection with the importation of natural gas could materially and adversely affect the Argentine economy and our business, financial condition and results of operations. Therefore, we may face restrictions, higher costs, and delays in the delivery of goods that could have effects on our operational performance, and therefore, affect our financial condition, results of operations, and cash flow.

Current Argentine exchange controls and the implementation of further exchange controls could adversely affect our results of operations.

The Argentine government and the BCRA have implemented certain measures that control and restrict the ability of companies and individuals to access to the foreign exchange market. Those measures include, among others: (i) restricting access to the Argentine foreign exchange market for the purchase or transfer of foreign currency abroad for any purpose, including the payment of dividends to non-resident shareholders; (ii) restrictions on the acquisition of any foreign currency to be held as cash in Argentina; (iii) requiring exporters to repatriate and settle in pesos, in the local exchange market, all the proceeds of their exports of goods and services; (iv) limitations on the transfer of securities into and from Argentina; (v) establishing certain mandatory refinancing on U.S. Dollar-denominated debt; and (vi) the implementation of taxes on certain transactions involving the acquisition of foreign currency.

There can be no assurance that the BCRA or other government agencies will not increase or relax such controls or restrictions, make modifications to these regulations, impose further mandatory refinancing plans related to our indebtedness payable in foreign currency, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in currencies other than the Peso, all of which could affect our ability to comply with our financial obligations when due, raise capital, refinance our debt at maturity, obtain financing, execute our capital expenditure plans, and/or undermine our ability to pay dividends to foreign shareholders. Consequently, these exchange controls and restrictions could materially adversely affect the Argentine economy and our business, financial condition and results of operations. For additional information, please see “Item 10—Additional Information—Exchange Controls.”

In addition, we cannot assure you that the Mexican government would not impose exchange controls or other confiscatory measures.



The imposition of export duties and other taxes have adversely affected the oil and gas industry in Argentina and could adversely affect our results in the future.

In the past, the Argentine government has imposed duties on exports, including exports of oil and liquid petroleum gas products (for example, among others, by means of the Solidarity Law and Decree 488/2020). Under the current regulation, export duties on crude hydrocarbons are 8%.

Export duties and taxes may have a material adverse effect on Argentina's oil and gas industry and our results of operations. We produce exportable goods and an increase in export taxes is likely to result in a decrease in our products' price, and, therefore, may also result in a decrease of our sales. We cannot guarantee the impact of those or any other future taxes and measures that might be adopted by the Argentine government on demand and prices for hydrocarbon products and, consequently, our financial condition and result of operations.

The impact of inflation in Argentina on our costs could have a material adverse effect on our results of operations.

Historically, inflation has materially undermined the Argentine economy and the Argentine government's ability to create conditions that foster growth. In recent years, Argentina has experienced high inflation rates.

The consumers price index published by the INDEC (the *Índice de Precios al Consumidor*, or "IPC") variation for the period from January to December 2021 was 50.9%.

The Argentine government continued implementing measures to monitor and control prices for the most relevant goods and services. Despite such efforts, the Argentine economy continues to experience high levels of inflation. If the value of the Argentine Peso cannot be stabilized through fiscal and monetary policies, an increase in inflation rates could be expected.

High inflation rates affect Argentina's foreign competitiveness, social and economic inequality, negatively impact employment, consumption and the level of economic activity and undermines confidence in Argentina's banking system, which could further limit the availability of and access to domestic and international credit by local companies and political stability.

Inflation remains a challenge for Argentina given its persistent nature. Argentina's structural inflationary imbalances remain critical, which may cause the current levels of inflation to continue and have an adverse effect on Argentina's economy and financial condition. Inflation can also lead to an increase in Argentina's debt. Inflation in Argentina has contributed to a material increase in our operating costs, particularly labor costs, and has negatively impacted our results of operations, financial position and business.

Inflation rates could escalate in the future, and there is uncertainty regarding the effects that the measures adopted, or that may be adopted in the future, by the Argentine government to control inflation may have. See "—Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations in Argentina" below. Increased inflation could adversely affect the Argentine economy and, in turn, could adversely affect our business, financial condition and the market price of our series A shares and the ADSs.

Significant fluctuations in the value of the Argentine Peso could adversely affect the Argentine economy and our business and results of operations in Argentina.

Fluctuations in the value of the Argentine Peso may adversely affect the Argentine economy, our financial condition and results of operations. While most of our revenues are denominated in U.S. Dollars, upstream players could be limited by the ability of refiners to pass through crude oil prices to the pump prices, which are denominated in local currency, in the event of significant increases in international crude oil prices or in exchange rates. For example, despite the rapid increase in Brent during the first quarter of 2022, from US\$77.2 /bbl on December 31, 2021, to US\$107.6 /bbl on March 31, 2022, domestic crude oil prices in Argentina remain around US\$60 /bbl for Medanito type crude oil. This can generate risk to our revenue stream in volatile macroeconomic environments. We are therefore exposed to the risks associated with the fluctuation of the Argentine Peso relative to the U.S. Dollar.



The continued depreciation of the Argentine Peso could have a material adverse effect on Argentina's economy and, consequently, our cash flows, financial condition and results of operations.

The ability of the Argentine government to stabilize the foreign exchange market and restore economic growth is uncertain. An appreciation of the Peso in real terms affects the competitiveness of the economy, including the oil and gas sector, as makes goods and services denominated in local currency more expensive in relative terms. This could increase our operating and capital expenditures, and negatively affect our financial performance. A significant appreciation in real terms of the Argentine Peso against the U.S. Dollar also presents risks for the Argentine economy, including the possibility of a reduction in exports (as a consequence of the loss of external competitiveness). Such an appreciation could also have a negative effect on the growth of the economy and employment and reduce tax collection in real terms.

Our properties may be subject to expropriation by the Mexican and Argentine governments for public interest reasons.

Our assets, which are mainly located in Argentina and, to a lesser extent, in Mexico, may be subject to expropriation by the Argentine and Mexican governments (or the government of any political subdivision thereof), respectively. We are engaged in the business of oil extraction and, as such, our business or our assets may be considered by a government to be a public service or essential for the provision of a public service. Therefore, our business is subject to political uncertainties, including expropriation or nationalization of our business or assets, loss of concessions, renegotiation or annulment of existing contracts, and other similar risks.

In such an event, we may be entitled to receive compensation for the transfer of our assets under applicable law. However, the price received may not be sufficient, and we may need to take legal actions to claim appropriate compensation. Our business, financial condition and results of our operations could be adversely affected by the occurrence of any these events.

We cannot assure that any acts of expropriation by the Argentine or Mexican governments, changes in applicable laws and regulations, or adverse judicial or administrative interpretations of such laws and regulations will not have a material adverse effect on our operation and business, or the Argentine or Mexican economies in general and, as a consequence, adversely affect our financial condition, our results of operations.

Government intervention may adversely affect the Argentine economy and, as a result, our business and results of operations in Argentina.

In the past, the Argentine government has intervened directly in the economy through expropriation, nationalization, price controls and exchange controls, among others.

Historically, the Argentine government has adopted measures to directly or indirectly control the access of private companies and individuals to foreign trade and foreign exchange markets, such as restricting its free access and imposing the obligation to repatriate and sell in the local foreign exchange market all foreign currency revenues obtained from exports. These regulations prevent and limit us from offsetting the risk derived from our exposure to the U.S. Dollar. Our business and operations in Argentina may also be adversely affected by measures adopted by the Argentine government to address inflation and promote sustainable macroeconomic growth.

A low growth rate and high inflation scenario is likely to occur in the future as a result of the accumulation of macroeconomic imbalances in recent years, the Argentine government's regulatory actions and difficult international economic conditions, as well as the additional stress imposed by the COVID-19 pandemic. We cannot give any assurance that the policies implemented by the Argentine government will not adversely affect our business, results of operations, financial condition, value of our securities and ability to meet our financial obligations.

Argentina's economy is highly sensitive to local political developments, which in the past have had an adverse impact on the level of investment. Future developments may adversely affect Argentine economy and, in turn, our business, results of operations, financial condition, the value of our securities, and our ability to meet our financial obligations.

In addition, the Argentine government has enacted laws and regulations requiring private sector companies to maintain certain wage levels and provide their employees with additional benefits. On December 13, 2019, the current administration declared a labor emergency for a 180-day term. In this context, the Argentine government doubled the amount of the statutory severance payments payable to employees hired before December 13, 2019 and



dismissed between December 13, 2019 and June 13, 2020. The labor emergency was further extended by Decree No. 39/21 and Decree No. 886/21 through June 30, 2022. Decree 886/21 also provides that double severance payments will be progressively reduced until they are effectively finalized in June 2022.

On December 20, 2019, the Argentine congress enacted the Solidarity Law, declaring a public emergency on the economic, financial, fiscal, administrative, social and energetic fronts, among others, thus delegating in the Argentine Executive Branch the ability to ensure the sustainability of public indebtedness, regulate the energetic tariff restricting through an integral review of the current tariff regime and the intervention of supervisory entities, among others. The Solidarity Law establishes the restructuring of the energy tariff scheme and froze the natural gas and electricity tariffs. In addition, the Solidarity Law entitles the Argentine Executive Branch to intervene the ENARGAS and the ENRE.

On March 17, 2020, Decree No. 278/2020 was published in the Official Gazette, which provides for the State intervention in ENARGAS until December 31, 2020, which was extended by Decree No. 1,020/2020 until the earlier of (i) December 31, 2021, or (ii) until the end of the renegotiation of the tariff revision provided for by the decree is completed, the earlier of. Afterwards, the intervention was extended until December 31, 2022, by means of Decree No. 871/2021.

We cannot predict the impact that the Solidarity Law may have, nor the measures that could be adopted by the current administration regarding the Argentine economy in order to meet its financial obligations, which might negatively affect our business, financial condition and results of operations.

In the future, the Argentine government may impose further exchange controls and restrictions on transfers abroad, restrictions on the movement of capital or take other measures in response to capital flight or a significant depreciation of the Argentine Peso, which could limit our ability to access the international capital markets. Such measures could lead to political and social tensions and undermine the Argentine government's public finances, as has occurred in the past, which could have an adverse effect on economic activity in Argentina and, consequently, adversely affect our business and results of operations and cause the market value of our series A shares or ADSs to decline.

Investors in stand-alone and emerging markets, where our operations are located, are subject to greater risks than investors in more developed markets, including significant political, legal and economic risks, as well as risks related to fluctuations in the global economy.

Our operations are located in stand-alone and emerging markets, such as Argentina and Mexico, respectively. According to a statement from MSCI Inc., Argentina was considered an emerging market until June 2021, when it was reclassified as stand-alone market. As per the MSCI Global Market Accessibility Review, while nations classified as emerging market are developing countries with potential growth in their economies, trade relations with other countries, stability of institutional framework, equal rights to foreign investors and low levels of capital flow restrictions, countries classified as stand-alone markets are those that are currently partially or fully closed to foreign investors, where stock lending and short selling are activities that are either not developed or completely prohibited, with small capital markets and political tensions.

Mexico's emerging market status was also concurrently confirmed. Economic and market conditions in Argentina and other emerging market in Latin America influence the securities market issued by Argentine companies. Volatility in the securities markets in Latin America and emerging market countries, as well as possible increases in interest rates in the United States and other developed countries, may have a negative impact on the trading value of our securities and the conditions under which we can access international capital markets. In addition, stand-alone markets include additional risks, such as governmental restrictions that may limit investment and the risk associated with political developments.

In addition, the SEC, U.S. Department of Justice, or the DOJ, and other authorities often have substantial difficulties in bringing and enforcing actions against non-U.S. companies and non-U.S. persons, including company directors and officers, in certain standalone and emerging markets, including Argentina and Mexico. Additionally, our public shareholders may have limited rights and few practical remedies in standalone and emerging markets where we operate, as shareholder claims that are common in the United States, including class action based on securities law and fraud claims, generally are difficult or impossible to pursue as a matter of law or practicality in many standalone and emerging markets.



As we operate in standalone and emerging markets such as Argentina and Mexico, we may be exposed to any one or a combination of these risks, and our business, prospects, financial condition and results of operations could be adversely affected.

Oil and gas exploitation concessions, exploration permits and production and exploration contracts in Argentina and Mexico are subject to certain conditions and may be revoked or not renewed.

Argentina

Law No. 17,319 (as amended, the “Hydrocarbons Law”) is the main regulatory framework of the hydrocarbons industry, as it created a system of exploration permits and production concessions awarded by the state (federal or provincial, depending on the location of the resources), through which companies hold exclusive rights to explore, develop, exploit and take title of the production at the wellhead, in exchange for a royalty payment and adherence to the general taxation regime.

The Hydrocarbons Law, as amended, provides for oil and gas concessions to remain in effect for 25 years, 35 years for unconventional concessions and 30 years for offshore concessions, in each case, as from the date of their award and subject to extensions for periods of up to 10 years each. In order to be eligible for an extension of a concession under the modifications of Law No. 27,007, concessionaires must (i) have complied with their obligations, (ii) be producing hydrocarbons in the concession under consideration and (iii) submit an investment plan for the development of such areas as requested by the competent authorities up to a year prior to the termination of each term of the concession.

In addition, holders of concessions who apply for extensions (pursuant to Law No. 27,007) may be required to pay additional royalties ranging from 3% and up to a total maximum of 18%. Under the Hydrocarbons Law, failure to meet the aforementioned standards and obligations may result in the imposition of fines, and material violations which remain uncured upon expiration of the relevant cure period may result in the revocation of the concession or permit.

No assurance can be given that our concessions will be renewed in the future by the competent authorities based on the investment plans submitted to that effect, or that such authorities will not impose additional requirements for the renewal of such concessions or permits. Additionally, five of our concessions were granted for a 35-year period and with royalties of 12%, under the terms prescribed by Law 27,007. We cannot assure you that any future legislation the Argentine government may enact from time to time may not affect such concessions.

Exploration permits and exploitation concessions provide a vested right that cannot be terminated without legal indemnification. Nonetheless, relevant provincial enforcement authorities are entitled to revoke these licenses in the event of a breach of the permit or concession conditions by the licensee (article 80 of Law No. 17,319). Licensees can also partially or totally relinquish, at any time, the acreage of a permit or concession. If an exploration permit is relinquished, the licensee will be bound to pay any investment amounts committed and not fulfilled (articles 20 and 81 of Law No. 17,319).

Law No. 26,197 transferred the eminent domain on hydrocarbon reservoirs from the Argentine Government to the provinces. Exploration permits and exploitation concessions in existence when Law 26,197 was enacted have been transferred to the relevant provincial governments until their expiration. On the other hand, transportation concessions between provinces continue to be subject to federal jurisdiction. Petroleum rights are independent from surface rights. Oil production belongs to the licensee (the titleholder of an exploration permit or exploitation concession) upon its extraction.

Expropriations in Argentina are regulated by the Federal Law on Expropriations, No. 21,499, which includes no specific provisions for oil and gas licenses.



No assurance can be given that our exploitation concessions will be renewed in the future by the relevant provincial authorities based on the investments plans submitted to that effect, or that such authority will not impose additional requirements for the renewal of such concessions.

Mexico

Our E&P license contract is valid for 30 years and may be renewed for up to two additional periods of up to five years each, subject to the terms and conditions set out in the contract. The power and authority to extend the term of existing and future contracts lies with the CNH. Under the existing contracts, in order for an E&P license contract to be eligible for an extension, the developer must (i) be in compliance with the terms of such contracts, (ii) submit an amendment proposal to the development plan and (iii) commit to maintain 'sustained regular production' throughout each extension.

No assurance can be given that our contracts will be renewed in the future by the CNH based on the investments plans submitted to that effect, that such authority will not impose additional requirements for the renewal of such contract, or that we will continue to have a good business relationship with the new and future administrations.

A global or regional financial crisis and unfavorable credit and market conditions may negatively affect our liquidity, customers, business, and results of operations.

The effects of a global or regional financial crisis and related turmoil in the global financial system may have a negative impact on our business, financial condition and results of operations.

The effects of an economic crisis on our customers and on us cannot be predicted. Weak global and local economic conditions could lead to reduced demand or lower prices for energy, hydrocarbons and related oil products and petrochemicals, which could have a negative effect on our revenues. Economic factors such as unemployment, inflation and the unavailability of credit could also have a material adverse effect on the demand for energy and, therefore, on our business financial condition and results of operations. The financial and economic situation in Argentina, Mexico or in other countries in Latin America, such as Brazil, may also have a negative impact on us and third parties with whom we do, or may do, business. See “—The Argentine economy can be adversely affected by economic developments in other markets and by more general “contagion” effects, which could have a material adverse effect on Argentina’s economic growth” below.

The Argentine economy can be adversely affected by economic developments in the global financial markets, and by more general “contagion” effects from other financial markets, which could have a material adverse effect on Argentina’s economic growth.

Financial and securities markets in Argentina and the Argentine economy are influenced by the effects of global or regional financial crises and market conditions in other markets worldwide. Global economic instability such as uncertainty about global trade policies, the deterioration of economic conditions in Brazil (Argentina’s main trading partner) and of the economies of other major trading partners of Argentina, such as China or the United States, the withdrawal of the United Kingdom from the European Union (“Brexit”), geopolitical tensions between the United States and a number of foreign countries, the ongoing war between Russia and Ukraine, decisions by the Organization of Petroleum Exporting Countries (“OPEC”) and other non-OPEC oil-producing nations with respect to oil production that affect oil prices, idiosyncratic, political and social discords, terrorist attacks, sovereign debt downgrades, a pandemic disease, including the result of the ongoing COVID-19 pandemic, could impact the Argentine economy and jeopardize Argentina’s ability to stabilize its economy, among others. Although economic conditions vary from country to country, investors’ reactions to events occurring in one country sometimes demonstrate a “contagion” effect in which an entire region or class of investment is disfavored by international investors.

Consequently, there can be no assurance that the Argentine economy and securities markets will not be adversely impacted by events affecting the world, a particular region, developed economies, emerging markets or any of Argentina’s major trading partners, which could in turn adversely affect our business, financial condition and results of operations, and the market value of our ADSs. Furthermore, a significant devaluation of the currencies of our trading partners or trade competitors may adversely affect the competitiveness of Argentina and, consequently, adversely affect Argentina’s economy and our financial condition and results of operations.



Restrictions on the supply of energy could negatively impact the Argentine economy and, therefore, our business, financial conditions and results of operations.

As a result of prolonged recession and the forced conversion of energy tariffs into Argentine Pesos and subsequent freeze of natural gas and electricity tariffs in Argentina, there has been a lack of investment in natural gas and electricity supply and transport capacity in Argentina in recent years. At the same time, demand for natural gas and electricity has increased substantially, driven by a recovery in economic conditions and price constraints, which prompted the Argentine government to adopt a series of measures that have resulted in industry shortages and/or higher costs, including, but not limited to: importing natural gas to compensate for shortages in local production, using BCRA reserves given the absence of foreign direct investment, increasing the number of participants eligible to benefit from the Promotional Investment Regime under the Hydrocarbons Law, and creating Gas.Ar Plan. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina.” In the event that these measures do not have the effect sought by the Argentine government, the latter could be forced to continue to import natural gas which, as mentioned above, could have a negative impact on the BCRA’s foreign currency reserves. If the Argentine government is unable to pay for imports of natural gas, economic activity, business and industries may be adversely affected.

The Solidarity Law empowered the Argentine Executive Branch to “maintain” natural gas tariffs under federal jurisdiction, renegotiate the integral tariff revision or initiate an extraordinary revision. Also, the Solidarity Law entitles the Argentine Executive Branch to intervene in the management of the ENARGAS (Ente Nacional Regulador del Gas) and the ENRE. On March 17, 2020, Decree No. 278/2020 was published in the Official Gazette, which provides for the State intervention in ENARGAS until December 31, 2020, which was extended by Decree No. 1,020/2020 until the earlier of (i) December 31, 2021, or (ii) until the end of the renegotiation of the tariff revision provided for by the decree is completed, the earlier of. The intervention was extended until December 31, 2022, by means of Decree No. 871/2021.

In December 2020, the Argentine government decreed the initiation of a comprehensive rate review for services rendered by providers of public transportation and distribution services of electric energy and natural gas under federal jurisdiction. The renegotiation of the current tariffs is expected to be completed within a two-year period, and will be conducted by the ENRE and ENARGAS respectively, enabling citizen participation mechanisms.

Changes in the energy regulatory framework and the establishment of increased tariffs for the supply of gas and electricity could affect our cost structure and increase operating and public service costs. Moreover, the significant increase in the cost of energy in Argentina, could have an adverse effect on the Argentine economy, and therefore, on our business, financial condition and results of operations.

There is uncertainty about what other measures the Argentine government may adopt related to tariffs, and the impact they may have on the economy of the country. If the federal Argentine government does not resolve the negative effects on the production, transportation and distribution of energy in Argentina with respect to both the residential and industrial supply, this could reduce confidence and adversely affect Argentina’s economy and financial situation and cause political instability. On the other hand, if the necessary investment to increase the production of natural gas and the transportation and distribution of energy is not determined in a timely manner, the economic activity in Argentina could be negatively affected and our business, financial condition and results of operations could be negatively affected.

Federal and provincial elections in Argentina may generate uncertainty in the Argentine economy and, consequently, on our businesses.

Presidential elections take place in Argentina every four years and legislative elections every two years, resulting in the partial renewal of both chambers of Congress. The next presidential and legislative elections are scheduled for October 2023. Changes in the local and federal administrations may also imply alterations of programs and policies that apply to the oil and gas sector. Argentina’s president and its Congress each have considerable power to determine governmental policies and actions that relate to the Argentine economy. Therefore, we cannot foresee measures that might be adopted by any future federal administration, or by any future administration at the provincial



level, and the effect any such measures might have on the Argentine economy and the ability of Argentina to comply with its financial obligations, which could negatively affect our business, financial condition and results of operations. In addition, we cannot assure you that economic, regulatory, social and political developments in Argentina will not impair our business, financial condition or results of operations, or cause the market value of our shares or ADSs to decline.

Failure to adequately address actual and perceived risks of institutional deterioration and corruption may adversely affect Argentina's economy and financial condition and, consequently, our business.

A lack of a solid and transparent institutional framework for contracts with the Argentine government and its agencies and corruption allegations have affected and continue to affect Argentina. In Transparency International's 2021 Corruption Perceptions Index survey of 180 countries, Argentina was ranked 96 (with one being the least corrupt country and 180 being the most corrupt country), decreasing from the previous survey in 2020.

As of the date of this annual report, there are various ongoing investigations into allegations of money laundering and corruption being conducted by the Argentine Public Prosecutor (*Ministerio Público Argentino*). Companies involved in the investigations may be subject to, among other consequences, a decrease in their credit ratings, claims filed by their investors, and may further experience restrictions in their access to financing through the capital markets, together with a decrease in their income. The potential outcome of these and other ongoing corruption-related investigations is uncertain, but they have already had an adverse impact on the image and reputation of those companies that have been implicated, as well as on the general market perception of the economy, political environment and the capital markets in Argentina. We have no control over and cannot predict the outcome of any such investigations or allegations nor their effect on the Argentine political and economic instability, nor can we predict the adverse effect on our commercial activities and results of operations.

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment.

The Argentine State owns the hydrocarbons reserves located in the subsoil in Argentina.

The Hydrocarbons Law provides that liquid and gaseous hydrocarbon deposits located in the territory of the Argentina and in its continental shelf belong to the inalienable and imprescriptible patrimony of the Argentine State, either at the Federal or Provincial level, depending on the location of such deposits. However, the exploration and production of oil and natural gas is carried out through exploration permits and exploitation concessions granted to public and private companies. Access to crude oil and natural gas reserves is essential to an oil and gas company's sustained production and generation of income, and our ability to generate income would be materially and adversely affected if the Argentine government were to restrict or prevent us from exploring or extracting any of the crude oil and natural gas reserves that it has assigned to us or if we are unable to compete effectively with other oil and gas companies in future bidding rounds for additional exploration and production rights in Argentina. See "Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina."

Economic conditions and government policies in Mexico and elsewhere may have a material impact on our operations.

A deterioration in Mexico's economic condition, social instability, political unrest, changes in governmental policies, or other adverse social developments in Mexico could adversely affect our business and financial condition. Those events could also lead to increased volatility in the foreign exchange and financial markets, thereby affecting our ability to obtain financing. Additionally, the Mexican government has announced several budget cuts in recent years in response to declines in international crude oil prices. Any new budget cuts could adversely affect the Mexican economy and, consequently, our business, financial condition, operating results and prospects.

In the past, Mexico has experienced several periods of slow or negative economic growth, high inflation, high interest rates, currency devaluation and other economic problems. These problems may worsen or reemerge, as applicable, in the future and could adversely affect our business and ability to service our debt. A worsening of international financial or economic conditions, such as a slowdown in growth or recessionary conditions in Mexico's trading partners, including the United States, or the emergence of a new financial crisis, could have adverse effects on the Mexican economy, our financial condition and our ability to service our debt.



Also, the Mexican government has had significant influence in the Mexican economy in the past and will likely continue to do so. Changes in the legal framework and policies may adversely affect our business and the value of our securities.

Criminal activity in Mexico could affect our operations.

In recent years, Mexico has experienced a period of increasing criminal activity, primarily due to the activities of drug cartels and related criminal organizations. In addition, the development of the illicit market in fuels in Mexico has led to increases in theft and illegal trade in the fuels that we produce. In response, the Mexican government has implemented various security measures and has strengthened its military and police forces. Despite these efforts, criminal activity continues to exist in Mexico, some of which may target our facilities and products. These activities, their possible escalation and the violence associated with them, in an extreme case, may have a negative impact on our financial condition and results of operations.

Economic and political developments in Mexico may adversely affect Mexican economic policy and, in turn, our operations.

Political events in Mexico may significantly affect Mexican economic policy and, consequently, our operations. The Mexican presidential elections of 2018 resulted in an administration change effective as of December 1, 2018. The current Mexican Federal administration was elected by a significant majority of the electorate and the coalition *Juntos Haremos Historia* gained control of both chambers of the Federal Congress, which has given *Morena* (the party of Andrés Manuel López Obrador) considerable power to enact, modify or terminate legislation, including constitutional amendments. Members of the current administration, including president Andrés Manuel López Obrador have expressed, among other things, their desire to modify and/or terminate certain structural reforms. Some relevant changes in public policy and legislation sponsored by the current administration have already been enacted and/or implemented and some are under way (see “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Our operations are subject to extensive and changing regulation in the countries in which we operate”). There cannot be any assurance in the predictions of how the current administration will be conducted and any measure adopted by such new administration could have uncertain results and negative impacts. In this context, the availability of updated official technical and economic information regarding the energy sector by the Ministry of Energy and the corresponding regulators has decreased as opposed to past administrations. Additionally, other events and changes, and any political and economic instability that may arise in Mexico, could have a material adverse effect on the economy of the country. The extent of such impact cannot be accurately predicted. We cannot provide any assurances that political developments in Mexico will not have an adverse effect on the Mexican economy or oil and gas industry and, in turn, our business, results of operations and financial condition, including our ability to repay our debt. There is no guarantee that the Mexican political environment will continue its relative stability in the future.

Economic conditions in Mexico are highly correlated with economic conditions in the United States due to the physical proximity and the high degree of economic activity between the two countries generally, including the trade facilitated by the North American Free Trade Agreement (“NAFTA”). As a result, political developments in the United States, including changes in the administration and governmental policies, can also have an impact on the exchange rate between the U.S. Dollar and the Mexican peso, economic conditions in Mexico and the global capital markets.

Since 2003, exports of petrochemical products from Mexico to the United States have enjoyed a zero-tariff rate under NAFTA and, subject to limited exceptions, exports of crude oil and petroleum products have also been free or exempt from tariffs. In August 2017, Mexico, the United States and Canada commenced renegotiation of NAFTA. On November 30, 2018, Mexico, the United States and Canada signed the new United States-Mexico-Canada Agreement (the “USMCA”). As of the date of this annual report, the United States, Mexico and Canada have completed their domestic processes for the ratification and implementation of the USMCA, and the USMCA entered into force as of July 1, 2020. Because the Mexican economy is heavily influenced by the U.S. economy, the implementation of the USMCA and/or other U.S. government policies that may be adopted by the U.S. administration may adversely affect economic conditions in Mexico. These developments could in turn have an adverse effect on our financial condition, results of operations and ability to repay our debt.



In addition, the election of President Joseph R. Biden and the recent change in the U.S. administration may have an impact on the worldwide economy and in Mexico. The policies of the U.S. government towards Mexico have, from time to time, created instability, uncertainty and may adversely affect the Mexican economy. For example, in 2019, former President Donald Trump instituted import tariffs and enforced measures intended to control illegal immigration from Mexico, each of which has created friction between the U.S. and Mexican governments and may reduce economic activity between these countries. On January 20, 2021, Joseph R. Biden became the 46th President of the United States, and his administration may pass legislation that could impact Mexico. While the Mexican and U.S. governments have been able to reach an understanding in the past, we cannot assure you that such understanding will remain in place or that the U.S. government will not impose policies on Mexico in the future and that we will not be materially adversely affected by such policies in the future.

Additionally, President Andrés Manuel López Obrador and his administration have recently taken actions for limiting new private investment in the hydrocarbons industry, including the cancellation of tender bids for the execution of E&P agreements. As of the date of this annual report, no other tender bids have been announced, and certain state officers have stated during press conferences that hydrocarbon tender rounds and farm-outs are not currently a part of the Federal Government's plans to increase oil production. These actions may adversely affect our ability to expand our operations in Mexico.

The Mexican nation owns the hydrocarbons reserves located in the subsoil in Mexico.

The Mexican Constitution provides that the Mexican nation, and not us, owns all petroleum and other hydrocarbon reserves located in the subsoil in Mexico. Article 27 of the Mexican Constitution provides that the Mexican government will carry out E&P activities through contracts with third parties or allocations awarded to State Productive Enterprises (*empresas productivas del Estado*). The Mexican Hydrocarbons Law allows us and other oil and gas companies to explore and extract the petroleum and other hydrocarbons reserves located in Mexico, subject to the entry into agreements pursuant to a competitive bidding process. Access to crude oil and natural gas reserves is essential to an oil and gas company's sustained production and generation of income, and our ability to generate income would be materially and adversely affected if the Mexican government were to restrict or prevent us from exploring or extracting any of the crude oil and natural gas reserves that it has assigned to us or if we are unable to compete effectively with other oil and gas companies in future bidding rounds for additional exploration and production rights in Mexico. For more information, see "Item 4—Information on the Company—Industry and Regulatory Overview—Mexico's Oil and Gas Industry Overview—Oil and Gas Regulatory Framework in Mexico."

Recent amendments to the General Rules of Foreign Trade for 2020 may restrict the company's options to export hydrocarbons from Mexico or affect the company's business plan.

On June 11, 2021, the Mexican Tax Administration Service (*Servicio de Administración Tributaria* or SAT) published the Seventh Resolution of Amendments to the General Rules of Foreign Trade for 2020 (*Séptima Resolución de Modificaciones a las Reglas Generales de Comercio Exterior para 2020*) in the Federal Official Gazette. In particular, the amendment to Rule 2.4.1. has generated uncertainty among investors in the sector. The amendment implies that only state-owned productive enterprises (PEMEX or CFE) and their subsidiaries may obtain (i) the authorization to import or export hydrocarbons, fuels, petrochemicals, and other products from a place other than the authorized location or, (ii) the extension of such authorization. As a result, private investors may only import and export said products through customs, customs sections, international airports, authorized border crossings, ports, railway terminals that have customs services, and the other locations set forth in Article 9 of the Regulation of the Customs Law (*Reglamento de la Ley Aduanera*); while the State-owned companies will not be bound by such restrictions. This amendment may significantly restrict the company's option to export hydrocarbons from Mexico or affect the company's business plan.

The U.K.'s exit from the European Union will have uncertain effects.

The United Kingdom ("UK") ceased to be a member state of the European Union ("EU") on January 31, 2020, commonly referred to as "Brexit." In December 2020, the UK and the EU agreed on a trade and cooperation agreement. Notably, under the trade and cooperation agreement, UK service suppliers no longer benefit from



automatic access to the entire EU single market, UK goods no longer benefit from the free movement of goods and there is no longer the free movement of people between the UK and the EU. The long-term impact of the trade and cooperation agreement on our business is currently unclear. Adverse consequences concerning Brexit or the EU could include deterioration in global economic conditions, instability in global financial markets, political uncertainty, continued volatility in currency exchange rates, or adverse changes in the cross-border agreements currently in place, any of which could have an adverse impact on our financial results in the future.

The coronavirus and the measures taken or to be implemented by the Argentine and Mexican governments in response to the coronavirus have had and could continue to have a significant adverse effect on our business operations.

In late December 2019, a notice of pneumonia originating from Wuhan, Hubei province (COVID-19, caused by a novel coronavirus) was reported to the World Health Organization, with cases soon confirmed in multiple provinces in China, as well as in other countries. Several measures have been undertaken by the Argentine and Mexican governments and other governments around the globe, including the use of quarantine, screening at airports and other transport hubs, travel restrictions, suspension of visas, nation-wide lockdowns, closing of public and private institutions, suspension of sports events, restrictions to cultural sites and tourist attractions and extension of holidays, among many others. However, the virus spread globally and, as of the date of this annual report, has affected almost every country around the world, including Argentina and Mexico.

To date, the outbreak of the novel coronavirus has caused significant social and market disruption, including in the oil and gas market. During 2020, the Company's revenues and financial condition were severely hit due to the reduced demand for oil and gas, and the collapse in oil and gas prices. Due to these issues, we decided to stop all drilling and completion activities, both in Argentina and Mexico, which negatively impacted our production by delaying development projects. The long-term effects to the global economy and the Company of epidemics and other public health crises, such as the on-going novel coronavirus, are difficult to assess or predict, and may include risks to employee health and safety, and reduced sales in geographic locations impacted. In addition, an actual or expected economic slowdown may adversely affect the demand and prices of our oil and gas products. We may also be affected by the need to implement policies limiting the efficiency and effectiveness of our operations, including the suspension of our field operations in the concessions we operate or work from home policies for personnel not involved in direct field operations. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

During 2021, the Argentine government gradually eased restrictions in place to contain the impact of the pandemic, such as re-opening schools, removing restrictions on domestic and international air travel, making the use of masks in public places optional, allowing public in massive sports and cultural events, in view of the progress made in vaccination campaigns. As of March 1, 2022, 80% of the population in Argentina had been fully vaccinated against COVID-19. In order to mitigate the adverse effects of the COVID-19 pandemic on the local economy, the Argentine government has adopted a series of fiscal and monetary measures, in addition to measures adopted by the Central Bank. These include a ban on layoffs, price controls, freezing and/or deferring payments on certain loan installments, extending medical benefits, reducing the tax burden and other financial assistance programs. While these measures have already helped to mitigate the impact of the pandemic and may help in the future to mitigate the impact of the pandemic on the Argentine economy in general, they may also have a negative impact on our business, financial condition and results of operations.

Additionally, since June 2020, Mexico's federal government has used a four-tiered biweekly traffic light monitoring system to alert residents to the epidemiological risks of COVID-19 and provide guidance on restrictions on certain activities in each of the country's states. Although the COVID-19 Omicron variant has resulted in a slight increase in the rate of infection in Mexico, the federal government has deemed all 32 states are safe to remain open for business, although for a few of the states it has implemented some cautions including, among others, mobility and activity restrictions preventing companies, businesses, and individuals to carry out their normal activities, as well as the imposition of financial and economic measures to face the economic and financial impact of this event. As of March 21, 2022, all of the states are in a green status, at which point all activities are allowed and no mobility restrictions are no longer in place. Moreover, as of March 1, 2022, 61 % of Mexico's adult population had been fully vaccinated against COVID-19. It is likely that in the event a new wave of COVID-19 infections emerge or the pandemic worsens, the Mexican authorities will impose mobility and activities restrictions once again as deemed appropriate, which could have an impact on our operations, financial performance and development plans in such country, as experienced during 2020.



We cannot predict or estimate the ultimate negative impact that the COVID-19 pandemic will have in our results of operations and financial condition, since it remains highly uncertain and will depend on future developments outside of our control, including the intensity and duration of the pandemic and measures taken in order to contain the virus or mitigate the economic impact by the Argentine or Mexican governments.

Joint and several tax liability.

The Mexican government approved and published a tax provision in the Mexican Federal Official Gazette (Diario Oficial de la Federación) whereby from January 1, 2022, Mexican resident companies may be joint and severally liable for the taxes triggered by non-Mexican tax residents on the sale or disposition, to another non-Mexican tax resident party, of their shares or securities representing property of assets, issued by such companies, if the relevant Mexican resident company fails to provide certain information in respect of certain dispositions or sales to the Mexican tax authorities and the non-Mexican seller fails to comply with the obligation to pay the relevant tax. Given the mechanisms and procedures inherent to stock exchanges, including the volume of trading in the NYSE, Mexican companies, including us, have practical challenges in identifying and tracking the sale or disposition of the ADSs held by our investors, irrespective of them being Mexican or non-Mexican tax resident. Therefore, if the non-Mexican resident fails to pay taxes triggered on the sale and we fail to comply with the abovementioned information obligation, the tax authorities may assess joint and several liability on the Company for any unpaid taxes derived from the disposition or sale of the ADSs conducted by non-Mexican residents to another non-Mexican resident where certain requirements set forth in the Mexican Tax Law and its regulations are not complied with for such sale or disposition of ADSs to be exempt in Mexico. This potential assessment could have an adverse effect on our business, equivalent to the joint and several liability of the unpaid taxes.

Risks Related to our series A shares and the ADSs

The series A shares and ADSs are traded in more than one market and this may result in price variations; in addition, investors may not be able to easily move securities for trading between such markets.

As of the date of this annual report, our series A shares are listed and traded on the Mexican Stock Exchange and ADSs are listed on the NYSE. Markets for our series A shares or for the ADSs may not have liquidity and the price at which the series A shares or the ADSs may be sold is uncertain.

Trading in the ADSs or our series A shares on these markets takes place in different currencies (U.S. Dollars on the NYSE and Mexican pesos on the Mexican Stock Exchange), and at different times (resulting from different time zones, different trading days and different public holidays in the United States and Mexico). The trading prices of the securities on these two markets may differ due to these and other factors. Any decrease in the price of our series A shares on the Mexican Stock Exchange could cause a decrease in the trading price of the ADSs on the NYSE. Investors could seek to sell or buy our shares to take advantage of any price differences between the markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both our share prices on one exchange, and the ADSs available for trading on the other exchange. In addition, holders of ADSs will not be immediately able to surrender their ADSs and withdraw the underlying series A shares for trading on the other market without effecting necessary procedures with the Depository. This could result in time delays and additional cost for holders of the ADSs.

The trading prices for the series A shares and the ADSs may fluctuate significantly.

Volatility in the market price of our series A shares and the ADSs may prevent investors from selling their securities at or above the price that they paid for them. The market price and market liquidity of our series A shares and the ADSs may be adversely affected by a number of factors, including, but not limited to, the extent of investor interest in us, the attractiveness of our series A shares in comparison to other equity securities (for instance, shares issued by a company with larger operating history in our own industry), our financial performance and general market conditions. Certain additional factors that could negatively affect, or result in fluctuations in, the price of our series A shares and the ADSs include actual or anticipated variations in our operating results; potential differences between our actual financial and operating results and those expected by investors; investors' perceptions of our prospects and



the prospects of our sector; new laws or regulations or new interpretations of laws and regulations, including tax guidelines, applicable to the energy sector, our series A shares and/or the ADSs; general economic trends and risks in the United States, Latin American or global economies or financial markets, including those resulting from war, incidents of terrorism or responses to such events; changes in our operations or earnings estimates or publication of research reports about us or the Latin American energy industry; market conditions affecting the Latin American economy generally or borrowers in Latin America specifically; significant volatility in the market price and trading volume of securities of companies in the energy sector, which are not necessarily related to the operating performance of these companies; additions to or departures from our Executive Team; completing (or failing to complete) additional acquisitions or executing additional concession agreements; speculation in the press or investment community; changes in the credit ratings or outlook assigned to Latin American countries, particularly Mexico and Argentina, and entities of the energy sector; political conditions or events in Argentina, Mexico, the United States and other countries; and enactment of legislation or other regulatory developments that adversely affect us or our industry.

The stock markets in general have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the companies involved. We cannot assure you that trading prices and valuations will be sustained. These broad market and industry factors may materially adversely affect the market price of our series A shares and the ADSs, regardless of our operating performance. Market fluctuations, as well as general political and economic conditions in the markets in which we operate, such as recession or currency exchange rate fluctuations, may also adversely affect the market price of our series A shares and ADSs. Following periods of volatility in the market price of a company's securities, that company may often be subject to securities class-action litigation. This kind of litigation may result in substantial costs and a diversion of management's attention and resources, which would have a material adverse effect on our business, results of operations and financial condition.

The relatively low liquidity and high volatility of the Mexican securities market may cause trading prices and volumes of our series A shares and the ADSs to fluctuate significantly.

The Mexican Stock Exchange is one of Latin America's largest exchanges in terms of aggregate market capitalization of the companies listed therein, but it remains relatively illiquid and volatile compared to other major foreign stock markets. Although the public participates in the trading of securities on the Mexican Stock Exchange, a substantial portion of trading activity on the Mexican Stock Exchange is conducted by or on behalf of large institutional investors. The trading volume for securities issued by emerging market companies, such as Mexican companies, tends to be lower than the trading volume of securities issued by companies in more developed countries. These market characteristics may limit the ability of a holder of our series A shares and may also adversely affect the market price of the series A shares and, as a result, the market price of the ADSs.

If securities or industry analysts do not publish research reports about our business, or publish negative reports about our business, the price and trading volume of our series A shares and the ADS could decline.

The trading market for our series A shares and the ADSs will depend in part on the research and reports that securities or industry analysts publish about us, our business, our market or our competitors. If no securities or industry analysts covers us, the trading price for our series A shares and the ADSs may be negatively impacted. If one or more of the analysts who covers us downgrades us or releases negative publicity about our series A shares and ADSs, our share price would likely decline. If one or more of these analysts ceases to cover us or fails to regularly publish reports on us, interest in our series A shares and the ADSs may decrease, which may cause our share price or trading volume to decline.

As a foreign private issuer and an "emerging growth company," we have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies.

As a foreign private issuer and an "emerging growth company" (as defined in the JOBS Act), we are subject to different disclosure and other requirements than domestic U.S. registrants and non-emerging growth companies. For example, as a foreign private issuer, in the United States, we are not subject to the same disclosure requirements as a domestic U.S. registrant under the Exchange Act, including the requirements to prepare and issue quarterly reports on Form 10-Q or to file current reports on Form 8-K upon the occurrence of specified significant events, the proxy rules applicable to domestic U.S. registrants under Section 14 of the Exchange Act or the insider reporting and short-swing profit rules applicable to domestic U.S. registrants under Section 16 of the Exchange Act. In addition, we have relied, and intend to keep relying, on exemptions from certain U.S. rules which permit us to follow Mexican legal requirements rather than certain of the requirements that are applicable to U.S. domestic registrants.



Furthermore, foreign private issuers are required to file their annual report on Form 20-F within 120 days after the end of each fiscal year, while U.S. domestic issuers that are accelerated filers are required to file their annual report on Form 10-K within 75 days after the end of each fiscal year. Foreign private issuers are also exempt from Regulation Fair Disclosure under the Securities Act, aimed at preventing issuers from making selective disclosures of material information. As a result of the above, even though we are required to file reports on Form 6-K disclosing the information which we have made or are required to make public pursuant to Mexican law, or are required to distribute to shareholders generally, and that is material to us, you may not receive information of the same type or amount that is required to be disclosed to shareholders of a U.S. company.

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for emerging growth companies. Under this act, as an emerging growth company, we are not subject to the same disclosure and financial reporting requirements as non-emerging growth companies. For example, as an emerging growth company we are permitted to take (and intend to continue taking) advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. Also, we do not have to comply with future audit rules promulgated by the PCAOB (unless the SEC determines otherwise) and our auditors do not need to attest to our internal control under Section 404(b) of the Sarbanes-Oxley Act. We may follow these reporting exemptions until we are no longer an emerging growth company. As a result, our shareholders may not have access to certain information that they deem important. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal year (a) following the fifth anniversary of the completion of our initial public offering, (b) in which we have total annual revenues of at least US\$1.07 billion (as adjusted for inflation), or (c) in which we are deemed to be a large accelerated filer, which means the market value of our series A shares that is held by non-affiliates exceeds US\$700.0 million as of the prior September 30, and (2) the date on which we have issued more than US\$1.0 billion in non-convertible debt during the prior three-year period. Accordingly, the information about us available to you is not the same as, and may be more limited than, the information available to shareholders of a non-emerging growth company.

We cannot predict if investors will find our series A shares or the ADSs less attractive because we rely on these exemptions. If some investors find our series A shares and the ADSs less attractive as a result, there may be a less active trading market for our series A shares and the ADSs and our share price may be more volatile.

ADS holders may be subject to additional risks related to holding ADSs rather than series A shares.

Because ADS holders do not hold their series A shares directly, they are subject to additional risks, including as an ADS holder, we do not treat you as one of our shareholders and you may not be able to exercise shareholder rights; distributions on the series A shares represented by your ADSs are paid in Mexican Pesos to a custodian through S.D. Indeval, Institución para el Depósito de Valores, S.A. de C.V. (“Indeval”) and before such custodian transfers any such distributions to the depositary for your benefit, it would be required to deduct withholding taxes, if any. The depositary would also be required to convert distributions made in Mexican Pesos into U.S. Dollars. Additionally, if the exchange rate fluctuates significantly prior to the depositary converting any distribution into U.S. Dollars, the amount of such distribution may decrease in terms of U.S. Dollars; and we and the depositary may amend or terminate the Deposit Agreement without the ADS holders’ consent in a manner that could prejudice ADS holders or that could affect the ability of ADS holders to transfer ADSs.

We have granted, and may continue to grant, share incentive awards, which may result in increased share-based compensation expenses and holders of our series A shares and ADSs may suffer further dilution.

We adopted our Long Term Incentive Plan in April 2018 for purposes of attracting and retaining talented people as officers, directors, employees and consultants which are key to us, incentivizing their performance and aligning their interests with ours. Under the Long Term Incentive Plan, our Board of Directors is authorized to grant restricted series A shares (“Restricted Stock”) and options to purchase our series A shares (“Stock Options”) to our officers, directors, employees and consultants. We reserved 8,750,000 series A shares issued on December 18, 2017 for the implementation of the Long Term Incentive Plan. As of the date of this annual report, 2,381,834 series A shares have been vested and are outstanding in connection with the Long-Term Incentive Plan. We



believe the granting of share incentive awards is of significant importance to our ability to attract and retain employees, and we will continue to grant share incentive awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may have an adverse effect on our results of operations.

Additionally, the vesting of series A shares reserved for the Long Term Incentive Plan may cause immediate dilution to our existing shareholders and may also have a dilutive effect in our earnings per share. If all 6,368,166 series A shares currently reserved for the Long Term Incentive Plan became outstanding, our issued and outstanding share capital would increase approximately 7% based on 89,197,406 series A shares outstanding as of the date of this annual report.

ADS holders may be unable to exercise voting rights with respect to the shares underlying the ADSs at our shareholders' meetings.

The depositary is treated by us for all purposes as the shareholder with respect to the shares underlying your ADSs. As a holder of ADSs, you do not have direct shareholder rights and may exercise voting rights with respect to the shares represented by the ADSs only in accordance with the Deposit Agreement relating to the ADSs. There are no provisions under Mexican law or under our bylaws that limit the exercise by ADS holders of their voting rights through the depositary with respect to the underlying series A shares. However, there are practical limitations on the ability of ADS holders to exercise their voting rights due to the additional procedural steps involved in communicating with these holders. ADS holders may be unable to exercise voting rights with respect to the series A shares underlying the ADSs as a result of these practical limitations.

Preemptive rights may be unavailable to non-Mexican holders of ADSs and, as a result, such holders may suffer dilution.

Under our current by-laws, whenever we issue new shares for subscription and for payment in cash, subject to certain exceptions (such as those related to public offerings, mergers, or conversion of convertible securities, including our Warrants), we must grant preemptive subscription rights to our shareholders, giving them the right to purchase a sufficient number of shares to maintain their existing ownership percentage. We may not be able to offer preemptive rights to foreign shareholders and ADS holders identical to those of our shareholders residing in Mexico in connection with any future issuance of shares, unless we comply with certain specific requirements under the laws and regulations of the applicable jurisdictions of our non-Mexican shareholders. In the case of United States shareholders and ADS holders, we might not be able to offer them shares pursuant to preemptive rights granted to our shareholders in connection with any future issuance of shares, unless the offer of such shares is registered under the Securities Act or an exemption from the registration requirement is available.

We intend to evaluate, at the time of any preemptive prescription rights offering, the costs and potential liabilities associated with a registration statement or similar requirement to enable U.S. or other non-Mexican shareholders and ADS holders to exercise their preemptive subscription rights in the event of an issuance of shares; the indirect benefits of enabling U.S. and other non-Mexican shareholders and ADS holders to exercise preemptive subscription rights; and any other factors that we consider appropriate at the time. We will then decide whether to file such a registration statement or otherwise comply with a similar requirement.

In the event that a required registration statement or similar requirement is not filed or satisfied, U.S. or other non-Mexican shareholders or ADS holders, would not be able to exercise their preemptive subscription rights in connection with future issuances of our shares, and their stake in the Company might be diluted. In this event, the proportion of the economic and voting interests of such U.S. or other non-Mexican shareholders or ADS holders in our total equity could decrease in proportion to the size of the issuance. Depending on the price at which shares are offered, such an issuance could result in dilution in the book value per share to U.S. or other non-Mexican shareholders or ADS holders not participating in the capital increase.

Substantial sales of our series A shares or the ADSs could cause the price of our series A shares or the ADSs to decrease.

The market price of our series A shares and the ADSs may decline as a result of sales of a large number of series A shares and ADSs or the perception that these sales may occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.



Our shareholders or entities controlled by them or their permitted transferees will be able to sell their shares in the public market from time to time without registering them, subject to certain limitations on the timing, amount and method of those sales imposed by regulations promulgated by the SEC, as well as any other regulation (including anti-trust rules) that may apply. If any of our shareholders, the affiliated entities controlled by them or their respective permitted transferees were to sell a large number of their shares, the market price of our series A shares may decline significantly and, as a result, the market price of the ADSs. In addition, the perception in the public markets that sales by them might occur may also adversely affect the market price of our series A shares and the ADSs.

The protections afforded to minority shareholders in Mexico are not as comprehensive as those in other jurisdictions, such as the United States.

Under Mexican law, the protections afforded to minority shareholders and the responsibilities and duties of directors and senior officers are different or not as complete as those in the United States. Although Mexican law establishes specific duties of care and loyalty applicable to our directors, committee members and senior officers, the Mexican legal regime governing directors, committee members and senior officers, and their duties, is not as comprehensive or developed as in the United States and has not been the subject of as broad and precise judicial interpretation. In addition, the criteria applied in other jurisdictions, including in the United States, to ascertain the independence of corporate directors may be different from the criteria applicable under corresponding Mexican laws and regulations. Furthermore, in Mexico, there are different procedural requirements for shareholder suits that work exclusively for our benefit (such as with respect to derivative suits) and not for the benefit of our shareholders (even those that initiate an action). As a result, it may be more difficult in practice for our minority shareholders to enforce their rights against us or our directors, committee members or senior officers, including for breach of their duties or care or loyalty) than it would be for shareholders of a United States or other non-Mexican company or to obtain compensation for minority shareholders, for losses caused by directors, committee members or senior officers as a result of a breach of their duties.

Our bylaws contain provisions aimed at restricting the acquisition of our shares and restricting the execution of voting agreements among our shareholders.

Pursuant to our bylaws, every direct or indirect acquisition of shares, or attempted acquisition of shares, of any nature by one or more persons or entities requires the prior written approval by the Board of Directors each time that the number of shares to be acquired, when added to any shares already owned by such person or entity, results in the acquirer holding 10% or more of our outstanding capital stock. Once such percentage is reached, such person or entity must notify our Board of Directors of any subsequent acquisition of shares by any such person or entity through which they acquire additional shares representing 2% or more of our outstanding capital stock. Prior, written approval must also be requested from our Board of Directors for the execution of written or oral agreements, as a consequence of which voting association, block voting, or binding or joint vote mechanisms or covenants are formed or adopted or certain shares are combined or shared in any other manner, which effectively results in a change in control of our Company or a 20% ownership interest in our Company. No additional authorization is required to carry-out such acquisitions or to execute a voting agreement until the ownership percentage of our outstanding capital stock is equal to or greater than 20%, nor is any additional authorization required with respect to entering temporary agreements for appointment of minority directors.

If an acquirer does not comply with the procedures described above, such acquired shares or shares regarding any voting agreement will not have any voting rights at any shareholders' meeting of our Company. Any such acquired shares which have not been approved by our Board of Directors shall not be registered in our stock registry book, entries in our stock registry book made beforehand will be canceled and the Company will not acknowledge or give any value to the records or listings referred to in Article 290 of the Mexican Securities Market Law (*Ley del Mercado de Valores*), any other provision that might substitute it from time to time and other applicable law. Therefore, such records or listings mentioned above will not be considered evidence of ownership of shares, shall not grant the right to attend shareholders' meetings or validate the exercise of any legal action, including any legal action of a procedural nature.



The provisions in our bylaws described above may only be amended or removed by the approval of shareholders holding at least 95% of our shares. This could hinder the process of selling our shares or the execution of agreements in connection with those shares.

These provisions in our bylaws could potentially discourage future purchases of a significant number of our shares, including potential future acquirers of our business, and, accordingly could adversely affect the liquidity and price of our series A shares.

Holders of our series A shares and the ADSs may suffer further dilution as a result of the exercise of our outstanding warrants.

The issuance of shares upon the exercise of outstanding warrants may cause immediate dilution to our existing shareholders. As of the date of this annual report, we had 70,000,000 Warrants and 29,680,000 Sponsor Warrants outstanding (totaling 99,680,000 warrants outstanding) that are exercisable for 23,333,333 and 9,893,333 series A shares, respectively. Three warrants entitle the holder thereof to purchase one series A share at a price of US\$11.50 per series A share. The exercise of such warrants and the corresponding issuance of series A shares may also have a dilutive effect in our earnings per share. The warrants expire on April 4, 2023 or earlier if, after exercisability, the closing price for a series A share for any 20 trading days within an applicable 30-trading day period equals or exceeds the Mexican Peso equivalent of US\$18.00 and we decide to early terminate the exercise period thereof. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

If all outstanding warrants were exercised, our issued and outstanding share capital would increase by 33,226,667 series A shares, or approximately 37% based on 89,197,406 series A shares outstanding as of the date of this annual report. This would result in an immediate dilution to our shareholders and ADSs holders. Exercise of the outstanding warrants may also put demand pressure on the price of our series A shares and the ADSs.

The payment and amount of dividends, or share buy-backs, are subject to the determination of our shareholders.

The amount available for cash dividends, or share buy-backs, if any, will be affected by many factors, including our future operating results, financial condition and capital requirements as a result thereof, and the terms and conditions of legal and contractual restrictions. Also, the amount of cash available for dividend payments, or share buy-backs, may vary significantly from estimates. There can be no assurance that we will be able to pay or maintain the payment of dividends. Our actual results may differ significantly from the assumptions made by our Board of Directors in recommending dividends, or share buy-backs, to shareholders or in adopting or amending a dividend policy in the future. Also, there can be no assurance that our Board of Directors will recommend a dividend payment, or share buy-back, to our shareholders or, if recommended, that our shareholders will approve such a dividend payment or share buy-back. The payment of dividends, or share buy-backs, and the amounts of dividend payments paid by us to our series A shares are subject to the approval of our shareholders and our having absorbed or repaid losses from prior years and also may only be paid from retained earnings approved by our shareholders and if legal reserves have been created.

The payment and amount of Vista Argentina’s dividends are subject to certain restrictions from the BCRA.

Pursuant to the foreign exchange regulations imposed by the BCRA, companies resident in Argentina may only have access the foreign exchange market to purchase foreign currency and transfer it abroad for the payment of profits and dividends to non-resident shareholders, if certain conditions are met and/or they have the prior approval of the BCRA. Although only Vista Argentina’s dividends are subject to the restrictions imposed by the BCRA, such restrictions may affect our ability to pay dividends or complete share buybacks because the main source of cash generation is in Argentina.

There can be no assurance that the BCRA will not increase or relax such controls or restrictions, make modifications to these regulations, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in



currencies other than the Peso, all of which could undermine our ability to pay dividends to foreign shareholders and to distribute all the net cash flow generated in the form of dividends or buybacks. Consequently, these exchange controls and restrictions could materially adversely affect the Argentine economy and our business, financial condition and results of operations. See “Item 10—Additional Information—Exchange Controls” for additional information.

Dividend distributions to holders of our series A shares will be made in Mexican Pesos.

We will make dividend distributions to holders of our series A shares in Mexican Pesos. While the Mexican government does not currently restrict the ability of Mexican or foreign persons or entities to convert Mexican Pesos into U.S. Dollars or other currencies, it could institute restrictive exchange control policies in the future. Future fluctuations in exchange rates and the effect of any exchange control measures adopted by the Mexican government on the Mexican economy cannot be predicted.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, shareholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common shares

Effective internal controls over financial reporting are necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to achieve and maintain effective internal controls over financial reporting, implement required new or improved controls, or difficulties encountered in their implementation could result in our failure to meet our reporting obligations, which in turn could have a material adverse effect on our business and our common shares or the ADSs. In addition, any testing by us or any subsequent testing by our independent registered public accounting firm conducted in connection with Section 404 of the Sarbanes-Oxley Act of 2002, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis and thereby subject us to adverse regulatory consequences, including sanctions by the SEC. There also could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our audited financial statements. Confidence in the reliability of our audited financial statements also could suffer if we or our independent registered public accounting firm were to report a material weakness in our internal controls over financial reporting. This could in turn limit our access to capital markets and possibly, harm our results of operations, and lead to a decline in the trading price of our common shares or the ADSs.

Pursuant to Section 404 of the Sarbanes Oxley Act of 2002, we are required to include a report of our management on our internal controls over financial reporting in our annual reports on Form 20-F that contains management’s assessment of the effectiveness of our internal control over financial reporting. We are required to disclose changes made in our internal controls and procedures and our management will be required to assess the effectiveness of these internal controls over financial reporting on an annual basis. However, for as long as we are an “emerging growth company” under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal control over financial reporting pursuant to Section 404. We may follow these reporting exemptions until we are no longer an emerging growth company (see “—As a foreign private issuer and an “emerging growth company,” we have different disclosure and other requirements than U.S. domestic registrants and non-emerging growth companies). We can provide no assurance that from time to time we will not identify concerns that could require remediation. We may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal control over financial reporting. An independent assessment of the effectiveness of our internal controls could detect problems that our management’s assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation. In connection with the attestation process by our independent registered public accounting firm, we may encounter problems or delays in the completing the implementation of any requested improvements and receiving a favorable attestation. In addition, if we fail to maintain the adequacy of our internal control over financial reporting we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 which may have an adverse effect on us.



The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

We are required to comply with various regulatory and reporting requirements, including those required by the Commission and the CNBV. Complying with these reporting and regulatory requirements is time consuming, resulting in increased costs to us or other adverse consequences. As a public company, we are subject to the reporting requirements of the Exchange Act, and the requirements of the Sarbanes-Oxley Act, in addition to the existing disclosure requirements by the Mexican Securities Market Law and CNBV rules. These requirements may place a strain on our systems and resources. The Exchange Act rules applicable to us as a foreign private issuer requires that we file annual and current reports with respect to our business and financial condition. Likewise, CNBV rules require that we make annual and quarterly filings and that we comply with disclosure obligations including current reports. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, results of operations and financial condition.

Our bylaws, in compliance with Mexican law, restrict the ability of non-Mexican shareholders to invoke the protection of their governments with respect to their rights as shareholders.

As required by Mexican law, our bylaws provide that non-Mexican shareholders are considered to be Mexican with respect to shares held by them. Moreover, non-Mexican shareholders explicitly agree not to invoke the protection of its own government by asking such government to interpose a diplomatic claim against the Mexican government with respect to the shareholder's rights as a shareholder, though such agreement is not deemed to include a waiver to any other rights (for instance, any rights under the United States securities laws, with respect to its investment in us). If you invoke such governmental protection in violation of this provision of the bylaws, your series A shares may be forfeited to the Mexican government.

As a foreign private issuer, we are permitted to, have relied, and intend to keep relying, on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers, including the requirement that a majority of an issuer's directors consist of independent directors. This may afford less protection to holders of the ADSs.

The NYSE's rules require listed companies to have, among other things, a majority of their board members be independent and to have independent director oversight of executive compensation, nomination of directors and corporate governance matters. As a foreign private issuer and a controlled company, we are permitted to follow home country practice in lieu of the above requirements. Mexican law does not require that a majority of our board consist of independent directors or the implementation of a compensation or nominating committee, and our board may thus not include, or include fewer, independent directors than would be required if we were subject to the NYSE rules applicable to most U.S. companies. As long as we rely on the foreign private issuer and controlled company exemptions to the NYSE rules, a majority of our Board of Directors is not required to consist of independent directors and we will not be required to have a compensation or nominating committee. Therefore, our board's approach may be different from that of a board with a majority of independent directors, and, as a result, the executive team's oversight of the Company may be more limited than if we were subject to the NYSE rules applicable to most U.S. companies.

It may be difficult to enforce civil liabilities against us or our directors or officers.

We are a publicly traded company with variable capital (*sociedad anónima bursátil de capital variable*) organized under the laws of Mexico, and a majority of the members of our Board of Directors and Executive Team, our advisors and independent auditors reside or are based outside the United States. All of our assets and the assets of our subsidiaries are located, and all of our revenues and the revenues of our subsidiaries are derived from, sources outside the United States, particularly in Mexico and Argentina. Consequently, it may not be possible for you to effect service of process upon us or these other persons. Because judgments of U.S. courts or courts of other jurisdictions outside of Mexico and/or Argentina for civil liabilities based upon foreign laws of other jurisdictions outside Mexico and/or Argentina may only be enforced in Mexico and/or Argentina if certain requirements are met, you may face



greater difficulties in protecting your interests through actions against us, our directors or the members our Executive Team than would shareholders of a corporation incorporated in the United States or in other jurisdictions outside of Mexico. There is doubt as to the enforceability, in original actions in Mexican courts and/or Argentine courts or in actions for enforcement of judgments obtained in courts of jurisdictions outside Mexico and/or Argentina, of liabilities predicated, in whole or in part, on the civil liability provisions of U.S. federal securities laws. No treaty exists between the United States and Mexico for the reciprocal enforcement of judgments issued in the other country. In addition, the enforceability in Argentine courts of judgments of U.S. or non-Argentine courts with respect to matters arising under U.S. federal securities laws or other non-Argentine regulations will be subject to compliance with certain requirements under Argentine law, including the condition that any such judgment does not violate Argentine public policy (*orden público argentino*) and provided that an Argentine court will not order the attachment on any property located in Argentina and determined by such court to be essential for the provision of public services.

ADSs holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, holders and beneficial owners of ADSs irrevocably waive the right to a jury trial of any claim they may have against us or the depository arising out of or relating to the ADSs or the deposit agreement. If this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. If we or the depository opposed a jury trial demand based on the waiver, the court would analyze whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depository in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and / or the depository. If a lawsuit is brought against us and/or the depository under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depository of compliance with any substantive provision of the U.S. federal securities laws and the rules and regulations promulgated thereunder.

Holders of our series A shares who sell or transfer series A shares acquired after January 1, 2018 and representing 10% or more of our equity may be subject to Argentine capital gains tax under Argentine tax law.

Under Argentine tax law, non-Argentine residents who sell or transfer shares or other interests in foreign entities acquired after January 1, 2018 may be subject to capital gains tax in Argentina if 30% or more of the market value of the foreign entity is derived from assets located in Argentina and the shares being sold or transferred represent 10% or more of the equity interests of such foreign entity. Therefore, any non-Argentine holder of our series A shares who sell or transfer series A shares acquired after January 1, 2018 representing 10% or more of our equity interests would be subject to the Argentine capital gains tax.

ITEM 4. INFORMATION ON THE COMPANY

HISTORY AND DEVELOPMENT OF THE COMPANY

Vista Energy, S.A.B. de C.V. is a *sociedad anónima bursátil de capital variable* organized under the laws of Mexico. We were originally incorporated in Mexico on March 22, 2017.



Our principal executive offices are located at Pedregal No. 24, Floor 4, Colonia Molino del Rey, Alcaldía Miguel Hidalgo, Mexico City, Zip Code 11040, Mexico. Our telephone number at this location is +52 (55) 55-86-47-01-28. Our website is <http://www.vistaenergy.com>. Information contained on, or accessible through, this website is not incorporated by reference in, and will not be considered part of, this annual report. The Securities and Exchange Commission maintains an internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Securities and Exchange Commission.

Recent Developments

On March 16, 2022, our Board of Directors called for an Ordinary and Extraordinary General Shareholders' meeting, to propose, discuss, and, if applicable, approve certain amendments to the Company's by-laws. One item to be considered included a proposal to amend the Company's corporate name to "Vista Energy", which will be followed by the words "Sociedad Anónima Bursátil de Capital Variable" or its abbreviation, "S.A.B. de C.V." Subsequently, on April 26, 2022, the Extraordinary General Shareholders' meeting approved said amendment and the change to our corporate name became effective shortly after upon the completion of certain Mexican statutory requirements. No change to our ticker symbol or CUSIP was made during this process. Our Executive Team believes the new corporate name better reflects the Company's proactive approach to the evolution of the energy industry and its sustainability goals, including its carbon footprint reduction.

BUSINESS OVERVIEW

We are an independent Latin American oil and gas company operating since April 4, 2018. Our main assets are located in Vaca Muerta, Argentina, the largest shale oil and gas play under development outside North America, where we have rights to develop approximately 183,100 acres. We are also the holders of conventional producing assets in Argentina and Mexico. Most of our production and revenues, our ongoing drilling and workover activities, estimated proved reserves and assets are located in Argentina, including our currently producing Vaca Muerta wells.

We seek to generate strong returns for our shareholders based on the following key value drivers:

Deep, ready-to-drill, short-cycle well inventory. Our growth plan is based on developing our approximately 550-well inventory in Bajada del Palo Oeste, our flagship development in Vaca Muerta, in line with the highest efficiency and safety standards. As of December 31, 2021, we had tied-in ten 4-well pads in Bajada del Palo Oeste, boosting our shale production to 23.5 Mboe/d in that month. Additionally, we identified 300 new well locations to be drilled in Aguada Federal and Bandurria Norte. Our proved certified reserves increased to 181.6 Mboe as of December 31, 2021.

We believe the productivity of our new wells demonstrates the quality of our Vaca Muerta acreage. As of December 31, 2021, the Vista average well (representing the average of our pads #1 to #5) was performing 9% above our type curve after 360 days of production. This productivity performance places our wells among the best of Vaca Muerta.

Peer-leading operating performance. We achieved solid operating metrics in drilling and completion activities, due to efficiency improvements, technological investments, and strategic alliances with our key suppliers. As a result, since we started our Bajada del Palo Oeste project, our drilling and completion cost per well decreased 40%, from US\$16.6 million per well in 2019 to US\$10.0 million per well in 2021, in both cases normalized to a standard well design of 2,800 meters lateral length and 47 completion stages well.

The productivity of our wells, our performance in drilling and completion costs, a new well design of 2,800 meters lateral length and 47 completion stages well, allowed us to reduce our development cost to 7.3 \$/boe.

Robust balance sheet and financial performance. Cash & cash equivalents at the end of 2021 was US\$315 million. During the year 2021, we recorded a positive free cash flow of US\$105.9 million. Also, Adjusted EBITDA for 2021 was US\$380.1 million, resulting in an Adjusted EBITDA margin of 58%. Net leverage ratio as of December 31, 2021, was 0.8x Adjusted EBITDA.



ESG-focused culture. At Vista, we aim to develop our business in a sustainable way. We aspire to become net zero in scope 1 & 2 GHG emissions by 2026, combining (i) a 35% reduction in our operating carbon footprint, in absolute terms, compared to 2020 emissions, with (ii) the implementation of nature-based solution projects to remove the remaining carbon emissions.

Safety is a bedrock of our Company, and we aim to operate with the highest oil & gas industry standards in accordance with the International Association of Oil and Gas Producers (“IOGP”) and the global oil and gas industry association for environmental and social issues (“IPIECA”). In 2021, we had a total recordable incident rate (“TRIR”) of 0.29, which represents a 24% improvement compared to 2020.

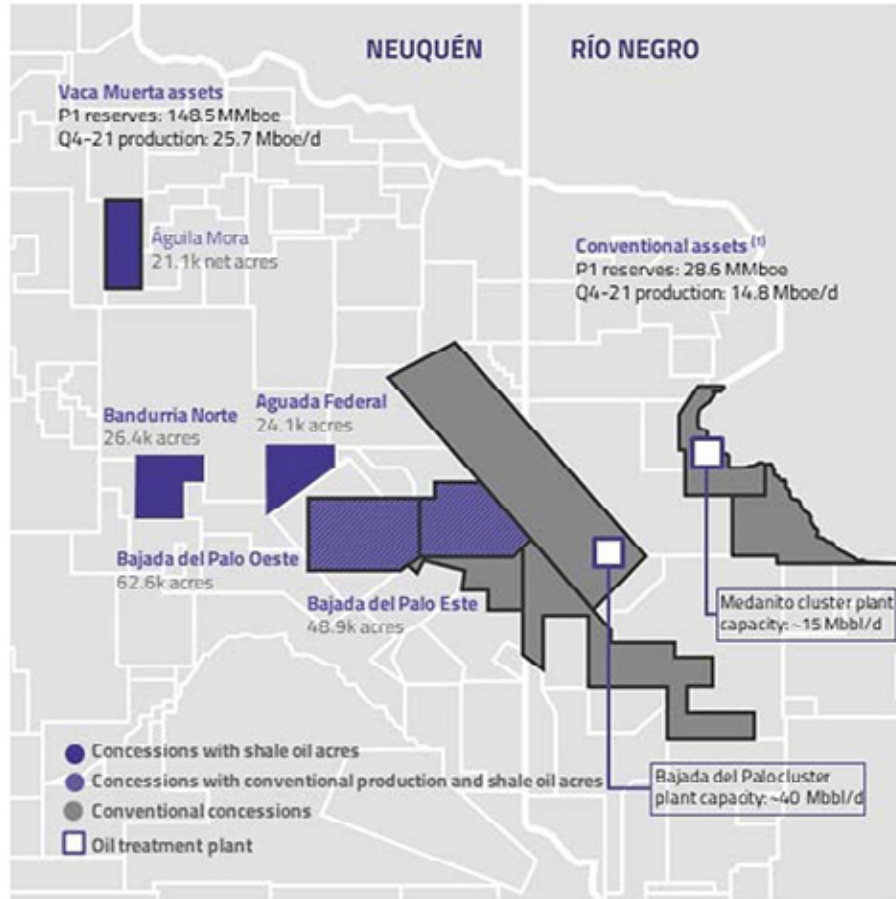
We strongly believe in the value of developing an organizational culture that promotes diversity, equity and inclusion at each level. We aim to develop these capacities in our employees and leaders, through the execution of several projects and initiatives captured by our Vista Diversity Equity & Inclusion (“DEI”) program. Our goal is to create a work environment where our people feel they can exchange ideas and opinions, regardless of race, gender, nationality, religion and beliefs. See “Item 4—Information of the Company—ESG Matters.”

We are committed to enhancing the development of the communities in which we operate, with an inclusive business model, and reinforcing the sense of belonging through open dialogue, active cooperation, volunteering and social commitment.

We are committed with the implementation of transparent and solid principles in our corporate governance, which strengthen trust and credibility with our interest groups. We are aligned with the Global Reporting Initiative (“GRI”) as the leading standards organization for comprehensive coverage of ESG factors and the Sustainability Accounting Standards Board (“SASB”) for industry-specific ESG issues most relevant to financial performance and long-term value creation. Additionally, our 2021 Sustainability Report will include disclosure aligned with the Task Force on Climate-Related Financial Disclosures (“TCFD”). We are signatories to the United Nations Global Compact’s Ten Principles on human rights, labor, environment and anti-corruption. Our Board of Directors has oversight of all sustainability related actions through our Corporate Practices Committee.

Our Operations.

The following map illustrates the location of our concessions in Argentina as of the date of this annual report:



(1) Includes information from Acambuco concession, not shown on this map.

During 2021, our average daily production was 38,845 boe/d. As of the date of this annual report, our portfolio of assets includes working interests in 14 hydrocarbons concessions, 13 of which are located in Argentina and 1 in Mexico. We operate 13 of those concessions, which represent 99% of our net production. Additionally, in Argentina, we hold approximately 570,000 net acres, of which we operate 99%. As of December 31, 2021, our total proved reserves were 181.6 MMboe, of which 81% consist of oil and 98% of which are located in Argentina. During the fourth quarter of 2021, we were the second largest shale oil producer in Argentina, according to Argentina’s Energy Secretariat. In 2021, our shale production was 23,353 boe/d.

The following table presents information on our concessions as of the date of this annual report, and estimated reserves and production as of December 31, 2021:

Block	Gross acres	Net acres	Interest	Operator	Net proved reserves as of Dec. 31, 2021 (MMboe)	Average net production for the year ended Dec. 31, 2021 (Mboe/d)	Concession Expiration
Neuquina Basin							
Bajada del Palo Oeste	62,641	62,641	100%	Vista	155.0	25.6	2053
Entre Lomas Río Negro	83,349	83,349	100%	Vista	7.4	3.6	2026
Jagüel de los Machos	48,359	48,359	100%	Vista	3.5	3.1	2025
25 de Mayo-Medanito	32,247	32,247	100%	Vista	4.0	2.6	2026
Entre Lomas Neuquén	99,665	99,665	100%	Vista	2.3	1.6	2026



Block	Gross acres	Net acres	Interest	Operator	Net proved reserves as of Dec. 31, 2021 (MMboe)	Average net production for the year ended Dec. 31, 2021 (Mboe/d)	Concession Expiration
Bajada del Palo Este	48,853	48,853	100%	Vista	2.5	0.9	2053
Coirón Amargo Norte	26,598	22,508	84.6%	Vista	0.8	0.3	2037
Jarilla Quemada	47,617	47,617	100%	Vista	0.1	0.5 ⁽¹⁾	2040
Coirón Amargo Sur Oeste	16,440	—	— (2)	Shell	—	0.0	2053
Águila Mora	23,475	21,128	90%	Vista	—	—	2054
Charco del Palenque	47,963	47,963	100%	Vista	0.9	— (1)	2034
Aguada Federal	24,058	24,058	100% ⁽³⁾	Vista	—	0.1	2050
Bandurria Norte	26,404	26,404	100% ⁽³⁾	Vista	—	—	2050
Golfo San Jorge Basin							
Sur Río Deseado Este (“SRDE”) ⁽⁴⁾	75,604	—	— (4)	Alianza Petrolera	—	—	2021
Noroeste Basin							
Acambuco				Pan American Energy			
	293,747	4,406	1.5%		0.6	0.2	2036/2040
Mexico							
CS-01	23,517	23,517	100% ⁽⁵⁾	Vista	4.5	0.3	2047
A-10	85,829	—	— (5)	Jaguar	—	0.1	2047
TM-01	17,889	—	— (5)	Jaguar	—	0.0	2047

- Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
- Fully divested 10% working interest to Shell. The effective date of the transaction was April 1, 2021.
- Acquired 50% working interest in Aguada Federal and Bandurria Norte concessions on September 16, 2021. Acquired an additional 50% working interest in Aguada Federal and Bandurria Norte concessions on January 17, 2022.
- The 25-year term of the SRDE exploitation concession, with a 16.9% working interest, expired on March 21, 2021. Vista decided not to request the 10-year extension filed by the operator.
- As of March 25, 2021, we increased our working interest in CS-01 from 50% to 100%. As of April 29, 2021, we reduced our working interest in A-10 and TM-01 from 50% to 0%, through an asset transfer with Jaguar Exploración y Producción 2.3., S.A.P.I. de C.V and Pantera Exploración y Producción 2.2., S.A.P.I. de C.V.

Main Operating Subsidiaries

Vista Energy Argentina S.A.U.

Vista Energy Argentina S.A.U. (formerly Vista Oil & Gas S.A., and prior thereto PELSA) is an Argentine company with offices in Buenos Aires and Neuquén and a field office with technical staff located on the Entre Lomas concession dedicated to the E&P of hydrocarbons and the commercialization of oil, natural gas and natural gas liquids (“NGL”). In the Neuquina Basin, Vista Argentina currently holds a (i) 100.00% operated interest in the following exploitation concessions: Entre Lomas Neuquén, Entre Lomas Río Negro, Bajada del Palo Oeste and Bajada del Palo Este, located in the Province of Neuquén, and Charco del Palenque, Jarilla Quemada, 25 de Mayo-Medanito and Jagüel de los Machos, located in the Province of Río Negro, (ii) 84.62% operated interest in the exploitation concession Coirón Amargo Norte located in the Province of Neuquén, (iii) 50% operated interest in the Aguada Federal and Bandurria Norte unconventional exploitation concessions, located in the Province of Neuquén, (iv) 90% operated interest in the unconventional exploitation concession Águila Mora located in the Province of Neuquén, and (v) 1.50% non-operating interest in the exploitation concession Acambuco, located in the Province of Salta, operated by Pan American Energy LLC (Argentine Branch). As of December 31, 2021, Vista Argentina had 394 direct employees.

Vista Oil & Gas Holding I, S.A. de C.V.

Vista Oil & Gas Holding I, S.A. de C.V. is a Mexican company with administrative offices in Mexico City incorporated for purposes of, among other things, participating as a partner, shareholder or investor in all kinds of businesses or entities, whether commercial or civil, associations, trusts, or of any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of corporations, as well as carrying-out any activities in the energy sector. It currently holds a 100% interest in Vista Energy Argentina S.A.U. and a 100% indirect interest in AFBN S.R.L., Aluvional S.A. and Aleph Midstream S.A.



Vista Oil & Gas Holding II, S.A. de C.V.

Vista Oil & Gas Holding II, S.A. de C.V. is a Mexican company with administrative offices in Mexico City incorporated for purposes of exploring and extracting hydrocarbons in Mexico, as well as to participate as a partner, shareholder or investor in all kinds of businesses or entities, whether commercial or civil, associations, trusts, or of any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of corporations, as well as carrying-out any activities in the energy sector. It is the holder of 100% working interests in the CS-01. As of December 31, 2021, Vista Oil & Gas Holding II, S.A. de C.V. had 17 employees.

AFBN, S.R.L.

AFBN, S.R.L. (formerly, “ConocoPhillips Argentina Ventures S.R.L.”) is a company organized and existing under the laws of Argentina dedicated to the E&P of hydrocarbons and the commercialization of oil, natural gas and NGL. In the Neuquina Basin, it currently holds a 50% non-operated interest in the Aguada Federal and Bandurria Norte unconventional exploitation concessions. Vista Oil & Gas Holding I, S.A. de C.V. holds a 4.31% direct interest in AFBN, S.R.L. The remaining interest is held by Vista Energy Argentina S.A.U with 14,80% and Vista Holding VII S.ár.l with 80,89%, the latter being a wholly-owned legal entity. As of December 31, 2021, AFBN, S.R.L. had no direct employees.

Aleph Midstream S.A.

Aleph Midstream S.A. is a company organized and existing under the laws of Argentina that started operating in August 2019 and became the first midstream player focused on providing gathering, processing and evacuation services for oil and gas production in the Neuquina Basin, spearheading a new paradigm for the development of the Vaca Muerta shale play built on the concept of long-term partnerships with upstream-focused producers. Vista Oil & Gas Holding I, S.A. de C.V. holds a 36.08% direct interest in Aleph Midstream. The remaining 63.92% interest is held by Vista Oil & Gas Holding V B.V. As of December 31, 2021, Aleph Midstream S.A. had no direct employees.

On March 31, 2020, Vista completed an acquisition of all of the issued and outstanding equity interests of each of the Financial Sponsors in Aleph Midstream S.A. from affiliates of Riverstone, Southern Cross Group and certain individual co-sponsors (the “Financial Sponsors”), at an aggregate purchase price of US\$37.5 million (equivalent to the entire equity effectively contributed to Aleph Midstream by the Financial Sponsors). As a result of such transactions, Aleph Midstream is a wholly owned subsidiary of Vista.

Aluvional S.A.

Aluvional S.A. is a company organized and existing under the laws of Argentina dedicated to the extraction of sand, stone, pebbles, granitic and/or calcareous materials and other natural resources that are used for the hydraulic stimulation of unconventional oil and gas exploitation in the provinces of Neuquén, Río Negro, Mendoza and La Pampa. As of the date of this annual report, Aluvional S.A. holds 10-year term concessions of 15 quarries of siliceous sand, all of them located in the Province of Río Negro. Vista Oil & Gas Holding I, S.A. de C.V. holds a 95% direct interest in Aluvional S.A. The remaining 5% interest is held by Vista Energy Argentina SAU. As of December 31, 2021, Aluvional S.A. had 1 employee.

Argentina

Overview

During the years ended December 31, 2020 and 2021, our production was concentrated in the Neuquina Basin, mostly in the following assets: Bajada del Palo Oeste, Entre Lomas Río Negro, 25 de Mayo-Medanito and Jagüel de los Machos. We also own some assets in the Noroeste Basin which, together with the Neuquina Basin assets, amount to approximately 570,000 net acres. As of December 31, 2021, we owned 1,098 productive wells and approximately 200 injector wells in Argentina.



We have approximately 183,100 net acres located in the Vaca Muerta shale oil formation in Bajada del Palo Oeste, Bajada del Palo Este, Águila Mora, Aguada Federal and Bandurria Norte. We operate 100% of our shale net acreage. Bajada del Palo Oeste is in the same operating cluster as our existing transportation and treatment facilities, which we believe have sufficient spare capacity to process and deliver our initial shale production to the market and will enable us to capture synergies by sharing drilling rigs, operation & maintenance crews and other oilfield services. As of December 31, 2021, we tied-in 40 shale oil wells targeting the Vaca Muerta formation in Bajada del Palo Oeste, which took our shale production to 28.1 Mboe/d by the year end, boosted by strong individual well performance.

We have a significant inventory of up to approximately 850 drilling locations targeting the Vaca Muerta shale oil formation within our core development acreage, which provide us with more than twenty years of drilling inventory. Our drilling inventory is currently located in the Bajada del Palo Oeste, Aguada Federal and Bandurria Norte blocks. We intend to expand our drilling inventory by testing additional landing zones and further delineating our acreage in the Bajada del Palo Este and Águila Mora blocks.

As of December 31, 2021, our total proved reserves in Argentina were 177.1 MMboe, of which 81% consisted of oil reserves. Our average daily production for the year ended December 31, 2021 was 38,488 boe/d, of which 78% was crude oil, 21% natural gas and the remaining 1% was NGL. We have reduced our average operating cost from US\$9.0 per boe during the year ended December 31, 2021 to US\$7.4 per boe for the year ended December 31, 2021 (excluding our 50% non-operated interest in Aguada Federal and Bandurria Norte).

Crude Oil Production and Natural Gas Production in Argentina

The tables below outline the average oil, gas and NGL net production, for the periods ended December 31, 2021, 2020 and 2019.

Block	Average net oil production for the year ended December 31, 2021 (Mbb/d)(5)	Average net gas production for the year ended December 31, 2021 (MMm ³ /d)(5)	Average net NGL production for the year ended December 31, 2021 (Mbb/d)(5)
Neuquina Basin			
Bajada del Palo Oeste	20.8	0.8	—
Entre Lomas Río Negro	2.3	0.1	0.3
Jagüel de los Machos	2.3	0.1	—
25 de Mayo-Medanito	2.4	0.0	—
Entre Lomas Neuquén	1.1	0.1	0.1
Bajada del Palo Este	0.4	0.1	0.1
Coirón Amargo Norte	0.3	0.0	—
Jarilla Quemada(1)	0.2	0.0	0.0
Coirón Amargo Sur Oeste (2)	0.0	0.0	—
Águila Mora	—	—	—
Charco del Palenque(1)	—	—	—
Aguada Federal (3)	0.1	0.0	—
Bandurria Norte (3)	—	—	—
Golfo San Jorge Basin			
Sur Río Deseado Este(4)	—	—	—
Noroeste Basin			
Acambuco	0.0	0.0	—

- (1) Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
- (2) Fully divested a 10% working interest to Shell. The effective date of the transaction was April 1, 2021.
- (3) Acquired 50% working interest in Aguada Federal and Bandurria Norte concessions on September 16, 2021. Acquired an additional 50% working interest in Aguada Federal and Bandurria Norte concessions on January 17, 2022.
- (4) The 25-year term of the SRDE exploitation concession, with a 16.9% working interest, expired on March 21, 2021. Vista decided not to request the 10-year extension filed by the operator.



- (5) Oil production is comprised of the production of crude oil, condensate and natural gasoline. Natural gas production excludes natural gas consumption. NGL production is comprised of the production of propane and butane (LPG) and excludes natural gasoline.

Block	Average net oil production for the year ended December 31, 2020 (Mbb/d)(2)	Average net gas production for the year ended December 31, 2020 (MMm ³ /d)(2)	Average net NGL production for the year ended December 31, 2020 (Mbb/d)(2)
Neuquina Basin			
Bajada del Palo Oeste	8.3	0.59	—
Entre Lomas Río Negro	2.6	0.23	0.4
Jagüel de los Machos	2.6	0.13	—
25 de Mayo-Medanito	2.6	0.02	—
Entre Lomas Neuquén	1.0	0.04	0.1
Bajada del Palo Este	0.4	0.08	0.0
Coirón Amargo Norte	0.3	0.01	—
Jarilla Quemada ⁽¹⁾	0.2	0.04	0.0
Coirón Amargo Sur Oeste	0.1	0.00	—
Águila Mora	0.0	—	—
Charco del Palenque ⁽¹⁾	—	—	—
Golfo San Jorge Basin			
Sur Río Deseado Este	—	—	—
Noroeste Basin			
Acambuco	0.0	0.02	—

- (1) Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
 (2) Oil production is comprised of production of crude oil, condensate and natural gasoline. Natural gas production excludes natural gas consumption. NGL production is comprised of production of propane and butane (LPG) and excludes natural gasoline.

Block	Average net oil production for the year ended December 31, 2019 (Mbb/d)(2)	Average net gas production for the year ended December 31, 2019 (MMm ³ /d)(2)	Average net NGL production for the year ended December 31, 2019 (Mbb/d)(2)
Neuquina Basin			
Bajada del Palo Oeste	5.5	0.68	—
Entre Lomas Río Negro	3.3	0.06	—
Jagüel de los Machos	3.3	0.17	—
25 de Mayo-Medanito	3.3	0.03	—
Entre Lomas Neuquén	1.3	0.03	0.6
Bajada del Palo Este	0.6	0.12	0.1
Coirón Amargo Norte	0.2	0.01	—
Jarilla Quemada ⁽¹⁾	0.3	0.05	0.0
Coirón Amargo Sur Oeste	0.2	0.00	—
Águila Mora	0.0	0.00	—
Charco del Palenque ⁽¹⁾	—	—	—
Golfo San Jorge Basin			
Sur Río Deseado Este	—	—	—
Noroeste Basin			
Acambuco	0.0	0.03	—

- (1) Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
 (2) Oil production is comprised of production of crude oil, condensate and natural gasoline. Natural gas production excludes natural gas consumption. NGL production is comprised of production of propane and butane (LPG) and excludes natural gasoline. Our production of natural gasoline is mixed and sold with our crude oil and condensate production and represents less than 0.05% of our average daily production.



Concessions

As of the date of this annual report, we have working interests in the following oil and gas concessions in Argentina:

Neuquina Basin: (a) a 100% operating interest in the exploitation concessions 25 de Mayo-Medanito and Jagüel de los Machos, Entre Lomas Neuquén and Entre Lomas Río Negro, Bajada del Palo Oeste, Bajada del Palo Este, Jarilla Quemada, Charco del Palenque, Aguada Federal, Bandurria Norte (in all cases, as operator); (b) a 84.62% operating interest in the exploitation concession Coirón Amargo Norte (as operator); (c) a 90% operating working interest in the unconventional exploration concession Águila Mora (as operator); and

Noroeste Basin: a 1.5% non-operating interest in the exploitation concessions Acambuco (operated by Pan American Energy).

Our Argentine concession agreements have no change of control provisions, though any assignment of these concessions is subject to the prior authorization by the executive branch of the province where the concession is located. For the four years prior to the expiration of each of these concessions, the concession holder must provide technical and commercial justifications for leaving any inactive and non-producing wells unplugged. Each of these concessions can be terminated for default in payment obligations and/or breach of material statutory or regulatory obligations. We may also voluntarily relinquish acreage to the Argentine authorities.

Entre Lomas Neuquén and Entre Lomas Río Negro (“Entre Lomas”)

We are the operator and holder of a 100% interest in the exploitation concessions Entre Lomas Neuquén and Entre Lomas Río Negro, which we refer to collectively as “Entre Lomas,” in the Neuquina Basin located in the provinces of Neuquén and Río Negro, respectively. The Entre Lomas concessions are located about 950 miles southwest of the city of Buenos Aires on the eastern slopes of the Andes Mountains. They straddle the provinces of Río Negro and Neuquén approximately 60 miles north of the city of Neuquén. The Entre Lomas Neuquén concession covers a surface area of approximately 99,665 gross acres and the Entre Lomas Río Negro concession covers an area of 83,349 gross acres, both of which produce oil and gas from several formations. The Entre Lomas Neuquén and Entre Lomas Río Negro blocks have proved reserves of 2.3 MMboe and 7.4 MMboe, respectively, as of December 31, 2021 and production of 1.7 Mboe/d (67% oil) and 3.6 Mboe/d (65% oil), respectively, in the year ended December 31, 2021. The Entre Lomas Neuquén and Entre Lomas Río Negro concessions expire in 2026.

As of December 31, 2021, the Company had the following commitments pending of execution with the Province of Rio Negro: to drill and complete 4 development wells and one step-out well, for an estimated cost of US\$11.2 million, and make capital investments in 11 well workovers and abandon 3 wells for an estimated cost of US\$5.8 million in our concessions, through 2023.

The productive units are the continental fluvial and aeolian sandstones of the Tordillo, Punta Rosada formations and the carbonatic facies of Quintuco formation. The remaining primary development consists of the drilling of wells located in the fields’ margins and in small, isolated traps related to areas with echelon fault systems. In addition, there are ongoing secondary recovery projects, in which we see upside potential based on the low current recovery factors.

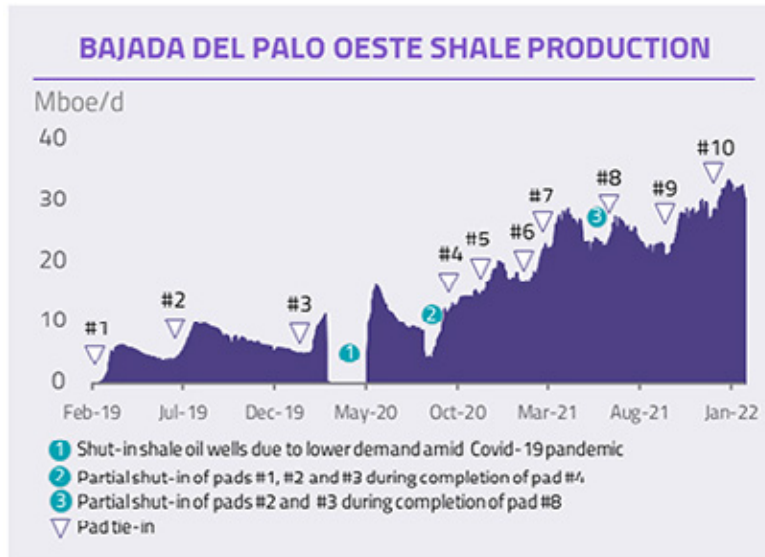
Bajada del Palo Oeste

We are the operator and holder of 100% of the unconventional exploitation concession granted for the Bajada del Palo Oeste block in the Neuquina Basin located in the Province of Neuquén. This block has proved reserves of 148.5 MMboe of shale reserves and 6.5 MMboe of conventional reserves as of December 31, 2021, and production of 25.6 Mboe/d (81% oil) for the year ended December 31, 2021. The 35-year term unconventional exploitation concession was granted to us in December 2019 and expires in December 2053. In connection with the granting of such unconventional concession, as of December 31, 2021, Vista had already fulfilled the commitment of drilling 8 horizontal wells for a total investment of US\$105.6 and US\$14.7 million related facilities.

During 2021, we completed and tied-in five 4-well pads (pad #6 to #10), adding 20 shale oil wells and taking the shale oil well count in Bajada del Palo Oeste to 40 at year-end. Total shale production in 2021 increased to 23,353



boe/d, out of which 23,225 boe/d corresponds to the shale production of Bajada del Palo Oeste, which reached approximately 28,100 boe/d on December 31, 2021.



We reduced drilling and completion costs by 18% year-over-year, to an average of US\$10.0 million per well on a normalized basis (for a well of 2,800 of lateral length and 47 stages). This achievement is the consequence of a clear roadmap with a focus on continuous improvement across several fronts. From an execution standpoint, during 2021, we reduced drilling days per well by 27% compared to 2020, and increased completion efficiency to 8.2 stages per day. We have also captured savings in completion fluids, through the application of the right technologies, as well as close collaboration with our service providers. In terms of procurement, we achieved savings through the reduction of drilling and completion service rates, as well as in water and proppant purchases.

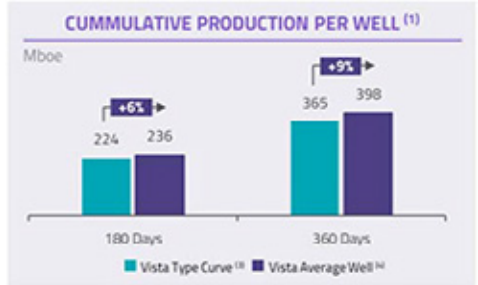
The table below details the drilling and completion design of all our wells that have been tied-in as of the date of this annual report:

Well name	Pad number	Landing zone	Lateral length (mts)	Total completion stages
2013	#1	Organic	2,483	33
2014	#1	La Cocina	2,633	35
2015	#1	Organic	2,558	34
2016	#1	La Cocina	2,483	34
2029	#2	Organic	2,189	37
2030	#2	La Cocina	2,248	38
2032	#2	Organic	2,047	35
2033	#2	La Cocina	1,984	33
2061	#3	La Cocina	2,723	46
2062	#3	Organic	2,624	44
2063	#3	La Cocina	3,025	51
2064	#3	Organic	1,427	36
2025	#4	Lower Carbonate	2,186	26
2026	#4	La Cocina	2,177	44
2027	#4	Lower Carbonate	2,551	31
2028	#4	La Cocina	2,554	51
2501	#5	La Cocina	2,538	52
2502	#5	Organic	2,436	50



Well name	Pad number	Landing zone	Lateral length (mts)	Total completion stages
2503	#5	La Cocina	2,468	50
2504	#5	Organic	2,332	44
2391	#6	La Cocina	2,715	56
2392	#6	Organic	2,804	54
2393	#6	La Cocina	2,732	56
2394	#6	Organic	2,739	57
2261	#7	La Cocina	2,710	46
2262	#7	Organic	2,581	45
2263	#7	La Cocina	2,609	45
2264	#7	Organic	2,604	46
2211	#8	Organic	2,596	53
2212	#8	La Cocina	2,576	53
2213	#8	Organic	2,608	54
2214	#8	La Cocina	2,662	54
2351	#9	La Cocina	3,115	63
2352	#9	Organic	3,218	62
2353	#9	La Cocina	3,171	61
2354	#9	Organic	2,808	56
2441	#10	La Cocina	3,094	63
2442	#10	Organic	2,883	50
2443	#10	La Cocina	2,816	57
2444	#10	Organic	2,625	45

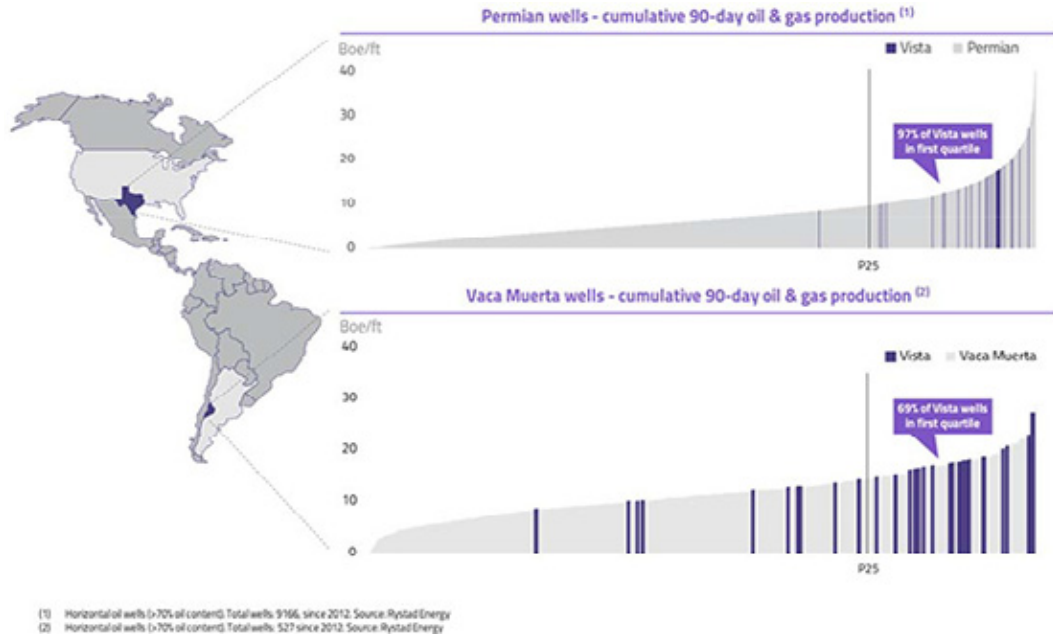
We believe the productivity of our new wells demonstrates the quality of our Vaca Muerta acreage. As of December 31, 2021, the Vista average well after 360 days of production (represented by the average of our pads #1 to #5) was performing 9% above our type curve. Additionally, as of December 31, 2021, the Vista average well after 180 days of production (represented by the average of our pads #1 to #8) was performing 6% above our type curve.





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The 90-day performance of our first 32 wells compare favorably against the oil lateral Permian wells tied-in between 2012 and 2021, and the oil lateral wells drilled in Vaca Muerta for the same period as shown in the charts below:



The implementation of the One Team Contracts model, which aligns key contractors and Vista behind the same goals, by sharing performance and compensation metrics, in conjunction with best practices in terms of safety and logistics, enabled us to achieve outstanding completion results when compared to the basin. We believe that this contracting model is one of the key drivers of our results in terms of cost efficiency and new well productivity.

Bajada del Palo Oeste has 62,641 gross acres with exposure to core shale oil Vaca Muerta acreage. Our current approximately 15 years drilling inventory targeting the Vaca Muerta shale oil formation amounts to up to 550 locations located in this concession. We intend to expand such drilling inventory by testing additional stacked pay zones.

On June 28, 2021, we established an un-incorporated joint venture and entered into an investment agreement with Trafigura Argentina S.A. (“Trafigura”), for the joint development of, initially, 5 pads of 4 wells each in Bajada del Palo Oeste. Under the terms of such agreement, effective as of July 1, 2021:

- a) Trafigura has (A) a contractual right over 20% of the hydrocarbon production of the wells included in such agreement, (B) bears 20% of the capital expenditures, as well as the corresponding royalties and direct taxes, with respect to the wells included in such agreement, and (C) paid Vista (i) US\$5,000,000 on the date such agreement becomes effective, (ii) 4 installments of US\$5,000,000 each when the second, third, fourth and fifth pad included in such agreement commence production, for a total of US\$25,000,000, and (iii) a fee on Trafigura’s share of total production to compensate Vista for all operating expenses, G&A expenses, midstream costs and well abandonment costs.
- b) We remain operator of the block and hold 100% of the title of the Bajada del Palo Oeste concession, and, with respect to the wells included in the agreement, will: (i) retain rights over 80% of the hydrocarbon production, (ii) bear 80% of the capital expenditures, as well as the corresponding royalties and direct taxes, and (iii) bear all other costs, including operating and midstream costs.



- c) Trafigura has an option to participate in up to 2 additional pads under the same terms and conditions described in items a) and b) above for the initial 5 pads, including a payment to Vista of US\$5,000,000 for each additional pad. This option can be exercised for up to 180 consecutive days after the commencement of production of the second pad.

As of the date of this annual report, two pads for a total of 8 wells have been tied-in under the terms of this agreement.

Bajada del Palo Este

We are the operator and holder of 100% of the exploitation concession granted for the Bajada del Palo Este block in the Neuquina Basin located in the Province of Neuquén. This block has proved reserves of 2.5 MMboe as of December 31, 2021, and production of 0.9 Mboe/d (46% oil) for the year ended December 31, 2021. A 35-year term unconventional exploitation concession was granted on December 21, 2019 and expires in December 2053. As per the terms of the concession contract, Vista has committed to drilling 5 horizontal wells and the corresponding facilities, totaling an investment of US\$51.9 million by December 2022, during the three-year pilot plan period.

In March 2021, Vista requested the Province of Neuquén to authorize the extension of the pilot plan period, for a five-year term in total, according to Section 35 b) of the Argentine Hydrocarbons Law. Such request was mainly motivated on the unforeseen and extraordinary circumstances consequence of the Covid-19 pandemic, since the activity that was to be developed in the Bajada del Palo Este block, within the pilot plan, had to be suspended. In July 2021, the Province of Neuquén issued Decree 1237/2021 by means of which it approved the extension of the Pilot Plan, establishing that its new end date shall be December 19, 2022. As of the date of this annual report, we drilled, completed and tied-in the first 2 wells of such pilot. Both wells targeted La Cocina landing zone of Vaca Muerta, with an average lateral length of 2,224 meters and an average of 46 completion stages per well. Average peak production was more than 2,400 boe/d per well.

Bajada del Palo Este has 48,853 gross acres with exposure to shale oil Vaca Muerta acreage, which we intend to delineate in order to expand our current shale drilling inventory. In addition, this block has fluvial and aeolian sandstones of the Tordillo formation producing black oil.

Jarilla Quemada and Charco del Palenque (“Agua Amarga”)

We are the operator and holder of a 100% interest in the exploitation concessions Jarilla Quemada and Charco del Palenque, which we refer to collectively as “Agua Amarga,” in the Neuquina Basin located in the Province of Río Negro. Such concessions cover approximately 47,617 and 47,963 gross acres, respectively. These concessions had proved reserves of 0.1 MMboe and 0.9 MMboe as of December 31, 2021, respectively and joint production of 0.5 Mboe/d (53% oil) for the year ended December 31, 2021. The Charco del Palenque concession expires in October 2034, while the Jarilla Quemada concession expires in August 2040.

The productive unit is the Tordillo formation, which also has secondary recovery projects yet to be tested.

25 de Mayo-Medanito

We are the operator and holder of a 100% interest in the exploitation concession 25 de Mayo-Medanito (“Medanito”) in the Neuquina Basin, located in the Province of Río Negro. The block had proved reserves of 4.0 MMboe as of December 31, 2021, and a production of 2.6 Mboe/d (92% oil) for the year ended December 31, 2021. The concession expires in October 2026.

Productive units are volcanoclastic facies of Choiyoi formation, fluvial sandstones of Tordillo formation and carbonatic and mixed clastic-carbonatic facies of the Quintuco formation.

Jagüel de los Machos

We are the operator and holder of a 100% interest in the Jagüel de los Machos exploitation concession in the Neuquina Basin, located in the Province of Río Negro, which covers approximately 48,359 gross acres. The block had proved reserves of 3.5 MMboe as of December 31, 2021, and a production of 3.1 Mboe/d (75% oil) for the year ended December 31, 2021. The concession expires in September 2025.



As of December 31, 2021, for the 25 de Mayo-Medanito and Jagüel de los Machos concessions we have the following pending capital commitments with the Province of Río Negro: drill and complete 1 extension well and 1 exploration well for an estimated cost of US\$3.2 million; execute 13 workovers; and to abandon 21 wells for an estimated cost of US\$8.6 million.

Productive units are volcanoclastic facies of Choiyoi formation, fluvial sandstones of the Tordillo formation and carbonatic and mixed clastic-carbonatic facies of the Quintuco formation.

Coirón Amargo Norte

We are the operator and holder of an 84.6% working interest in the unincorporated joint venture for the exploitation concession for Coirón Amargo Norte in the Neuquina Basin located in the Province of Neuquén, which covers approximately 26,598 gross acres. This block has proved reserves of 0.8 MMboe as of December 31, 2021, and a production of 0.3 Mboe/d (99% oil) for the year ended December 31, 2021. The concession expires in 2037. There are no pending capital commitments.

This concession has aeolian sandstones of the Tordillo formation producing black oil. Based on the results of our wells drilled to the Vaca Muerta formation in Bajada del Palo Oeste, we believe there is an opportunity of extending such delineation to Coirón Amargo Norte in the future.

On July 7, 2020, due to the default in payment of required cash contributions by Madalena Energy S.R.L. (“Madalena”), and in accordance with the terms of the joint venture agreement, the Company, through its subsidiary Vista Argentina, together with its partner Gas y Petróleo del Neuquén S.A. (“GyP”), excluded Madalena from the joint venture agreement, and distributed Madalena’s working interest in the joint venture agreement proportionately between Vista Argentina and GyP. The addendum to the joint venture agreement, reflecting the new working interests, was approved by Decree No. 1,292/2020 of the Executive Branch of the Province of Neuquén dated as of November 6, 2020, which was effective retroactively as of July 7, 2020. As per the terms of the JOA, Vista reserves all of its rights and remedies against Madalena to enforce the due and unpaid payments. As a consequence, Vista increased its working interest in the Coirón Amargo Norte concession area, located in the Province of Neuquén, Argentina, from 55.00% to 84.62%. As of the date of this annual report, the Company recognizes in the audited financial statements its 100% participation in this joint operation.

Águila Mora

We are the operator and holder of a 90% participation interest in the unincorporated joint venture with G&P (which owns the remaining 10% participation interest) for the unconventional exploitation concession over the Águila Mora block in the Neuquina Basin located in the Province of Neuquén, which covers approximately 23,475 gross acres, which we intend to delineate in order to expand our current shale drilling inventory.

On November 29, 2019, the Governor of the Neuquén Province issued the Decree 2597 pursuant to which GyP was granted an unconventional exploitation concession over the Águila Mora block for a term of 35 years (renewable upon termination and subject to certain conditions for successive 10-year extensions) in replacement of the existing exploration permit over the block.

GyP holds the mining rights over Águila Mora. Vista (i) holds a 90% working interest in a joint venture with GyP for the exploration and exploitation of the hydrocarbons in Águila Mora; and (ii) is the operator of Águila Mora.

The abovementioned unconventional exploitation concession includes the commitment to perform an initial pilot plan of two years, during which Vista must (i) return to production three wells previously drilled and completed by the former operator, (ii) drill two new horizontal wells, and (iii) build surface facilities, for a total investment of approximately US\$32.7 million.

In March 2021, we requested the Province of Neuquén to authorize the extension of the pilot plan period, for a three-year term in total, taking into account five-year term provided for in Section 35 b) of the Hydrocarbons Law.



Such request was mainly motivated on the grounds that for the unforeseen and extraordinary circumstances consequence of the Covid-19 pandemic the activity that was to be developed in the Águila Mora block, within the Pilot Plan, had to be suspended. In July 2021, the Province of Neuquén issued Decree 1104/2021 with which it approved the extension of the Pilot Plan, establishing that its new end date will be November 28, 2022. This block had no production during the year ended December 31, 2021.

Coirón Amargo Sur Oeste

Coirón Amargo Sur Oeste is an unconventional exploitation concession which covers approximately 16,440 gross acres located in the core of the Vaca Muerta shale play located in the Province of Neuquén. On June 24, 2021, the Province of Neuquén approved the addendum to the joint venture agreement reflecting the sale for our remaining 10% working interest in Coirón Amargo Sur Oeste concession to Shell Argentina. This transaction was effective retroactively as of April 1, 2021. This block had a production of 0.0 Mboe/d for the year ended December 31, 2021.

Sur Río Deseado Este

On March 21, 2021, the twenty-five-year term of the exploitation concession over the Sur Río Deseado Este area in the San Jorge Gulf Basin, Province of Santa Cruz in which Vista Argentina held a 16.94% participating interest, expired. The operator of the exploitation concession was Alianza Petrolera Argentina S.A. (“Alianza”) with a 79.05% participating interest, and the remaining partner, SECRA S.A, had a 4% participating interest. In addition, Vista Argentina held a 44% interest in a separate exploration agreement over a portion of the Sur Río Deseado exploitation concession operated by Quintana E&P Argentina SRL.

As of the date of this annual report, Alianza is carrying out administrative procedures to complete the restitution process with the Province of Santa Cruz. The expenses demanded by such restitution process must be borne by all partners in accordance with their participating interests in the exploitation concession. Therefore, as of the date of this annual report, Vista Argentina does not have any interest in the exploitation concession over the Sur Río Deseado Este area.

Acambuco

We hold a 1.5% working interest in the unincorporated joint venture for the exploitation concession for Acambuco in the Noroeste Basin located in the Province of Salta, which covers approximately 293,747 gross acres. The operator of this assessment block is Pan American Energy which holds a 52% interest. The remaining interests are held by YPF, which holds 22.5% interest, Shell Argentina, which holds 22.5%, and Northwest Argentina, which holds the remaining 1.5% interest. This block has proved net reserves of 0.6 MMboe as of December 31, 2021, and a net production of 0.2 Mboe/d (12% oil) for the year ended December 31, 2021. San Pedrito Exploitation lot under the Acambuco concession expires in 2036 and Macueta Exploitation lot, also under the Acambuco concession, expires in 2040. There are no pending capital commitments.

Aguada Federal

On September 16, 2021, we acquired a 50% non-operated working interest in Aguada Federal from ConocoPhillips Petroleum Holdings B.V. On January 17, 2022, we acquired an additional 50% working interest from Wintershall DEA Argentina S.A. and therefore, as of such date, we became the operator and sole concession holder of the block. Aguada Federal is an unconventional exploitation concession in the Neuquina Basin located in the Province of Neuquén, which covers approximately 24,058 gross acres. Since 2017, a total of 6 horizontal wells have been drilled in this concession, all of which proved hydrocarbon production. The block had proved reserves of 0.0 MMboe as of December 31, 2021, and a production of 0.4 Mboe/d during Q4 2021. We estimate there are up to 150 new well locations to be drilled in this block. The concession expires in 2050.

Bandurria Norte

On September 16, 2021, we acquired a 50% non-operated working interest in the Bandurria Norte from ConocoPhillips Petroleum Holdings B.V. On January 17, 2022, we acquired an additional 50% working interest from Wintershall DEA Argentina S.A. and therefore, as of such date, we became the operator and sole concession holder of the block. Bandurria Norte is an unconventional exploitation concession in the Neuquina Basin located in the



Province of Neuquén, which covers approximately 26,404 gross acres. The block had proved reserves of 0.0 MMboe as of December 31, 2021, and a production of 0.0 Mboe/d for the year ended December 31, 2021. Since 2017, a total of 4 horizontal wells have been drilled in this concession, all of which proved hydrocarbon production, prior to being shut-in in 2019. We estimate there are up to 150 new well locations to be drilled in this block. The concession expires in 2050.

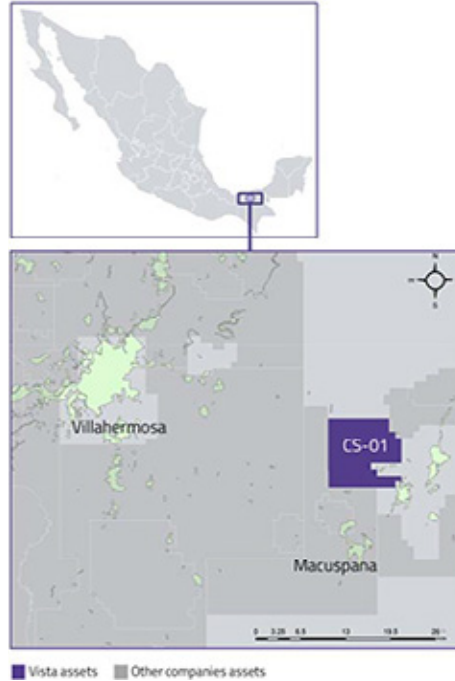
Mexico

Farm-in to blocks held by Jaguar

On March 25, 2021, the governing body of the CNH approved the assignment of Jaguar's entire working interest in block CS-01 in favor of Vista Holding II. In addition, on August 16, 2021, Vista Holding II executed with the CNH the third amendment to the license contract for block CS-01, effectively acquiring 100% of the working interest in such block.

On April 29, 2021, the CNH approved the assignment of the entire working interest that Vista had in blocks TM-01 and A-10, in favor of Jaguar and Pantera, respectively. Finally, on August 23, 2021, Jaguar and Pantera executed with the CNH the second amendments to the license contracts for blocks TM-01 and A-10, effectively acquiring 100% of the working interests in the blocks TM-01 and A-10, respectively.

In August 2021, we announced an asset transfer whereby, through one of our subsidiaries, we (i) increased our interest in operated block CS-01 to 100%, and (ii) divested our entire interest in blocks TM-01 and A-10 in favor of Jaguar and Pantera, respectively. The map below shows the location of our block in Mexico in which we have working interests as the date of this annual report:



CS-01 Block

We hold a 100% participating interest in the license contract signed with CNH for CS-01 block, which we operate. The block covers approximately 23,517 gross acres and located in the state of Tabasco. The block had proved reserves of 4.4 MMboe as of December 31, 2021, and a production of 0.1 Mboe/d (97% oil) for the year ended December 31, 2021. This license contract terminates in 2047. As of December 31, 2021, the Company’s estimated pending capital commitments amounted to approximately US\$14.7 million, corresponding to an estimated amount of 35.403 UTs. We have projects in place to generate incremental production through different activities to produce undeveloped reserves at upper Zargazal and Amate formations, which we estimate have original pressure and hydrocarbon saturation.

Oil and Natural Gas Reserves

Reserves

The information included in this annual report regarding proved reserves is derived from estimates of the proved reserves as of December 31, 2021, from the report dated January 28, 2022, prepared by D&M for our blocks located in Argentina, and the report dated February 8, 2022, prepared by NSAI for our blocks located in Mexico (together, the “2021 Reserves Reports,” each a “Reserve Report”). The 2021 Reserves Reports are included as Exhibits 99.1 and 99.2 to this annual report.

D&M and NSAI are independent reserves engineering consultants. The 2021 Reserves Report prepared by D&M is based on information provided by us and presents an appraisal as of December 31, 2021, of oil and gas reserves located in the Entre Lomas Río Negro, Entre Lomas Neuquén, Bajada del Palo Oeste, Bajada del Palo Este, Charco del Palenque, Jarilla Quemada, Coirón Amargo Norte, Acambuco, Jagüel de los Machos, 25 de Mayo-Medanito, Aguada Federal and Bandurria Norte blocks in Argentina. The 2021 Reserves Report prepared by NSAI is based on information provided by us and presents an appraisal as of December 31, 2021, of our oil and gas reserves located in the CS-01 block in Mexico.



We believe our evaluators' estimates of remaining proved recoverable oil and gas reserve volumes to be reasonable. Pursuant to Rule 4-10 of Regulation S-X, promulgated by the SEC, proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

The Company considers that its remaining estimated volumes of oil and gas proved recoverable reserves are fair and that these estimates were prepared according to SEC regulations and ASC 932, as amended. Consequently, crude oil prices used in determining proved reserves were the average price during the 12 months prior to the end date of December 31, 2021, and 2020, respectively, determined as an unweighted average of the first day of the month for each month within these periods. Moreover, since there are no natural gas prices available in the benchmark market in Argentina, we used the average gas prices for the year to determine gas reserves. In addition, for certain gas volumes, Vista will obtain an incentive price subsidized by the Argentine government through Gas Plan IV. A weighted average price is estimated for certain areas per subsidized and unsubsidized volume.

The following table sets forth summary information about the oil and natural gas net proved developed and undeveloped reserves of the assets we own in Argentina and Mexico as of December 31, 2021. The proved developed and undeveloped reserves estimates included below were calculated at their respective working interest percentages.

	Crude oil, condensate and NGL ⁽¹⁾ (MMbbl)	Consumption plus natural gas sales ⁽²⁾ (MMboe)	Total proved reserves (MMboe)	% Oil
Net Proved developed:	48.5	16.2	64.7	75%
Net Proved undeveloped:	98.1	18.8	116.9	84%
Total Net Proved	146.6	35.0	181.6	81%

Total figures may not add up due to rounding.

- (1) Our hydrocarbon liquid volumes include crude oil, condensate and NGL (LPG and natural gasoline). We do not include separate figures for NGL reserves because they represented less than 1% of our proved developed and undeveloped reserves as of December 31, 2020, and December 31, 2021, respectively.
- (2) Natural gas consumption represented 16% of total natural gas reserves (consumption plus natural gas sales) as of December 31, 2020, and 13% as of December 31, 2021.

As of December 31, 2021, the oil and gas proved reserves of the assets we own (developed and undeveloped) totaled 181.6 MMboe (146.6 MMbbl of oil, condensate and NGL and 62.3 Bn cf, or 35.0 MMboe of gas). Proved undeveloped reserves of crude oil, condensate and NGL represented 64% of our total proved reserves.

	Total Proved Developed			Total Proved Undeveloped			Total Proved		
	Crude oil, condensate and NGL ⁽¹⁾ (MMbbl)	Consumption plus natural gas sales ⁽²⁾ (Mmboe)	Total of oil and gas proved developed reserves (MMboe)	Crude oil, condensate and NGL (MMbbl)	Consumption plus natural gas sales (Mmboe)	Total of oil and gas proved undeveloped reserves (MMboe)	Crude oil, condensate and NGL (MMbbl)	Consumption plus natural gas sales (Mmboe)	Total of oil and gas proved reserves (MMboe)
Bajada del Palo Oeste	33.4	9.2	42.6	95.0	17.4	112.4	128.4	26.6	155.0
Bajada del Palo Este	1.4	1.1	2.5	0.0	0.0	0.0	1.4	1.1	2.5
Charco del Palenque	0.8	0.1	0.9	0.0	0.0	0.0	0.8	0.1	0.9
Coirón Amargo Norte	0.7	0.1	0.8	0.0	0.0	0.0	0.7	0.1	0.8
Entre Lomas Río Negro	3.8	3.3	7.0	0.1	0.3	0.4	3.8	3.6	7.4
Entre Lomas Neuquén	1.5	0.7	2.3	0.0	0.0	0.0	1.5	0.7	2.3



	Total Proved Developed			Total Proved Undeveloped			Total Proved		
	Crude oil, condensate and NGL(1) (MMbbl)	Consumption plus natural gas sales(2) (Mmboe)	Total of oil and gas proved developed reserves (MMboe)	Crude oil, condensate and NGL (MMbbl)	Consumption plus natural gas sales (Mmboe)	Total of oil and gas proved undeveloped reserves (MMboe)	Crude oil, condensate and NGL (MMbbl)	Consumption plus natural gas sales (Mmboe)	Total of oil and gas proved reserves (MMboe)
Jagüel de los Machos	2.7	0.8	3.5	0.0	0.0	0.0	2.7	0.8	3.5
Jarilla Quemada	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.1	0.1
25 de Mayo–Medanito	3.8	0.2	4.0	0.0	0.0	0.0	3.8	0.2	4.0
Acambuco	0.1	0.5	0.6	0.0	0.0	0.0	0.1	0.5	0.6
Aguada Federal	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bandurria Norte	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CS-01	0.3	0.0	0.4	3.0	1.1	4.1	3.4	1.1	4.5
Total	48.5	16.2	64.7	98.1	18.8	116.9	146.6	35.0	181.6

- (1) Our hydrocarbon liquid volumes include crude oil, condensate and NGL (LPG and natural gasoline). We do not include separate figures for NGL reserves because they represented less than 1% of our proved developed and undeveloped reserves as of December 31, 2020, and December 31, 2021, respectively.
- (2) Natural gas consumption represented 16% of total natural gas reserves (consumption plus natural gas sales) as of December 31, 2020, and 13% as of December 31, 2021.

Changes in our proved reserves during 2021

As of December 31, 2021, we had an estimated volume of proved reserves of 181.6 million barrels of oil equivalent (MMboe). This compares to an estimate of proved reserves of 128.1 MMboe as of December 31, 2020.

The total increase of 53.5 MMboe in proved reserves in 2021 is attributable to:

- An increase of 65.2 MMboe (55.2 MMbbl of oil and 56.1 Bcf of natural gas) in the extensions and discoveries category, driven by the addition of 11 pads (for a total of 44 wells) classified as proved undeveloped due to the successful drilling in Vaca Muerta formation in Bajada del Palo Oeste concession (46.2 MMbbl of oil and 46.5 Bcf of natural gas); the extension of proved developed acreage related to the drilling of 2 unproved pads (for a total of 8 wells) in Vaca Muerta formation in Bajada del Palo Oeste concession under the farmout agreement with Trafigura (7.3 MMbbl and 7.2 Bcf); and the transfer of assets in Mexico, whereby the Company increased its equity to 100% in CS-01 (1.7 MMbbl and 2.4 Bcf).
- An increase of 5.3 MMbbl of oil due to revisions of previous estimates, driven by the extension of well economic limits due to increased oil prices (+3.3 MMbbl); an enhanced performance of Bajada del Palo Oeste unconventional wells (+2.6 MMbbl); and the development plan approved by the CNH and the drilling and completion of Vernet-1001 well in Mexico (+1.5 MMbbl); partially offset by a lower performance of the base production of Bajada del Palo Oeste (-0.6 MMbbl), 25 de Mayo-Medanito (-0.6 MMbbl), Entre Lomas Río Negro (-0.5 MMbbl) and Coirón Amargo Norte (-0.4 MMbbl) conventional wells.
- A decrease of 2.4 Bcf of gas (0.4 MMboe) due to revision of previous estimates, related to the revision of the type curve of proved undeveloped reserves in Lotena formation (-4.9 Bcf); a lower performance of Borde Montuoso conventional wells in Bajada del Palo Oeste (-4.0 Bcf) and Charco Bayo gas wells in Entre Lomas Río Negro (-2.3 Bcf); the lower performance of the new dry gas well drilled in 2021 in Bajada del Palo Oeste concession (-1.8 Bcf); and a change in the development plan in gas reservoirs in conventional fields (-1.1 Bcf); partly offset by an enhanced performance of Bajada del Palo Oeste unconventional wells (+2.9 Bcf); the development plan approved by the CNH and the drilling and completion of Vernet-1001 well in Mexico (+3.0 Bcf); and an extension of well economic limits (+5.8 Bcf) due to higher commercial gas prices.
- A decrease of 2.5 MMboe (-2.2 MMbbl of oil and -1.9 Bcf of natural gas) due to purchases and sales of oil and natural gas reserves are related to: the sale of the interest (10%) in CASO (-1.4 MMbbl of oil and -1.0 Bcf of natural gas); and the farmout agreement with Trafigura (-0.9 MMbbl of oil and -0.9 Bcf of natural gas); partly offset by the acquisition of the 50% interest in Aguada Federal concession (+0.1 MMbbl of oil).
- A decrease of 14.2 MMboe due to 2021 production, of which 14.1 MMboe were in Argentina and 0.1 MMboe in Mexico.



During 2021, we invested US\$141.1 million to convert proved undeveloped reserves to proved developed reserves, of which US\$105.9 million correspond to drilling, completion and tie-in activities of 12 new shale wells and 11 new conventional wells, and US\$35.2 million relate to investments in oil and gas treatment and transportation capacity. Additionally, we invested US\$48.7 million in 2020, in the above-mentioned 12 new shale wells and 11 new conventional wells, respectively. During 2020, we invested US\$70.6 million to convert proved undeveloped reserves to proved developed reserves, of which US\$68.3 million correspond to drilling, completion and tie-in activities of 8 new wells, and US\$2.4 million relate to investments in oil and gas treatment and transportation capacity.

We plan to put 100% of our reported 2021 year-end proved undeveloped reserves into production through activities to be implemented within five years of initial disclosure.

Reserves Estimation Process—Internal Controls

We maintain an internal staff of petroleum engineers and geoscience professionals who work closely with our independent reserves engineers to ensure the integrity, accuracy and timeliness of data used by our independent reserves engineers in their estimation process and who have knowledge of the specific properties under evaluation. Our Chief Operating Officer, Juan Garoby, is primarily responsible for overseeing the preparation of our reserves estimates and for the internal control over our reserves estimation. He has more than twenty years of experience in exploration and production and oilfield services.

In order to ensure the quality and consistency of our reserves estimates and reserves disclosures, we maintain and comply with a reserves process that satisfies the following key control objectives:

- estimates are prepared using generally accepted practices and methodologies;
- estimates are prepared objectively and free of bias;
- estimates and changes therein are prepared on a timely basis;
- estimates and changes therein are properly supported and approved; and
- estimates and related disclosures are prepared in accordance with regulatory requirements.

Throughout each fiscal year, our technical team meets with “Independent Qualified Reserves Engineers,” who are provided with full access to complete and accurate information pertaining to the properties to be evaluated and all applicable personnel. This independent assessment of the internally-generated reserves estimates is beneficial in ensuring that interpretations and judgments are reasonable and that the estimates are free of preparer and management bias.

Recognizing that reserves estimates are based on interpretations and judgments, there might be differences between the proved reserves estimates prepared by us and those prepared by an Independent Qualified Reserves Engineer. Although such differences were discussed in the technical meetings, the reports include figures estimated by our Independent Qualified Reserves Engineer. Once the process is finished, the Independent Qualified Reserves Engineer sends a preliminary copy of the reserves report to members of our senior management, who act as a Reserves Review Committee. Our Chief Operating Officer, Chief Executive Officer, Chief Financial Officer and Investor Relation and Strategic Planning Officer are part of this committee.

Independent Reserves Engineers

The 2021 reserves estimates of the assets we own in Argentina were certified by D&M, a global oil and gas consultancy that has been offering technical, commercial, and strategic advice to the oil and gas industry since 1936. Vista asked D&M to prepare a report which was issued on January 28, 2022, covering reserves as of December 31, 2021, of the assets we own in Argentina. For the year ended December 31, 2021, the technical person within the third party engineering firm overseeing the preparation of the reserves estimates presented in our filing for Argentina was Mr. Federico Dordoni. For disclosure describing the qualifications of D&M’s technical person primarily responsible for overseeing our reserves evaluation, see Exhibit 99.1 to this annual report.

The 2021 reserves estimates of the assets we own in Mexico were certified by Netherland, Sewell, & Associates, Inc. (“NSAI”), a worldwide leader of petroleum property analysis for industry and financial organizations and government agencies. NSAI was founded in 1961 and performs consulting petroleum engineering services under



Texas Board of Professional Engineers Registration No. F-2699. Within NSAI, the technical persons primarily responsible for preparing the estimates set forth in the NSAI reserves report incorporated herein are Mr. Joseph Wolfe and Mr. Philip Hodgson. Mr. Wolfe, a Licensed Professional Engineer in the State of Texas (No. 116170), has been practicing consulting petroleum engineering at NSAI since 2013 and has over 5 years of prior industry experience. Mr. Hodgson, a Licensed Professional Geoscientist in the State of Texas, Geology (No. 1314), has been practicing consulting petroleum geoscience at NSAI since 1998 and has over 14 years of prior industry experience. Both technical principals meet or exceed the education, training, and experience requirements set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers; both are proficient in judiciously applying industry standard practices to engineering and geoscience evaluations as well as applying SEC and other industry reserves definitions and guidelines. Vista asked NSI to prepare a report which was issued on February 8, 2022, covering reserves as of December 31, 2021 of the assets we own in Mexico.

Technology used in reserves estimation

According to SEC guidelines, proved reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with “reasonable certainty” to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation

The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within five years. The term “reasonable certainty” implies a high degree of confidence that the quantities of oil and/or natural gas actually recovered will equal or exceed the estimate. Reasonable certainty can be established using techniques that have been proved effective by actual production from projects in the same reservoir or an analogous reservoir or by other evidence using reliable technology that establishes reasonable certainty. Reliable technology is a grouping of one or more technologies (including computational methods) that have been field tested and have been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

There are various generally accepted methodologies for estimating reserves including volumetric, decline analysis, material balance, simulation models and analogies. Estimates may be prepared using any deterministic methods. The particular method chosen should be based on the evaluator’s professional judgment as being the most appropriate, given the geological nature of the property, the extent of its operating history and the quality of available information. It may be appropriate to employ several methods in reaching an estimate for the property.

Estimates must be prepared using all available information (open and cased hole logs, core analyses, geologic maps, seismic interpretation, production/injection data and pressure test analysis). Supporting data, such as working interest, royalties and operating costs, must be maintained and updated when such information changes materially.

Our estimated proved reserves as of December 31, 2021 are based on estimates generated through the integration of available and appropriate data, utilizing well-established technologies that have been demonstrated in the field to yield repeatable and consistent results. Data used in these integrated assessments include information obtained directly from the subsurface via wellbore, such as well logs, reservoir core samples, fluid samples, static and dynamic pressure information, production test data, and surveillance and performance information. The data utilized also include subsurface information obtained through indirect measurements, including high quality 2-D and 3-D seismic data, calibrated with available well controls. Where applicable, geological outcrop information was also utilized. The tools used to interpret and integrate all this data included both proprietary and commercial software for reservoir modeling, simulation and data analysis. In some circumstances, where appropriate analog reservoir models are available, reservoir parameters from these analog models were used to increase the reliability of our reserves estimates.



Acreage

As of December 31, 2021, our total developed and undeveloped acreage in Argentina and Mexico, both gross and net, was as follows. The table includes the total acreage by us and our subsidiaries, joint operations and associates.

	Total Acreage		Total Developed Acreage		Total Undeveloped Acreage	
	Gross	Net	Gross	Net	Gross	Net
Argentina	864,976	543,966	104,316	84,311	760,660	459,655
Mexico	23,517	23,517	13,675	13,675	9,842	9,842

Figures are approximate amounts.

Productive Wells

As of December 31, 2021, our total gross and net productive wells in Argentina and Mexico were as follows. The table includes the total gross and net productive wells by us and our subsidiaries, joint operations and associates. We drilled and completed one exploratory well during 2021 and it was unsuccessful.

	Oil		Gas		Total	
	Gross	Net	Gross	Net	Gross	Net
Argentina	1,091	1,089	68	68	1,159	1,157
Mexico	9	9	0	0	9	9

Figures are approximate amounts.

Present Activities

The following table shows the number of wells in Argentina and Mexico that are in the process of being drilled or are in active completion stages, and the number of wells suspended or waiting on completion as of December 31, 2021. For more information on our present activities, see “Item 4—Information on the Company—History and Development of the Company—Oil and Natural Gas Reserves Production—Drilling Activities.”

	Wells in process of being drilled or in active completion in Argentina	Wells in process of being drilled or in active completion in Mexico
Oil wells		
Gross	16	0
Net	12	0
Gas wells		
Gross	0	0
Net	0	0



Production

The following tables set forth information on our oil and natural gas production volumes in Argentina for the year ended December 31, 2021, December 31, 2020 and December 31, 2019.

Block	Production for the year ended December 31, 2021		Working Interest	Production for the year ended December 31, 2020		Operator
	Oil(1) (thousands barrels)	Natural gas sales(2) (millions cubic feet)		Oil(1) (thousands barrels)	Natural gas sales(2) (millions cubic feet)	
Neuquina Basin						
Bajada del Palo Oeste	7,609.03	9,749.30		3,055.30	7,675.40	Vista
Entre Lomas Río Negro	852.00	1,842.81	100%	985.2	3,244.00	Vista
Jagüel de los Machos	857.14	1,570.18	100%	939.4	1,743.90	Vista
25 de Mayo-Medanito	879.57	440.04	100%	938.1	321.5	Vista
Entre Lomas Neuquén	401.05	994.69	100%	351	466.1	Vista
Bajada del Palo Este	152.46	896.68	100%	158.8	1,003.10	Vista
Coirón Amargo Norte	95.22	6.25	100%	94.6	73.6	Vista
Jarilla Quemada (3)	88.85	423.64	84.60%	70.6	570.3	Vista
Coirón Amargo Sur Oeste	6.02	2.82	100%	30.9	20.8	Shell
Águila Mora	—	—	— (4)	18	—	Vista
Charco del Palenque (3)	—	—	90%	—	—	Vista
Aguada Federal	35.96	23.43	100%	—	—	Vista
Bandurria Norte	—	—	100% (5)	—	—	Vista
Golfo San Jorge Basin						
Sur Río Deseado Este	—	—	100% (5)	—	—	Alianza Petrolera
Noroeste Basin						
Acambuco	6.77	281.35	— (6)	8.6	314	Pan American Energy

- (1) Oil production is comprised of production of crude oil, condensate and natural gasoline.
- (2) Natural gas production excludes natural gas consumption.
- (3) Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
- (4) Fully divested 10% working interest to Shell. The effective date of the transaction is April 1, 2021.
- (5) Acquired 50% working interest in Aguada Federal and Bandurria Norte concessions on September 16, 2021. Acquired an additional 50% working interest in Aguada Federal and Bandurria Norte concessions on January 17, 2022.
- (6) The 25-year term of the SRDE exploitation concession, with 16.9% working interest, expired on March 21, 2021, and Vista decided not to request the 10-year extension filed by the operator.

Block	Production for the nine months period ended December 31, 2019		Working Interest	Operator
	Crude oil(1) (in thousands of barrels)	Natural gas(2) (in millions of cubic feet)		
Neuquina Basin				
Bajada del Palo Oeste	1,993.0	8,792.6	100%	Vista
Entre Lomas Río Negro	1,219.5	4,552.3	100%	Vista
Jagüel de los Machos	1,186.9	2,160.3	100%	Vista
25 de Mayo-Medanito	1,218.0	404.1	100%	Vista
Entre Lomas Neuquén	486.7	1,872.4	100%	Vista
Bajada del Palo Este	212.8	1,515.1	100%	Vista
Coirón Amargo Norte	81.2	70.9	84.62%	Vista
Jarilla Quemada(3)	117.1	690.2	100%	Vista
Coirón Amargo Sur Oeste	56.9	39.9	10%	Shell
Águila Mora	13.5	—	90%	Vista
Charco del Palenque	—	—	100%	Vista
Golfo San Jorge Basin				
Sur Río Deseado Este	—	—	16.95%	Alianza Petrolera
Noroeste Basin				
Acambuco	8.5	344.4	1.5%	Pan American Energy

- (1) Oil production is comprised of production of crude oil, condensate and natural gasoline.
- (2) Natural gas production excludes natural gas consumption.
- (3) Consolidates information of both Jarilla Quemada and Charco del Palenque.



Drilling Activities

As of the date of this annual report, all of our drilling activities are concentrated in Argentina and Mexico.

During the year ended December 31, 2021, we drilled and completed 27 wells and performed 4 workovers. Among the drilled and completed wells, 23 new wells targeted oil-weighted formations, whereas 3 wells targeted gas formations and 1 was an exploratory well.

During the year ended December 31, 2021, we invested US\$324.1 million, of which US\$220.0 million correspond to the drilling and completion activities in our Vaca Muerta development in Bajada del Palo Oeste, where we completed our 4-well pads #6, #7 and drilled and completed pads #8, #9 and #10. Capital expenditures in conventional drilling and workover activities were US\$26.9 million and capital expenditures in associated facilities and others totaled US\$77.2 million.

During the year ended December 31, 2020, we invested US\$225.9 million, of which US\$177.1 million correspond to the drilling and completion activities in our Vaca Muerta development in Bajada del Palo Oeste, where we completed our 4-well pads #3, #4 and #5, drilled pads #6 and #7 and performed 1 workover. Capital expenditures in the construction of associated facilities, studies, the CASO concession capital expenditures and others was US\$21.8 million. Capital expenditures in conventional drilling and workover activities were US\$4.8 million, which mainly corresponds to the drilling of 4 conventional wells tied-in during the first quarter of 2021. Capital expenditures related to the conventional production in associated facilities, studies and others totaled US\$22.2 million.

During the year ended December 31, 2019, we invested US\$244.6 million, of which US\$117.7 million correspond to the drilling and completion activities in our Vaca Muerta development in Bajada del Palo Oeste, where we completed our first two 4-well pads, drilled the third one and performed 1 workover. Capital expenditures in conventional projects was US\$49.0 million. Capital expenditures in facilities and other projects US\$77.9 million.

The tables below set forth the number of wells drilled by us in each of the last three years, by type (development or exploratory) and productivity (productive or dry).

Argentina

For the Year Ended December 31,	Oil development well –productive	Gas development well – productive	Oil development well – dry	Gas development well – dry	Exploratory well – productive	Exploratory well – dry
2019	20	5	2	0	1	0
2020	24	0	0	0	0	0
2021	23	3	0	0	0	0

Mexico

For the Year Ended December 31,	Oil development well –productive	Gas development well – productive	Oil development well – dry	Gas development well – dry	Exploratory well – productive	Exploratory well – dry
2019	0	0	0	0	0	0
2020	0	0	0	0	0	0
2021	0	0	0	0	1	0

Delivery Commitments

We are committed to providing fixed and determinable quantities of crude oil, natural gas and NGL in the near future under a variety of contractual arrangements, some of them under firm arrangements and others on a spot basis. Although seasonal demand behavior during winter and autumn affects the prices that we receive for our production, the impact of such seasonality has not played a significant role in our ability to conduct our operations, including drilling and completion activities.



As of December 31, 2021, 71% of our oil production was subject to monthly delivery commitments. According to our estimates, as of December 31, 2021, our contractual delivery commitments, which do not extend beyond December 31, 2021, could be met with our own production.

For natural gas, in April 2021 we signed annual commitments, for the period May 2021 to April 2022, that represent approximately 90% of our marketable total production, with seasonal pricing arrangements. The remainder is sold to the spot market. The annual commitments for the period May 2022 to April 2023 are expected to be signed by the end of April 2022.

For LPG, we are committed to deliver a specific quota of propane under an agreement with the SdE that represents approximately 15% or our annual production to guarantee local demand of residential grids, and the remaining production is freely marketed. Regarding Butane we deliver under a National Decree approximately 95% of our annual production to guarantee local LPG cylinders demand for residential consumers.

One Team Contracts

We have implemented a contracting approach (“One Team Contracts”) which aims to align the commercial interests of operators and contractors through performance payments. Operationally, we aim to integrate our operating team with our service providers’ team by sharing common objectives and goals and by using same key performance indicators, which provide economic incentives to the personnel of all companies working under the One Team Contracts. Some of the most relevant contracts have already migrated to One Team Contracts: (i) One Team Drilling, which involves Schlumberger and Nabors drilling, (ii) One Team Completion, which involves Schlumberger and Brent *Energía y Servicios*, and (iii) One Team Gas Compression Services, which involves Enerflex.

Transportation and Treatment

In our operated blocks in Argentina, we transport and treat our oil, gas and water production in existing transportation treatment facilities that have sufficient spare capacity to process and deliver our current conventional and unconventional production to the Oldelval and Transportadora Gas del Sur (“TGS”) pipeline systems. Such existing treatment facilities are comprised of several oil and gas pipelines, 29 batteries distributed along the blocks, 2 oil treatment plants, 2 water treatment plants, 11 compression plants.

All production from Entre Lomas, Bajada del Palo Oeste, Bajada del Palo Este, Agua Amarga, Coirón Amargo Norte, except for gas production of Bajada del Palo Oeste, which is injected in a nearby gas pipeline, is gathered and transported to Entre Lomas’ oil treatment plant, water treatment plant and gas complex (“Entre Lomas Central Production Facility”). Such Entre Lomas Central Production Facility is composed of: (i) a gas complex which has an existing capacity of approximately 45 MMscf/d of gas, with idle capacity of approximately 65%, (ii) a crude oil treatment plant, which has a capacity of 40,000 bbl/d and (iii) a water treatment plant with an existing capacity of approximately 80,000 bbl/d. Entre Lomas crude oil treatment plant is being expanded during 2022 to approximately 48,000 bbl/d. Oil production from Aguada Federal is currently trucked to Bajada del Palo Oeste. We are currently executing a project to construct a pipeline to evacuate such production through Bajada del Palo Oeste. Gas production from Aguada Federal is injected to low-pressure gas gathering system of the nearby San Roque field (operated by Total Energies) where gas is treated and injected by Total to TGN system.

Production from 25 de Mayo-Medanito and Jaguel de los Machos blocks is gathered and transported to 25 de Mayo-Medanito’s oil treatment plant and water treatment plant (“Medanito Central Production Facility”). Such Medanito Central Production Facility is composed of: (i) a crude oil treatment plant with an existing capacity to process approximately 15,000 bbl/d, with an idle capacity of approximately 75% and (ii) a water treatment plant with an existing capacity of approximately 70,000 bbl/d with idle capacity of approximately 60%. Gas production is gathered and delivered to Medanito S.A. gas processing plant, where it is sweetened and processed.

Once treated, we transport our oil and gas production in several ways depending on the infrastructure available and the cost efficiency of the transportation system in any given location. We use the oil pipeline system and oil tankers to transport oil to our customers. Oil is customarily sold through contracts whereby producers are responsible for transporting produced oil from the field to refinery gate or a port for shipping, with all costs and risks associated with transportation borne by the producer. Gas, however, is sold at the point of delivery of the gas pipeline system near the field and, therefore, the customer bears all transportation costs and risks associated therewith. Oil and



gas transportation in Argentina mostly operates in an “open access” non-discriminatory environment under which producers have equal and open access to the transportation infrastructure. We maintain limited storage capacity at the oil Terminal located in Puerto Rosales, near Bahía Blanca from which oil is delivered to our end customers.

Overview of exploitation concessions in Argentina

For an overview of the framework governing oil and gas exploitation concessions in Argentina, see “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Frameworks in Argentina.”

Customers and Marketing

Oil Markets

In Argentina, our crude oil production was both sold to domestic refineries and exported during 2021 and 2020, in comparison to 2019 where our crude oil product was mainly sold to domestic refineries. Our main domestic customers are Raizen and Trafigura, which combined represented 69%, 55% and 98% of our total oil revenues for the years ended December 31, 2021, 2020 and the 2019, respectively. Approximately 99% of our oil is produced in the Neuquina Basin and is referred to Medanito crude oil, a high-quality oil generally in demanded by Argentine refiners for subsequent distribution in the domestic market. Production from our Neuquina Basin properties is transported to Puerto Rosales, a major industrial port in the southern region of the Province of Buenos Aires through the Oldelval pipeline system, then goes to either the domestic refining market, which consists of five active refiners, or to international customers through maritime transportation. Even though we prioritize long-term relationships with domestic customers, we have developed relationships with international customers in order to establish a diversified portfolio for our expected production increase in the upcoming years.

In Mexico, all the crude oil production is sold to Pemex. Vista sells 100% of the production to Pemex. See “Item 4—Information on the Company—Industry and Regulatory Overview—Mexico’s Oil and Gas Industry Overview.

Natural Gas Markets and NGL

In Argentina, we have established a very diversified portfolio of customers for natural gas. Our primary customers in 2021 were power generation customers representing 34% of our total natural gas revenues for such period and in 2020 were industrial customers, representing 52% of our total natural gas revenues for such period. Argentina has a highly developed natural gas market and a sophisticated infrastructure in place to deliver natural gas to export markets or to industrial and residential customers in the domestic market. However, natural gas markets in Argentina are regulated by the Argentine government. Even though the Argentine government sets the price at which natural gas producers sell volumes to residential customers, volumes that are sold to industrial and other customers are not regulated and pricing varies with seasonal factors and industry category. We generally sell our natural gas to Argentine customers pursuant to short-term contracts and in the spot market. The Neuquina Basin is served by a substantial gas pipeline network that delivers gas to the Buenos Aires metropolitan and surrounding areas, and the industrial regions of Bahia Blanca and Rosario. Natural gas produced in our Neuquina Basin properties is readily marketed due to accessibility to such infrastructure. Our properties are well situated in the Basin with two major pipelines in close proximity. In Mexico, all the natural gas production is sold to Pemex.

With regards to our NGL production, we comply with domestic commitments set by the Argentine government with the objective of ensuring the supply for propane and bottled butane for residential uses. Our remaining NGL production is marketed within the Neuquina Basin.

Competition

The oil and gas industry is competitive, and we may encounter strong competition from other independent operators and from major oil companies in acquiring and developing licenses or oil agreements. In Argentina, we compete for resources with state-owned YPF, as well as with privately-owned companies such as Pan American Energy, Pluspetrol, Tecpetrol, Chevron, Total, Compañía General de Combustibles (“CGC”), among others. In Mexico, we compete for resources with Pemex, the state-owned company, and local and international oil companies.



We are also affected by competition for drilling rigs and the availability of other equipment, materials or technology. Higher commodity prices generally increase the demand for drilling rigs, completion sets, supplies, services, equipment and crews, and can lead to increases in the cost, or shortages, of services. Economic recovery following the Covid-19 pandemic, restrictions on imports imposed by the Argentine Central Bank and increasing oilfield activity, have led to higher operating costs. Shortages of experienced drilling crews and equipment and services, or increasing costs, could restrict our ability to drill wells and conduct our operations.

Intellectual Property

Our intellectual property is an essential element of our business, and our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patent, trade secret, trademark and other intellectual property laws, confidentiality agreements and license agreements to establish and protect our intellectual property rights. As of December 31, 2021, we had all our trademarks duly registered with the regulatory authorities, noting as well that patent applications is not part of our usual business.

Information Technology

We rely on our information technology systems and automated machinery to effectively manage our production processes and operate our business. As with other companies, our information technology systems may be vulnerable to damage or interruption from cyber-attacks and other security breaches. Our computer systems are supported by Dell and IBM infrastructure for data processing, NetApp and EMC for storage and backup and Cisco for networking and firewall cybersecurity. We have implemented S/4 Hana, a cloud-based ERP licensed by SAP which we expect will standardize administrative processes and improve internal control across our entire organization.

We follow the Cybersecurity Framework developed by U.S. Department of Commerce’s National Institute of Standards and Technology (“NIST”). We assess the maturity level tested against the latest cybersecurity trends and disclosure research. Our framework follows NIST’s five core functions to help us identify cybersecurity compliance gaps and requirements. In February 2022, a 1.49 NIST maturity level was tested. Our target is to reach a 3.5 NIST maturity level by February 2023.

We depend on digital technology, including information systems to process financial and operating data, analyze seismic and drilling information and oil and gas reserves estimates as well as real-time systems for monitoring and controlling production. We have increasingly connected equipment and systems to the Internet. Because of the critical nature of their infrastructure and the increased accessibility enabled through connection to the Internet, they may face a heightened risk of cyber-attack. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry—Our industry has become increasingly dependent on digital technologies to carry out daily operations.”

We implemented Google Data Lake as a unique repository of all the structured and real time data in line with our Business Intelligence and Advance Analytics strategy. We are currently applying IA and Machine Learning solutions to some core business processes.

All our field offices are connected to the internet through a high bandwidth fiber optic network in line with our Cloud strategy. Our applications and data processing activities are supported on Google Cloud Platform (“GCP”).

Insurance

We maintain insurance coverage of types and amounts that we believe to be customary and reasonable for companies of our size and with similar operations in the oil and gas industry. However, as is customary in the industry, we do not insure fully against all risks associated with our business, either because such insurance is not available, insurance coverage is subject to a cap or because premium costs are considered prohibitive.

Currently, our insurance program includes, among other things, construction, fire, vehicle, technical, liability, director’s and officer’s liability and employer’s liability coverage. Our insurance includes various limits and deductibles or retentions, which must be met prior to or in conjunction with recovery. A loss not fully covered by insurance could have a materially adverse effect on our business, financial condition and results of operations.



ESG Matters

During 2021, we believe that we reinforced our commitment to sustainability. The main highlights in the Environmental, Social and Governance fronts are summarized below:

Environmental

- We completed a baseline study with GHG emissions actuals for 2019 and 2020, which constitute the baseline against which the Company will measure emissions reductions.
- We are currently implementing selected projects prioritized by the Company's carbon abatement cost curve. Projects implemented during 2021, led to a reduction in GHG emissions by 14% year-over-year, with investments in carbon reduction projects more than offsetting the impact of our production increase and implying a reduction in GHG emissions intensity by 39% year-over-year, to 24.1 kgCo2e/boe.
- We put a plan in place to reduce absolute emissions from our operations by 35% by 2026, compared to 2020, while we forecast to double our total production in the same period.
- We started to evaluate alternatives to offset our remaining CO₂ emissions with the implementation of a diversified portfolio of forest and soil carbon sequestration projects in Argentina.
- Based on the reduction of GHG emissions from our operations and our nature-based solutions portfolio, we established our ambition to become net zero in scope 1 and 2 GHG emissions by 2026. See "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Business and Industry—Climate change could impact our operating results, access to capital and strategy."

Social

- We recorded a total recordable incident rate ("TRIR") of 0.29, a 24% improvement compared to 2020.
- We believe we made solid progress in our gender initiatives, which are part of the Vista DEI program, and aim to comprehensively address multiple fronts such as hiring, mentoring and advancement, training and awareness, and incorporates new policies focusing on diversity, equity and inclusion. During 2021, 60% of our new hires were women.
- We continued our investment in social infrastructure in Catriel, Río Negro Province: we completed the first phase of 8km bicycle lane, assigned company premises for children's sports activities and sponsored a local table-tennis player.
- We believe we made good progress in strengthening our local supply chain. In 2021, the total value of local purchases was US\$78 million, reflecting a 56% increase year-over-year. The share of local suppliers represented 21% of total purchases in 2021.
- We assigned Company premises to be used as a vaccination center during the COVID-19 pandemic.

Governance

- We published the inaugural 2020 Sustainability report, aligned with GRI and SASB reporting standards.
- We established an internal carbon price of 50 \$/tn CO₂ in order to reflect the cost of emissions in strategic planning and capital allocation.



- We worked to strengthen governance by issuing internal policies related to human rights, conflict of interest, diversity, equity & inclusion and anti-corruption, and trained staff to improve awareness on such matters.

We expect to publish our 2021 Sustainability Report in May 2022. We expect the report to align with the expectations and guidelines set forth by the Global Reporting Initiative (“GRI”) and the Sustainability Accounting Standards Board (“SASB”). We rely on GRI as the primary disclosure standard for comprehensive coverage of ESG factors and the SASB for industry-specific ESG topics most relevant to our financial performance and long-term value creation. The 2021 Sustainability Report is also expected to include information aligned with the recommendations published by the Task Force on Climate-Related Financial Disclosures (“TCFD”). For the full version of our Sustainability Report, please visit our website (<https://vistaenergy.com/sustainability>) once published. Information contained on, or accessible through, our website is not incorporated by reference in, and will not be considered part of, this annual report.

General regulatory matters

We and our operations are subject to various stringent and complex international, federal, state and local environmental, health and safety laws and regulations in the countries in which we operate that govern matters including the emission and discharge of pollutants into the ground, air or water; the generation, storage, handling, use and transportation of regulated materials and human health and safety. These laws and regulations may, among other things:

- require the acquisition of various permits or other authorizations or the preparation of environmental assessments, studies or plans (such as well closure plans) before seismic or drilling activity commences;
- enjoin some or all of the operations of facilities deemed not in compliance with permits;
- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with oil and natural gas drilling, production and transportation activities;
- require establishing and maintaining bonds, reserves or other commitments to plug and abandon wells; and
- require remedial measures to mitigate or remediate pollution from our operations, which, if not undertaken, could subject us to substantial penalties.

Environmental Policy

In 2021, we announced our ambition to become Net Zero in scope 1 and 2 GHG Emissions by 2026. We plan to achieve this ambition through a multi-year plan to reduce our operational carbon footprint and the implementation of our own portfolio of nature-based solutions (“NBS”).

In 2021, we generated a carbon abatement cost curve, which included the technical analysis of carbon abatement potential and cost quantification. Based on this curve, we outlined a 5-year GHG Emissions Reduction Plan based on the prioritization of selected projects according to their carbon abatement potential and cost efficiency.

Our plan to reduce our operational footprint is forecast to lead to a reduction of our total scope 1 and 2 emissions, from 417,000 tons of CO₂e in 2020 to 265,000 tons of CO₂e in 2026. This implies a 35% reduction in absolute levels, while doubling hydrocarbon production in the next 5 years. This plan implies a 75% reduction in carbon intensity, from 39 kilograms of CO₂e per boe (KgCO₂e/boe) in 2020 to a forecast of 9 kgCO₂e/boe in 2026.

We believe we have designed a diversified NBS portfolio—in terms of geography, project type and operating model—with a triple impact approach ensuring environmental, social, and economic sustainability. We aim to include Afforestation, Reforestation & Revegetation (“ARR”), Reduced Emissions from Deforestation & Degradation (“REDD+”), and Agricultural Land Management (“ALM”) projects in our NBS portfolio.

We believe NBS is the most actionable, proven, efficient and scalable carbon removal alternative. At Vista, we believe we are well positioned to drive its implementation. Through the development of a top-tier NBS portfolio, we expect to generate high-quality carbon credits to offset the remaining emissions from our core business and fulfill our strategic ambition to become net zero.



NBS projects are expected to be executed in Argentina, where we aim to sequester an estimated 265,000 tons of CO2 by 2026.

Argentine Regulatory Framework in connection with climate change

The United Nations Framework Convention on Climate Change (“UNFCCC”), which entered into force on March 21, 1994, aims to stabilize of the GHG concentrations in the atmosphere to a level that would prevent dangerous anthropogenic interference with the climate system.

On February 16, 2005, the Kyoto Protocol to the UNFCCC (“Protocol”) entered into force. This Protocol, which deals with the reduction of certain GHGs (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride) in the atmosphere, was in force until 2020 as a consequence of the ratification of the Doha Amendment to the Protocol.

Argentina approved the Protocol by Federal Law No. 25,438 on June 20, 2001, and the Doha Amendment by Federal Law No. 27,137 on April 29, 2015.

The 2015 United Nations Climate Change Conference adopted the Paris agreement by consensus, which is known to be the successor of the Kyoto Protocol (which was approved in Argentina by Federal Law No. 27,270). The Paris agreement deals with GHG emission reduction measures, targets to limit global temperature increases and requires countries to review and “represent a progression” in their intended nationally determined contributions. International treaties together with increased public awareness related to climate change may result in increased regulation to reduce or mitigate GHG emissions.

Furthermore, Argentine Law No. 26,190, as amended and complemented by Law No. 27,191 and its implementing decrees, established a legal framework which promotes an increase in the participation of energies from renewable sources in Argentina’s electricity market.

Under Law No. 27,191, by December 31, 2017, 8% of the electric energy consumed must come from renewable sources, reaching 20% by December 31, 2025. It sets five stages to achieve the final goal: (i) 8% by December 31, 2017; (ii) 12% by December 31, 2019; (iii) 16% by December 31, 2021; (iv) 18% by December 31, 2023; and (v) 20% by December 31, 2025. It is within this framework that the Argentine government launched the RenovAr programs. As of December 31, 2021, electric energy originated from renewable sources represented 12.5% of the total demand according to the data released by CAMMESA.

Health and Safety Policy

The implementation of additional safety procedures in our operations in consistency with our Policy, such as training, work permits, internal audits, drills, tailgate safety meetings, job safety analysis and risk evaluations, has led to a reduction in the number of workforce safety incidents.

Our safety management system is applied following an Operating Management System (OMS) framework and covers all of our employees and contractors working in our offices, fields and providing services. The OMS was designed based on recommended practices for the oil & gas industry and according to IOGP and IPIECA guidelines.

As of December 31, 2021, on a rolling 12-month basis, our Total Recordable Incident Rate (“TRIR”) has improved 23% vis-à-vis our TRIR as at December 31, 2020. In 2021 our TRIR was 0.29 (based on a rate of 3.51 million work hours) as compared to a 0.38 (based on a rate of 2.62 million work hours) as of December 31, 2020. The TRIR for the nine-month period ended December 31, 2019 covered by our operations was 1.250. We had no fatalities due to workforce incidents involving Vista employees related to operations in the years ended December 31, 2021, December 31, 2020 and December 31, 2019.



INDUSTRY AND REGULATORY OVERVIEW

Recent Trends in the Latin American E&P Sector

We believe the Latin American E&P sector is a desirable destination for investments on account of the scale of its resources. Some recent investment trends include the successful ongoing development of Vaca Muerta in Argentina as the largest commercially developed shale play outside of North America; the improving security situation along with a longstanding attractive regulatory framework in Colombia and recent Ecopetrol’s asset sale rounds; and Brazil’s recent regulatory improvements aimed at fostering investments in the E&P sector, Petrobras’ divestment program, and the announcement of Brazilian National Agency of Petroleum’s new bidding rounds, among others. Given the scale of resources and the competitive terms the region offers, we believe actionable opportunities for investment in the Latin American E&P sector present a strong value proposition.

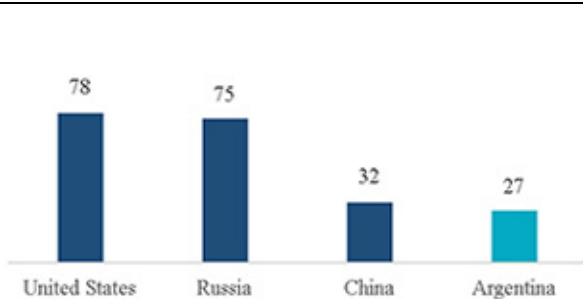
In Latin America, the competition for assets is still low in comparison to other regions worldwide, particularly in North America, which is reflected in lower acquisition costs as measured by different metrics, such as price per flowing barrel of production, price per barrel of oil equivalent of proven reserves and price per acre (specific for shale plays). In this context, we believe Vaca Muerta offers attractive investment opportunities, due to its reservoir properties, the latest improvements by operators in well design and technology, leading to higher well productivity and lower development cost, and it being a low GHG emissions intensity play.

Argentina’s Oil and Gas Industry Overview

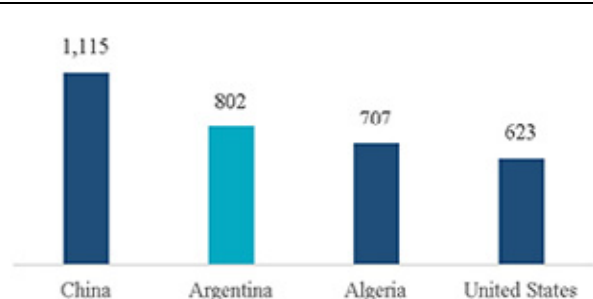
Introduction

As of December 2020, Argentina was the fourth largest crude oil producer and the largest natural gas producer in Latin America, based on BP Statistical Review of World Energy 2021. In terms of hydrocarbons reserves, according to the SdE, as of December 31, 2020, the country had proved developed and undeveloped (1P) natural gas reserves of approximately 14.0 trillion cubic feet (“Tcf”) and 2.4 billion barrels of oil (“Bnbbbl”), while total proved, probable and possible reserves (3P) were 26.2 Tcf and 4.3 Bnbbbl respectively. Additionally, Argentina is home to the world’s fourth largest shale oil prospective resources and second largest shale gas prospective resources, with an estimated of 27 Bnbbbl and 802 Tcf, respectively, as of December 31, 2017, and the largest commercially producing play outside North America.

World Shale Oil Resources (Bnboe)



World Shale Gas Resources (Tcf)



Source: EIA/ARI (2013). World Shale Gas and Shale Oil Resource Assessment, June 2013. United States data as of April 2015.

Although hydrocarbon production in Argentina has declined over the years, the emergence of shale resources has brought significant investments and therefore changing the outlook. Some major oil companies have built, and continue to build, exposure, and local players have announced ambitious growth plans. As illustrated in the chart below, shale oil production has increased at an annual rate of 38.5% from 2015 to 2021. Additionally, shale gas production has increased at annual rate of 50.4% from 2015 to 2021.



Average Shale Oil Production 2015—2021 (Mboe/d)



Average Shale Natural Gas Production 2015—2021 (Mboe/d)



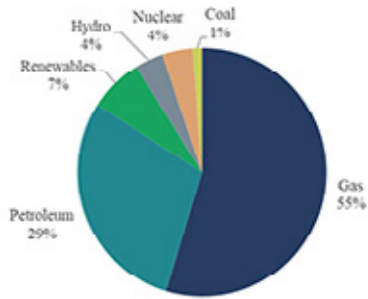
Source: Argentine Secretariat of Energy.

Argentina has a high level of dependence on hydrocarbons as it accounts for approximately 84% of the country’s primary energy supply. This dependence on hydrocarbons is greater than that of other countries in the region (Latin America and the Caribbean), where oil and gas together represent 66% of the primary energy matrix. The oil and gas industry plays a significant role in the economy of Argentina and the development of the shale play could potentially make a positive impact on the country’s balance of trade. Increased domestic oil and gas production would prevent Argentina from relying on expensive imported oil, refined oil products and gas and would drive economic growth.

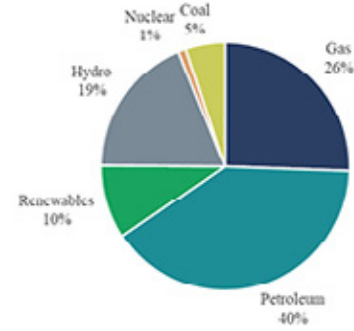


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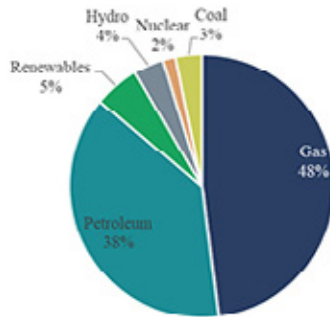
Argentina Primary Energy Mix (%) as of 2020



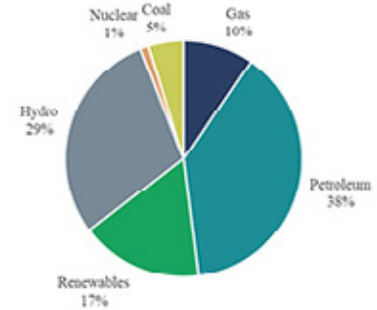
South and Central America and Mexico Primary Energy Mix (%) as of 2020



Mexico Primary Energy Mix (%) as of 2020



Brazil Primary Energy Mix (%) as of 2020



Source: Argentine Secretariat of Energy and BP's Statistical Review of World Energy.



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In 2021, domestic gas demand was fulfilled by domestic production and natural gas imports from Bolivia, amounting to 0.17 Tcf (US\$1,041.4 million). Additionally, 0.12 Tcf of LNG (US\$1,092.5 million) and 1,940.4 thousand of cubic meters of diesel (US\$1,043.4 million) for power generation were imported. Due to the increased production of shale oil, it was not necessary to import oil during 2021. However, in 2021, 580.7 thousand of cubic meters of gasoline and 1,973 thousand of cubic meters of diesel (US\$1,362.8 million) were imported. As a result, energy imports reached US\$5,843 million, with exports almost offsetting such amount, reaching US\$5,283 million, mainly due to heavy crude oil exports. In 2020, domestic gas demand was fulfilled by domestic production and natural gas imports from Bolivia, amounting to 0.19 Tcf (US\$968.9 million). Additionally, 0.07 Tcf of LNG (US\$224.5 million) and 290.6 thousand of cubic meters of diesel (US\$99.7 million) for power generation were imported. Due to the increased production of shale oil and the lower load of the refining complex, it was not necessary to import oil during 2020. However, in 2020, 161.5 thousand cubic meters of gasoline and 1.3 million cubic meters of diesel (US\$522.9 million) were imported. As a result, energy imports reached US\$2,640 million, with exports exceeding such amount, reaching US\$3,593 million, mainly due to crude oil exports.

Argentina Energy Trade Balance 2009—2021 (US\$bn)



Source: Argentine Institute of Statistics and Censuses.

Argentina Basins Overview

Argentina’s territory includes five oil and gas producing basins: Neuquina, Golfo San Jorge, Cuyana, Noroeste, and Austral with several conventional and unconventional opportunities.



Source: Wood Mackenzie.



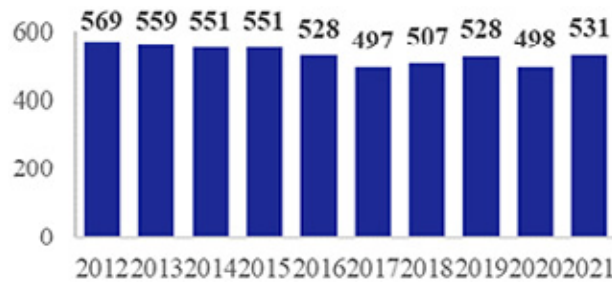
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Located in west-central Argentina, the Neuquina Basin is among the most prolific basins of the country accounting for 41% of total oil and 64% of total gas production. The Golfo San Jorge Basin accounts for 55% of the country's proved oil reserves, while in the Austral Basin is 25% of total proved natural gas reserves.

Oil Exploration and Production Sector

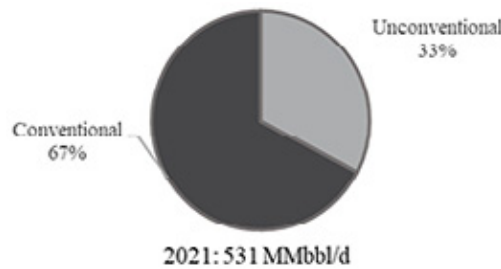
During 2021, oil and condensate production averaged 531 Mbb/d, 6.5% higher than 2020 average production and represented 39% of Argentine hydrocarbon production. Conventional production represents 67% of total oil production, while unconventional represents the remaining 33%. During 2020, oil and condensate production averaged 498 Mbb/d, 5.6% lower than 2019 average production, mainly impacted by the COVID-19 pandemic, and represented 38% of the Argentine hydrocarbons production.

Oil Production Evolution (Mbb/d)



Source: Argentine Secretariat of Energy.

2021 Oil Production Breakdown



Source: Argentine Secretariat of Energy.

During the year ended December 31, 2021, Argentina's main shale oil producer was YPF with a 59.7% market share, followed by Vista (12.7%), Shell (9.4%), Pan American Energy (5.8%) and Pluspetrol (3.4%).

During the year ended December 31, 2021, Argentina's main oil producer was YPF with a 46.4% market share, followed by Pan American Energy (19.1%), Vista (5.7%), Pluspetrol (5.2%), Tecpetrol (3.0%) and Shell (2.9%).

During the year ended December 31, 2020, Argentina's main oil producer was YPF with a 45.8% market share, followed by Pan American Energy (21.2%), Pluspetrol (5.2%), Vista (3.6%), Sinopec (3.1%) and Tecpetrol (2.8%).

As of December 31, 2020, proved oil reserves totaled 2.4 Bnbb, with the largest share of proved oil reserves in Golfo San Jorge Basin (46.9%), followed by Neuquina (46.0%), Austral (2.2%), Cuyana (1.4%), and Noroeste (1.3%).

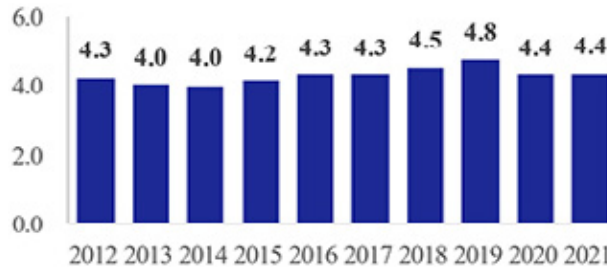


Source: Argentine Secretariat of Energy—SESCO. Ranking by operator.

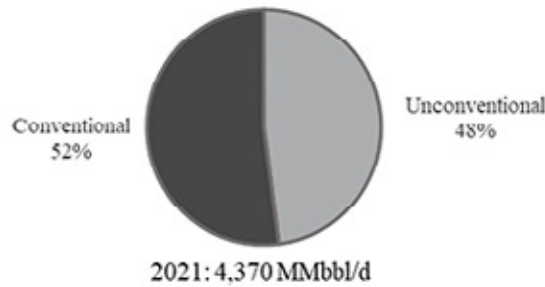
Natural Gas Exploration and Production Sector

During 2021, natural gas production reached 4.4 Bncf/d, in line with 2020 production. During 2020, natural gas production reached 4.4 Bncf/d, 8.9% lower than 2019 production and represented 62% of the Argentine hydrocarbon production. Conventional production represents 52% of total gas production, while unconventional represents the remaining 48%.

Natural Gas Production (Bncf/d)



2021 Natural Gas Production Breakdown



Source: Argentine Secretariat of Energy—SESCO. Ranking by operator.

During the year ended December 31, 2020, Argentina’s main shale gas producer was YPF with a 61.6% market share, followed by Shell (8.9%), Pan American Energy (8.2%), Vista (6.7%) and Exxon (4.2%).

During the year ended December 31, 2021, Argentina’s main producer of natural gas was YPF, with a 27.7% market share, followed by Total Austral (24.9%), Tecpetrol (12.3%), Pan American Energy (10.8%), Pampa Energía (5.7%) and Pluspetrol (4.0%).

During the year ended December 31, 2020, Argentina’s main producer of natural gas was YPF, with a 27.4% market share, followed by Total Austral (26.4%), Tecpetrol (11.1%), Pan American Energy (10.6%), Pampa Energía (4.9%) and Compañía General de Combustibles (4.1%).

As of December 31, 2020, proved reserves of natural gas reached 14.0 Tncf. As of December 31, 2020 the basin with the highest concentration of proved reserves of natural gas was the Neuquina Basin with 68.1%, followed by Austral (24.2%), Golfo San Jorge (14.2%), and Noroeste (4.3%).

Source: Argentine Secretariat of Energy.



Demand and Consumption

In 2021, domestic demand of natural gas reached 4.1 Bn cf/d. The power generation sector led demand with 37.7% of the gas consumed in the country, followed by the industrial sector (28.4%), residential (22.8%), and others (11.0%). During 2021, in order to meet the demand for natural gas, 0.17 Tcf of natural gas was imported from Bolivia, in addition to 0.12 Tcf of LNG.

In 2020, domestic demand of natural gas reached 3.9 Bn cf/d. The power generation sector drove demand with 34.9% of the gas consumed in the country, followed by the industrial sector (31.3%), residential (23.6%), and others (10.2%). During 2020, in order to meet the demand for natural gas, 0.19 Tcf of natural gas was imported from Bolivia, in addition to 0.07 Tcf of LNG.

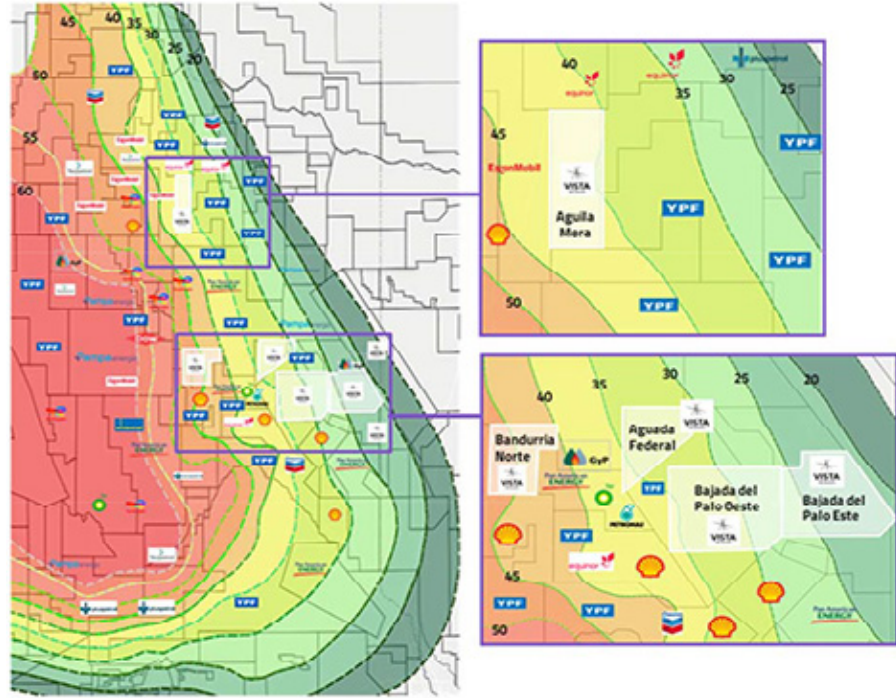
Vaca Muerta Shale Formation / Shale Potential Overview

The Vaca Muerta formation, located in the Neuquina Basin, is considered one of the most prominent shale plays globally, and has already become the largest commercial shale development outside of North America. The development of the Vaca Muerta formation plays an important role in the Argentine economy, and therefore the national and provincial governments have introduced changes to the regulatory framework for exploration and production of unconventional hydrocarbons, in order to attract investments.

Together with the recent reforms to the regulatory framework, significant reductions in well costs and improvements in production rates, Vaca Muerta has already attracted over 30 oil and gas companies, domestic and IOCs, including Chevron, Shell, ExxonMobil, Total, Equinor, Pan American Energy, Petronas, Pluspetrol, Tecpetrol, Dow, and YPF. Most of these companies, which hold acreage neighboring our concessions, are already investing in their projects in full development mode, or in some cases are executing project pilots.



Distribution of the Vaca Muerta Formation in the Basin



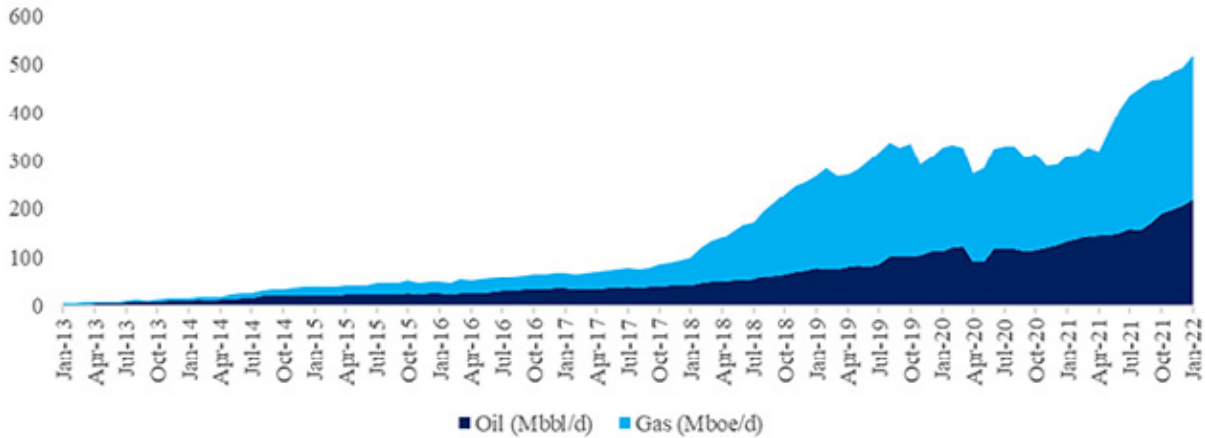
Contour lines numbers denote API degrees

Source: Company's Information and Press Articles



Production from Vaca Muerta reached 516.7 Mboe/d in January 2022. The shale oil production was mainly driven by Loma Campana, La Amarga Chica, Bajada del Palo Oeste, Bandurria Sur and Cruz de Lorena, which contributed with 165.5 Mboe/d. Shale gas production was mainly driven by Fortín de Piedra, Rincón del Mangrullo, Aguada Pichana Este, La Calera and El Orejano, which contributed with 200.4 Mboe/d.

Gross Shale Oil & Gas Production (Mboe/d)



Source: Argentine Secretariat of Energy.

Vaca Muerta exhibits similar geological properties than several of the most successful shale plays in the United States. The table below sets forth Vaca Muerta’s geological characteristics as compared to top tier U.S. onshore plays.

Play	Total Organic Content (“TOC”) (%)	Thickness (m)	Reservoir Pressure (psi/ft)
Bajada del Palo Oeste	4.2	250	0.9
Eagle Ford	3	200 – 300	0.5 – 0.8
Wolfcamp (Permian)	3 – 5	30 – 100	0.5 – 0.9

Source: Based on Company estimates, Ministry of Economy, Argentine Secretariat of Energy and the EIA.

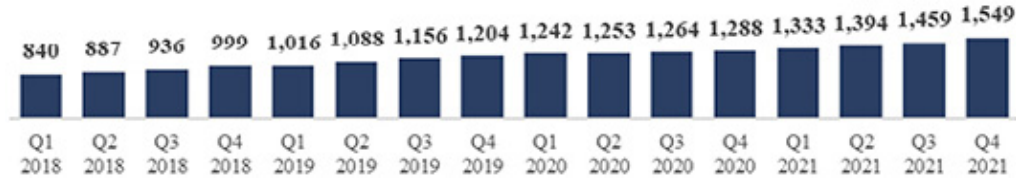
Approximately 90% of the prospective acreage in Vaca Muerta, estimated at more than 8.6 million acres, is concentrated among 12 operators. Most concessions are within the 30,000 to 100,000 acres range, which is significantly larger than the average leasehold in the United States. The terms of concessions in Argentina are also competitive compared to those in the United States, with unconventional concessions of 35 years and flat royalties of 12%.

As of January 31, 2022, drilling activity had been historically centered within the Loma Campana concession operated by YPF in partnership with Chevron, with more than 680 wells drilled out of 1,592 total wells drilled in Vaca Muerta. Vaca Muerta continues to evolve with development beginning to spread beyond the historical center of activity to adjacent blocks such as La Amarga Chica, Fortin de Piedra, El Orejano, Bandurria Sur, Aguada Pichana Este, and Bajada del Palo Oeste projects, which are ramping up drilling activity with more than 400 producing wells.



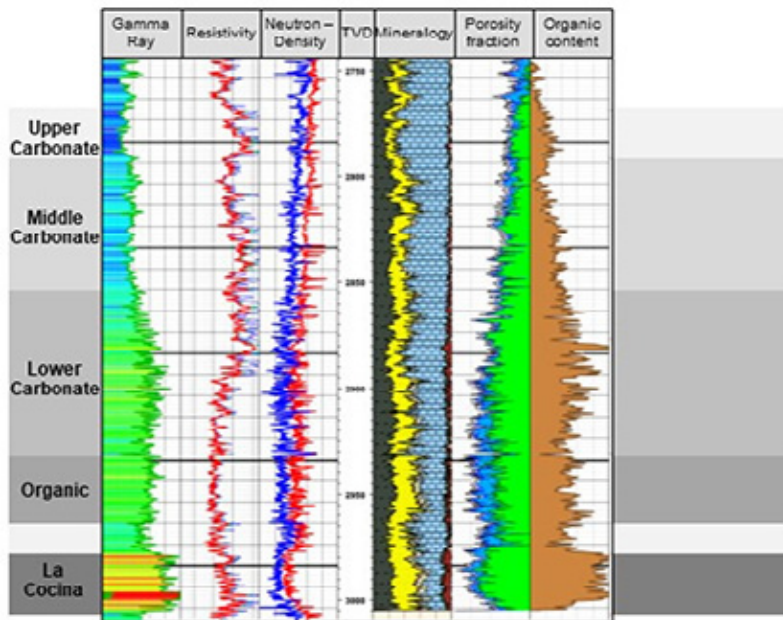
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Total Completed Shale Well Count 1Q18—4Q21



Vaca Muerta is in a relatively early stage of its development compared to shale plays in the United States and Canada. The Permian Basin is a good analogue for Vaca Muerta, with similar geological characteristics and a long history of unconventional hydrocarbon development. However, Vaca Muerta has even more thickness than the Permian, with up to five different pay zones already tested in different blocks of the basin. Operators have drilled around 1,600 wells in Vaca Muerta compared to more than 33,000 in the Permian. It is expected that Vaca Muerta will have a growth trajectory similar to that of the Permian Basin or other U.S. shale plays in the coming years. The growing investment in Vaca Muerta by international operators is similar to the early stages of the Permian Basin’s remarkable growth since 2008, becoming one of the most prolific shale plays in the world.

Stacked Pay Potential Across Multiple Zones



Source: Vista – Image does not represent the whole Vaca Muerta shale play.

Oil Infrastructure Network

The Argentine crude oil pipeline network is shaped like a semi-circle, connecting the principal oil fields in the west with refineries along the east coast of Argentina. Refineries are situated along the outer band of the semi-circle, from Luján de Cuyo in the Cuyo Basin and Plaza Huincul in the Neuquina Basin in the west through the Puerto Galvan refinery at Bahía Blanca on the east coast and on to the various refineries in the Province of Buenos Aires. Argentina’s key crude pipeline is the Oleoductos del Valle S.A. (“Oldelval”) system, which runs from Puesto Hernández in the Neuquina Basin to Puerto Rosales near the Bahía Blanca complexes via two 14-inch pipelines, transports approximately 70% of the production from the Neuquina Basin and has a capacity of approximately 260,000 bbl/d.



In Puerto Rosales, there is a marine export terminal which is managed by Oiltanking Ebytem S.A. (“OTE”), a company owned by YPF (30%) and Oiltanking (70%). OTE has 18 tanks with a storage capacity of 480,000 m³, of which 150,000 m³ are used to store Medanito type crude oil, and has two buoys, Punta Ancla and Punta Cigueña, with capacities of 106,000 and 67,500 deadweight tonnage, respectively. These two buoys provide services for Panamax and Aframax vessel loading and unloading.



Gas Infrastructure Network

Argentina’s gas pipeline network contains more than 30,000 km. The high-pressure network is divided into five systems: one main line from the North, three from the West, and one from the South, all of which transport gas to the greater Buenos Aires region.



Source: Argentine Secretariat of Energy.

Activity in Vaca Muerta has leveraged existing infrastructure, but we expect that new construction and upgrades to the existing infrastructure will be undertaken as production increases. For instance, TGS built a 92-km gathering pipeline with 37 MMm³ /d capacity, which can be expanded to 56 MMm³ /d capacity and a conditioning plant to adapt the quality of natural gas before it enters the pipelines. The total investment is estimated to be approximately US\$800 million with additional expansions planned. Initially, the conditioning plant will have a capacity of 177 MMcf/d but is expandable to up to 2.0 Bcfd. The Argentine government also started the bidding process for the construction of the Néstor Kirchner gas pipeline, to evacuate gas from Vaca Muerta produced in the Neuquina Basin to supply the main consumption centers and eventually the export of natural gas. The first stage of the project will connect the towns of Tratayen and Salliqueló, with an approximate length of 570 km. The initial minimum capacity of the pipeline will be 15 MMm³/d and in the future, it is expected to reach a capacity of 40 MMm³/d. In a second stage, the towns of Salliqueló and San Nicolás will be connected with a 20 MMm³/d capacity pipeline.

Argentina has a gas pipelines network with the capacity to export gas to Chile from the Neuquina, Austral and Noroeste basins. The Austral basin is connected to Chile through a pipeline installed to supply the production complex of the company Methanex, in the extreme south of the country. The Neuquina basin is connected to Chile through the GasAndes and Pacífico gas pipelines, with a total capacity of 23.3 MMm³/d. Due to its location in the Vaca Muerta formation, it is best placed to increase exports. To export gas to Brazil, there is a 5.5 MMm³/d gas pipeline that connects the towns of Aldea Brasileira in the province of Entre Ríos with Uruguayana in Brazil. The export of gas to Uruguay is carried out through the Cruz del Sur gas pipeline, with a capacity of 3.5 MMm³/d, that connects the towns of Punta Lara and Colonia through a pipeline under the Río de la Plata bed, and through the gas pipeline between the towns of Colón and Paysandú. The Norandino and Atacama gas pipelines that connect the province of Salta with the Antofagasta region in the north of the neighboring country, have spare capacity for exports. However, due to the production decline of the Noroeste basin, there is no gas available for exports.

Oil and Gas Regulatory Framework in Argentina

Introduction to the Hydrocarbon Market

The Argentine oil and gas industry is regulated by (i) the Hydrocarbons Law No. 17,319 (*Ley de Hidrocarburos*), enacted in 1967, and amended by Law No. 26,197 enacted in 2007 and Law No. 27,007, enacted in 2014, which establish the basic legal framework for the exploration and production of oil and natural gas; and (ii) Law No. 24,076, referred to as the “Natural Gas Law”, enacted in 1992, which established the basis for deregulation of natural gas transportation and distribution industries.



The Hydrocarbons Law created a system of exploration permits and production concessions granted by the State (federal or provincial, depending on the location of the resources), through which companies have exclusive rights of exploration, development, exploitation and ownership of production at the wellhead, in exchange for the payment of a royalty and adherence to the general tax regime. The Hydrocarbons Law also offers state oil companies (whether federal or provincial) the possibility of granting rights through production sharing agreements.

In January 2007, Law No. 26,197 transferred the eminent domain on hydrocarbon reservoirs from the Argentine government to the provinces. This law acknowledged the provinces' ownership of the hydrocarbon reservoirs in accordance with Article 124 of the Argentine National Constitution (including reservoirs to which concessions were granted prior to 1994) and granted provinces the right to administer such reservoirs. Exploration permits and exploitation concessions existing at the time of enactment of Law 26,197 have been transferred to the corresponding provincial governments until their expiration. On the other hand, transportation concessions between provinces continue to be subject to federal jurisdiction. Oil rights are independent from surface rights. Oil production belongs to the licensee (the holder of an exploration permit or exploitation concession) as from its extraction.

On October 29, 2014, the Argentine Congress enacted Law No. 27,007, which amended the Hydrocarbons Law in certain aspects mainly relating to the E&P of unconventional hydrocarbons (which were not regulated in the previous Hydrocarbons Law), the extension of the concessions and royalty rates, as follows:

- *Conventional Exploration permits:* the term for permits for conventional exploration was divided into two periods of up to three years each plus a discretionary extension of up to five years. Thus, the maximum possible duration of exploration permits was reduced from 14 to 11 years.
- *Unconventional exploration permits:* the term of permits was divided into two four-year terms, plus a discretionary extension of up to five years, providing for a maximum term of 13 years. In the case of offshore permits, the term was divided in two periods of up to three years and a discretionary extension for up to five years (with a discretionary extension of one year each period of the initial term), providing for a maximum term of 13 years.
- *Concession:* the term of conventional exploitation concessions remains at 25 years. For unconventional exploitations, a 35-year term was established, including an initial pilot plan of up to five years. For offshore production, concessions will be granted for periods of up to 30 years. Under the previous Hydrocarbons Law regime, the concessions could be extended only once for a 10-year term. Law No. 27,007 established the possibility to request successive extensions to conventional and unconventional concessions for 10-year periods, under certain requirements. Even the concessions which were in force prior the enactment of the new regime and those which had already been extended once may be extended again.
- *Reservation of areas and the transportation method:* Law No. 27,007 eliminated the possibility for the Argentine government and the provinces to reserve areas for the exploitation by public entities or state-owned companies as from the date in which Law No. 27,007 entered into force and effect. However, contracts already executed by said provincial entities or companies for the exploration and development of reserved areas continue to be subject to the regulations in force prior to Law No. 27,007.
- *Royalties:* the general 12% rate for royalties provided for in the Hydrocarbons Law was maintained. As in the previous regime, the possibility of reducing the rate in exceptional cases up to 5% was also maintained, as well as the possibility of increasing it by 3% upon successive extensions. The new law also introduces a maximum limit to such rate in all cases of 18%. In addition, it provided for the possibility of the grantor to apply a reduced rate of up to 50% for projects (i) of production projects in which enhanced or improved oil recovery techniques are applied, (ii) for extra-heavy oil exploitations and (iii) for offshore exploitations.

Law No. 27,007 provided that the Argentine Executive Branch shall include in the Promotional Investment Regime the direct investment projects that involve investments for an amount of no less than US\$250 million in a 3-year period. Before the enactment of Law No. 27,007, the benefits under this regime applied to projects for amounts higher than US\$1,000 million in a five-year period.



The benefits under the Investment Promotional Regime can be enjoyed after the third year and include an allowance for 20% of the project's production to be sold at international market prices in the case of onshore projects, and 60% in the case of offshore projects.

Law No. 27,007 also established two contributions payable to the provinces in connection with the projects subject to this Investment Promotional Regime: (i) 2.5% of the initial investment to develop corporate social responsibility projects, payable by the owner of the project and (ii) a contribution, which amount shall be determined by the former Commission for the Strategic Coordination and Planning of the National Hydrocarbon Investment Plan ("CPCE"), created by Decree No. 1.277/2012 considering the size and scope of the project, to develop infrastructure projects in the relevant province, payable by the Argentine government.

Exploration permits and exploitation concessions constitute an acquired right that cannot be terminated without legal indemnification. However, the competent provincial authorities have the right to revoke these licenses in the event of non-compliance with the conditions of the permit or concession by the licensee (Article 80 of Law No. 17,319). Licensees may also partially or totally relinquish, at any time, the surface of a permit or concession. If an exploration permit is relinquished, the licensee will be obliged to pay the investment amounts committed and not fulfilled (Articles 20 and 81 of Law No. 17,319).

In addition, expropriations in Argentina are regulated by the Federal Expropriations Law, No. 21,499, which does not include specific provisions for oil and gas licenses.

Finally, it is important to mention that our Argentine concessions are governed by the laws of Argentina and the resolution of any disputes involving the Argentine government must be sought in the Federal Courts, although provincial courts may have jurisdiction over certain matters.

Exploration and Production

The exploration and production of oil and natural gas is carried out through exploration permits and exploitation concessions. Nevertheless, the Hydrocarbons Law permits surface reconnaissance of territories not covered by exploration permits or exploitation concessions. Information obtained through surface reconnaissance must be provided to the office of the corresponding authority, which is prohibited from disclosing such information for a period of two years without the prior authorization of the party that conducted the exploration, except in connection with the granting of exploration permits or exploitation concessions.

In the event that holders of an exploration permit discover commercially exploitable quantities of oil or gas, such holders will be entitled to obtain an exclusive concession for the production and exploitation of the relevant reserves. The exploitation concession provides its holder the exclusive right to produce oil and gas from the area covered by the concession. An exploitation concession also entitles the holder to obtain a transportation concession for transporting of the oil and gas produced.

Under the Hydrocarbons Law, holders of exploration permits and exploitation concessions are required to carry out all necessary works to find or extract hydrocarbons, using appropriate techniques, and to make the investments specified in their respective permits or concessions. In addition, holders must avoid damage to oil and gas fields and hydrocarbon waste, must undertake adequate measures to prevent accidents and damage to agricultural activities, the fishing industry, communications networks and ground water, and must comply with all applicable federal, provincial and local laws and regulations. Failure by the holder of permits or concessions to make the relevant investments or take the measures required to avoid damages entitles the federal or provincial government who granted such permits or concessions may revoke or terminate them early, as applicable. Recently, provincial governments have revoked certain concessions arguing that concessionaires had failed to make the required investment.

Both holders of exploration permits and holders of concessions must pay an annual fee based on the land area covered by the corresponding permit or concession (as provided in Section 7 of the Hydrocarbons Law). Holders of exploitation concessions are required to pay for such concessions, and to make certain royalty payments to the Argentine government. Through Decree No. 771/2020, the Argentine government set forth the current values of the canon to be paid by exploration permit holders and exploitation concessionaires.



The Hydrocarbons Law provides that an exploitation concessionaire, within a certain concession area, may require the subdivision of the existing area into new unconventional hydrocarbon exploitation areas and the granting of a new non-conventional hydrocarbon exploitation concession. Such request must be based on the development of a pilot plan that, in accordance with acceptable technical economic criteria, intends to commercially develop the unconventional reservoir.

The Hydrocarbons Law also indicates that holders of an unconventional hydrocarbon exploitation concession, who in turn are holders of an adjacent and pre-existing exploitation concession to the first, may request the unification of both areas as a single unconventional exploitation concession, provided that the holder demonstrates the geological continuity of these areas. Such request must be based on the development of the pilot plan referred in the paragraph above.

After more than two decades without granting exploration permits in offshore reservoirs, in October 2018, Decree No. 872/2018 was published, ordering the SdE to convene an international public tender for the granting of exploration permits over 38 offshore areas, located in the Argentine territorial sea under federal jurisdiction. In November, 2018, Resolution No. 65/2018 of the SdE was published pursuant to which the SdE called for the mentioned tender and approved the applicable bidding terms and conditions. After passing certain technical and financial tests during the prequalification stage, the interested parties submitted their tenders on April 16, 2019 through a public event attended by various international and public officers of the SdE. The event received bids for 18 of the tendered areas, for approximately US\$724 million. Five of these areas received more than one offer, while a single consortium of bidders offered a \$5.0 million entry bonus in addition to investments in units of work offered. The award of these areas was published in May, 2019 through Resolution No. 276/2019 of the SdE.

Reserves and Resources Certification in Argentina

The estimation of reserves and resources in Argentina is mainly governed by SdE Resolution No. 324/2006 and Secretariat of Hydrocarbon Resources Resolution No. 69-E/2016. These regulations require holders of exploration permits and exploitation concessions to file by March 31 of each year estimates of natural gas and oil reserves and resources existing as of December 31 of the previous year. Estimates must be certified by an external auditor and sent to the SdE. Information is required to be presented following the criteria approved by the SPE (Society of Petroleum Engineers), the WPC (World Petroleum Council) and the AAPG (American Association of Petroleum Geologists), which are widely accepted internationally.

Under these regulations “reserves” are those quantities of liquid and gaseous hydrocarbons anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation’s effective date) based on the development project(s) applied.

Additionally, according to the degree of certainty that will be commercially recoverable, reserves are classified as “proved” (which can be developed or undeveloped) and “unproved” (which can be probable or possible). Proved developed reserves are expected to be recovered from existing wells and facilities while proved undeveloped reserves are quantities expected to be recovered through future investments. Moreover, the estimation of “proved oil and natural gas reserves” based on SdE Resolution No. 324/2006 and Secretariat of Hydrocarbon Resources Resolution No. 69-E/2016 may differ from the standards required by SEC’s regulations. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry—The oil and gas reserves that we estimate are based on assumptions that could be inaccurate.”

Contingent resources are those quantities of hydrocarbons estimated, as of a given date, to be potentially recoverable from known accumulations with current technical conditions, but the applied project(s) are not yet considered mature enough for commercial development due to uneconomical production or lack of viable market. Prospective resources estimate defined by SPE/WPC as those quantities of petroleum which are estimated, on a given date, to be potentially recoverable from undiscovered accumulations are not required to be filed.



Technical and economic criteria (including expected sale prices, projected investments, evolution of operative, administrative and transport costs, estimated taxes and duties) used to estimate reserves and contingent resources are defined by the operators and subject to control by external auditors, who validate the information submitted to the SdE for official certification.

The information included in this section of the annual report regarding Argentina's proved reserves has been prepared based on official and publicly available information of the SdE. References to Argentina's "proved reserves" follow the definition of "proved reserves" as set forth in the guidelines published by the SdE. However, the information regarding Vista's proved reserves included elsewhere in this annual report has been prepared according to the definitions of Rule 4-10(a) of Regulation S-X or the Society of Petroleum Engineers' Petroleum Resources Management System, which differ from the relevant guidelines published by the SdE.

Transportation

The Hydrocarbons Law grants hydrocarbon producers the right to obtain from the Argentine government a concession for the transportation of oil, gas and their by-products through a public tender process for a period equivalent to the period granted for the exploitation concession linked to the transportation concession. Once the original term and all relevant extensions elapse, the facilities revert to the federal or provincial government, as the case may be.

The term for transport concessions are linked to the equivalent terms for exploitations concessions. As such, the term of a transportation concession may be extended for an additional 10 years upon application to the Argentine government.

The transportation concessionaire has the right to transport oil, gas and refined products and to construct and operate oil pipelines and gas pipelines, storage facilities, pumping stations, compressor plants, roads, railways and other facilities and equipment necessary for the efficient operation of a pipeline system. While the transportation concessionaire is obligated to transport hydrocarbons on a non-discriminatory basis on behalf of third parties for a fee, this obligation applies only if it has surplus capacity available and after such concessionaire's own transportation requirements are satisfied.

Depending on whether gas or crude oil is transported, tariffs are subject to approval by the *Ente Nacional Regulador del Gas in Argentina* (established by Law No. 24, 076) ("ENARGAS") or the SdE. SdE Resolution No. 5/04, as amended, sets forth maximum amounts:

- For tariffs on hydrocarbon transportation through oil pipelines and multiple purpose pipelines, as well as for tariffs on storage, the use of buoys and the handling of liquid hydrocarbons; and
- That may be deducted in connection with crude oil transportation by producers that, as of the date of the regulation, transport their production through their own unregulated pipelines, for the purpose of calculating royalties.

Upon expiration of a transportation concession, ownership of the pipelines and related facilities is transferred to the Argentine government with no compensation to the concessionaire.

On May 7, 2021, Resolution No. 385/2021 of the SdE was published in the Official Gazette, approving the rules for the registration of companies who perform liquid hydrocarbon transportation through pipelines and sea terminals (*Empresas Transportistas de Hidrocarburos Líquidos por Ductos y a través de Terminales Marítimas*) in the Oiling Companies Registry created by means of Decree No. 5906/67 (*Registro de Empresas Petroleras*). It also set forth requirements to be fulfilled by companies who are registered in such registry.

On August 23, 2021, Decree No. 540/2021 was published in the Official Gazette, whereby the "non-physical" transportation of liquid hydrocarbons through pipelines up to the entry to the storage plants. "Non-physical" transportation means the service whereby the shipper delivers liquid hydrocarbons at a given loading point and requests the return of an equivalent quantity of liquid hydrocarbons at a return point other than the return point (or points) established according to the normal and customary direction of flow or movement of the crude oil, within the scope of a single transportation concession.

**Authorized Governmental Agency**

According to Decree No. 706/2020, published in the Official Gazette on August 29, 2020, the preparation, proposal and execution of the national energy policy is under the responsibility of the National Ministry of Economy. This competence is exercised purview the SdE, which was transferred from the purview of the Ministry of Productive Development to the orbit of the Ministry of Economy by Decree No. 732/2020.

In matters related to hydrocarbons, the SdE is assisted by the Undersecretariat of Hydrocarbons. However, the Argentine Executive Branch is in charge of determining areas in which hydrocarbons activities are to be encouraged and, together with provincial governments, the granting of permits and concessions. Pursuant to the Federalization Hydrocarbon Law No. 24.145, each province has the authority to enforce the Hydrocarbons Law within its own territory.

State Energy Company

On October 2004, the Argentine Congress approved Law 25,943 that created a new state energy company, ENARSA (subsequently renamed as IEASA according to the Decree No. 882/2017). IEASA's objectives are, through third parties or through joint operations with third parties, (i) to study, the exploration and exploitation of natural reserves of hydrocarbons; (ii) the transportation, processing and marketing of hydrocarbons and their derivative products directly or indirectly; (iii) the transportation and distribution of natural gas; and (iv) the generation, transportation, distribution and commercialization of electricity. Likewise, article 2 of Law 25,943 granted IEASA all exploration concessions with respect to all offshore areas located more than 12 nautical miles from the coast, up to the outer limit of the continental shelf, which were vacant when the law was enforced on November 3, 2004. However, that article was later repealed by Article 30 of Law 27,007, which provides for the reversion and transfer of all exploration and concession permits from the national offshore areas to the SdE, for which there were no association agreements signed with IEASA in the framework of Law 25,943. Law 27,007 exempted from said reversion the exploration permits and exploitation concessions existing at the entry into force of the aforementioned law that had been granted prior to Law 25,943. In this way, the offshore areas of Argentina, with the aforementioned caveats, are again under the jurisdiction of the National Government and can be awarded through the mechanisms provided for in the Hydrocarbons Law and other laws that complement it.

In November 2017, the Argentine Executive Branch decreed the merger of ENARSA and EBISA (Emprendimientos Energéticos Binacionales S.A.), the former being the absorbing company, now known as the IEASA (Integración Energética Argentina S.A.). See "Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Other relevant measures —“Presidente Nestor Kirchner Gas Pipeline”, Transport.Ar Program, FONDESGAS).

Equity Requirements

The Hydrocarbons Law requires that, to engage in any oil and gas exploration, production or transportation activity in respect of oil and gas, companies must comply with certain capital requirements and financial solvency standards.

Disposition No. 335/2019 issued by the Undersecretariat of Hydrocarbons, which regulates the solvency required for a company interested in exploring and/or exploiting hydrocarbons areas, sets forth that, in order to receive and maintain permits or concessions, the permit holder or concessionaire must have a minimum net worth amounting to (i) the value in Argentine Pesos of twenty seven thousand (27,000) barrels of oil for on-shore areas and (ii) the value in Argentine Pesos of two hundred and seventy thousand (270,000) barrels of oil, in case of off-shore areas. The price to be considered in order to determine the value of the domestic oil barrel in the internal market will be the average price during the previous year considered. The coefficient for the conversion of m3 to barrels will be 6,2898 and the applicable exchange rate will be the average wholesale exchange rate published by the BCRA pursuant to Communication “A” 3,500 and corresponding to the previous year to the one in which the analysis is made.



Non-compliance with this requirement may result in penalties, including fines or even removal from the register of oil and gas companies. These equity requirements may be satisfied by means of financial or other guarantees.

Crude Oil Market

Resolution No. 1077/2014, issued by the former Ministry of Economy and Public Finances sets forth, for all hydrocarbons listed therein, an international price to be considered (which was to be updated on a monthly basis), a reference Brent and a nominal factor of withholdings and export duties in connection with oil's international price.

The production of crude oil has shown a downward trend in recent years. Therefore, as was the case in the gas market, the Argentine government began searching for tools and regulations that could restart the path to growth. To that effect, the Argentine government created incentive programs, including "Oil Plus Program" (*Petróleo Plus*) and Oil Encouragement Program (*Programa de Estimulo a la Producción de Petróleo Crudo*).

The Solidarity Law published in the Official Gazette on December 23, 2019, sets forth that the Argentine Executive Branch is entitled to set export duties up to a maximum of 33% of the exported goods until December 31, 2021. The Solidarity Law also established a cap of 8% for the export duties for hydrocarbons and mining products.

The Hydrocarbons Law empowers the National Executive Power to establish a national policy for the development of Argentina's hydrocarbon reserves, with the principal purpose of satisfying domestic demand. The final purchaser of crude oil at the domestic market may be a refinery, a large producer, or a fuel marketer.

On May 19, 2020, the Argentine government issued Decree No. 488/2020, providing, among other measures:

- (i) Until December 31, 2020, the base price for crude oil in the local market was set at 45 US\$/bbl (using the reference of crude oil "Medanito") to be adjusted for each type of crude oil and port of entry, establishing the price to be applied for the calculation of royalties under the Hydrocarbons Law.
- (ii) In addition, the SdE shall oversee the compliance of producers with the Annual Investment Plan required by Section 12 of Annex to Decree No. 1277/12, and shall apply, if necessary, the applicable sanctions.
- (iii) As long as these measures were effective, refineries and traders were forced to acquire their demand for crude oil from local producers. In addition, integrated companies, refineries and traders were not allowed to import products that were available for sale or to that could be processed in the local market.
- (iv) Export duties were set forth for certain hydrocarbon products: (i) 0% rate for export duties in the event that international the price is equal or inferior to the "base value" (US\$45/bbl), (ii) 8% rate for export duties in the event that the international price is equal or superior to the reference value (US\$60/bbl), and (iii) in the case that the international price is higher that the Base Value and lower to the Reference Value, the export duty tax rate shall be determined according to a progressive adjustment formula for the export duty rate from 0 to 8%. Decree 488/2020 does not establish a time limit for the application of the export duties indicated therein, although under certain interpretations such duties would become ineffective as of January 1, 2022 considering the limit established in the Solidarity Law (December 31, 2021).
- (v) The amounts of the sanctions set forth in Section 97 of the Hydrocarbons Law were set between a minimum equivalent to the value of 22 m3 of national crude oil in the local market and a maximum of 2,200 m3 of the same hydrocarbon, for each infraction.

In addition, Decree No. 488/2020 provided that during the effective term, the producing companies were bounded to maintain the activity and/or production levels registered during 2019, taking into consideration the demand shrinkage of crude oil and its by-products, both in the domestic and international markets, caused by the



COVID-19 pandemic, and always within the adequate and economic operation parameters set forth in Section 31 of Law No. 17,319. Producing companies needed to applied an identical criteria in relation to sustaining effective contracts with regional service companies and maintaining the same workforce they had as of December 31, 2019, that needed to be carried out within a consensual framework together with workers' organizations in order to jointly achieve working arrangements that improve efficiency, technology and production, in compliance with the best national and international practices in the hydrocarbon activity.

Notwithstanding the above, by the end of August 2020, the price of US\$45/bbl set by Decree No. 488/2020 ceased to be in force, since the condition set forth in the Decree No. 488/2020 had been met (i.e., the ICE BRENT FIRST LINE rate was higher than US\$45/bbl for 10 consecutive days, considering the average of the last 5 quotations published by the "PLATTS CRUDE MARKETWIRE" under the heading "Futures"). Consequently, crude oil prices were once again governed by supply and demand, without prejudice to the impact of withholdings.

Export operations of crude oil and oil by-products currently require prior registration in the Registry of Export Operations Agreements (*Registro de Contratos de Operaciones de Exportación*) and authorization by the SdE (according to the regime established in Resolution S.E. No. 241-E/2017 and its subsequent amendments and complements). Oil companies and oil refineries intending to export crude oil, liquefied petroleum gas or gasoil, among others, must demonstrate, prior to obtaining the authorization, that the offer for sale of such product has already been made and rejected by local buyers.

Gas Market

In order to foster the production of natural gas, the Argentine government adopted different programs, including the "Natural Gas Additional Injection Stimulus Program" ("Gas Plan"), Gas Plan II (implemented by means of Resolution No. 60/2013), and the "Stimulus Program for New Natural Gas Projects" (*Programa de Estimulo a los Nuevos Proyectos de Gas Natural*).

In October 2016, Resolution No. 212/2016 of the SdE established four new Transport System Entering Point (TSEP) prices and a new tariff scheme for users who buy gas from distributors. This resolution also established that until the liberalization of the TSEP prices the SdE will approve the price every six months (April and October).

By the application of the regulations, the average rates of TSEP for residential users in Argentina (with the exception of la Patagonia, Malargüe and la Puna) should be gradually increased from US\$3,42/MMBtu as of October 2016 to US\$6,80/MMBtu as of October 2019.

On the other hand, TSEP prices for la Patagonia, Malargüe and la Puna gradually increased from an average of US\$1.29 /MMBtu in October 2016 to US\$6,72 /MMBtu in October 2022.

In March 2017, the Program to Stimulate Investments in Natural Gas Production Developments from Non-Conventional Reservoirs was created by Resolution No. 46/2017 with effect until December 31, 2021. This Resolution established a compensation for the volume of non-conventional gas production and was determined by deducting the internal market price from the minimum price established by the Resolution for each year. The minimum prices were US\$7.0 per MMBtu for 2019, US\$6.5 per MMBtu for 2020, and US\$6.0 per MMBtu for 2021. Resolution 419-E/17 defines the guidelines considered by the former Undersecretariat of Hydrocarbon Resources to determine the weighted average monthly price by volume of total sales of natural gas in Argentina.

On February 28, 2019, Joint Resolution No. 21/19 of the Finance and Economy Secretariats set forth the issuance, on February 27, 2019, of the "Natural Gas Bonds Program" for an amount up to a face value of US\$1,600 million, due on June 28, 2021, to amortize in 29 monthly and consecutive installments. Such payment program provides no interest rate.

On July 24, 2019 the SdE issued Resolution No. 417/2019 which (i) replaced the procedures for obtaining gas export permits established by Resolution No. 104/2018, with a new procedure provided in such Resolution; (ii) entrusted the Undersecretariat of Hydrocarbons and Fuels with: (a) the regulation of energy substitution mechanisms to be used also for exports of natural gas under firm conditions, (b) the development and approval of a natural gas export operating procedure, applicable to natural gas exporters, to be used if domestic supply security is at risk; and (c) grant export permits by issuing the relevant certificate.



Resolution No. 417/2019 was later complemented by Resolution No. 506/2019 issued by the Governmental SdE and Resolution No. 284/2019 issued by the former Ministry of the Treasury. The latter established the operational procedures for natural gas exports, applicable until September 30, 2021.

However, on April 27, 2021, Resolution No. 360/2021 of the SdE was published in the Official Gazette, whereby:

- (i) Resolution No. 417/2019 was repealed;
- (ii) Disposition No. 284/2019 was repealed;
- (iii) the new “Natural Gas Export Authorization Procedure” was approved.
- (iv) The Undersecretariat of Hydrocarbons was delegated the tasks specifically entrusted in the “Procedure for Authorization of Natural Gas Exports.”

Gas Plan 2020-2024 (Gas.Ar Plan)

Recently, by means of Decree No. 892/2020, dated November 13, 2020, the Government implemented the Argentine Plan for the Promotion of Natural Gas Production – Supply and Demand Scheme 2020-2024 (“*Plan de Promoción de la Producción de Gas Natural Argentino – Esquema de Oferta y Demanda 2020-2024*”).

The most relevant aspects of the Gas Plan 2020-2024 are:

- a. The Gas.Ar Plan was implemented through direct contracts between gas producers, on the one hand, and gas distributors and/or sub-distributors (to satisfy priority demand) and CAMMESA (the Wholesale Electricity Market Administrator, to satisfy demand of thermal power plants), on the other. Such contracts (i) were awarded and negotiated through, and (ii) the price of gas in the point of entry into the transportation system (“PIST” for its acronym in Spanish) arose from, a tender procedure carried out by the SdE, as detailed further below.
- b. It shall have an initial duration of four years, which may be extended by the SdE for additional periods of one year each based on its analysis of the gas market, demand volumes and investment possibilities in infrastructure. For off-shore projects, a longer term of up to eight years may be contemplated.
- c. Comprises a total volume of 70 mmcm/d for the 365 days of each year in which the Gas.Ar Plan is in place (distributed as follows (i) Austral Basin 20 mmcm/d, (ii) Neuquina Basin 47.2 mmcm/d, and (iii) Northwest Basin 2.8 mmcm/d), and certain additional volumes for the winter seasonal period of each of the four years.
- d. Producers had to present an investment plan to reach the committed injection volumes and be bound to achieve a production curve per basin that guarantees the maintenance and/or increase of current levels of production.
- e. Participating producing companies may be offered preferential conditions for exports under firm condition for up to a total volume of 11 mmcm/d, to be committed exclusively during the non-winter period. The benefits for exports will apply both to the export of natural gas through pipelines and to its liquefaction in Argentina and subsequent export as LNG.
- f. The Argentine government may assume on a monthly basis payment of a portion of the price of natural gas in the PIST, in order to mitigate the impact of the cost of natural gas to be transferred to end users.
- g. The Argentine Central Bank established appropriate mechanisms to guarantee the repatriation of direct investments and their respective returns and/or the payment of principal and interest of foreign financings, provided that such funds have been entered into to Argentina through the Argentine Foreign Exchange Market as from the entry into force of the decree, and are used to finance projects under the Gas.Ar Plan.



The SdE is tasked with implementing the plan. The Secretariat is assigned the power to implement a Supply Plan with maximum volume, terms and price references for natural gas in TSEP, applicable to supply agreements between suppliers and demanding agents to be executed within the framework of the plan, and that ensure the free formation and transparency of prices in accordance with Law No. 24.076.

On November 20, 2020, the SdE issued Resolution No. 317/2020, approving the bidding terms for the Public National Tender to award a natural gas volume of 70.000.000 m³ per day, for the 365 days of each calendar year of the Gas.Ar Plan, and an additional volume for each of the winter periods from 2021 to 2024.

On December 1, 2020, the SdE issued Resolution No. 354/2020, setting forth the guidelines for CAMMESA to act within the Gas.Ar Plan.

This resolution also set forth the new maximum prices in the TSEP, for each basin, for natural gas production not comprised in the Gas.Ar Plan, and destined to electricity generation to be commercialized in the Wholesale Electricity Market (MEM, for its Spanish acronym), or, in general, destined to the provision of the public service of electricity distribution.

On December 15, 2020, the SdE issued Resolution No. 391/2020 (amended by Resolution No. 447/2020, dated December 29, 2020), awarding the natural gas volumes within the framework of the Gas.Ar Plan, and approving the natural gas prices in the TSEP for awarded volumes.

On December 29, 2020, the SdE issued Resolution No. 447/2020, modifying certain aspects of Resolution 391/2020. Among other aspects, this resolution established that in order to ensure compliance of payment obligations under the contracts to be executed, the SdE, the distributors and sub-distributors shall deposit in a bank account the sums they perceive –monthly- in concept of gas at the TSEP. These funds shall be exclusively used to pay de natural gas acquired within the framework of contracts executed within the Gas.Ar Plan.

On February 16, 2021 the SdE issued Resolution No. 117/2021, calling for a public hearing to treat the portion of the price of natural gas at TSEP whose payment the federal government will undertake under the Gas.Ar Plan.

On February 20, 2021, given that the volumes of gas awarded under the first tender of the Gas.Ar Plan was insufficient to cover the projections for domestic demand for the winter periods 2021, 2022, 2023 and 2024, the SdE issued Resolution No. 129/2021, calling for Round 2 of the public national tender for the Gas.Ar Plan.

On February 20, 2021, by means of Resolution No. 125/2021, the SdE instrumented fiscal credit certificates as guaranties under the Gas.Ar Plan, to back the payment of compensations/incentives in head of the federal government, to be paid to producers. AFIP's General Resolution No. 4939/2021, dated March 3, 2021, approved the procedure for the registration, application and assignment of these certificates.

Through of Resolution No. 144/2021 issued by the SdE, a series of guidelines were set forth to avoid disloyal practices against the Gas.Ar Plan, in matters related to employment and direct provision of goods and services on behalf of small and medium businesses and regional companies.

On October 21, 2021, the SdE issued Resolution N° 984/2021, calling for Round 3 of the public national tender for the Gas.Ar Plan in order to achieve a greater supply of local gas in the winter period.

The base volume awarded to Vista Argentina under the tender of the Gas.Ar Plan was 0.86 MMm³/d (30.4 million cubic feet/day) at an average annual price of US\$3.29 per million BTU for a four-year term as of January 1, 2021. Vista Argentina ranked fourth in terms of price competitiveness, granting dispatch and export priority, especially for the summer periods (with lower local demand), from a total of 70 MMm³/d (2.7 billion cubic feet/day) of natural gas under auction. Pursuant to such award, Vista has committed to invest approximately US\$46 million during the four years of the Gas Plan IV.

The Social Solidarity and Productive Reactivation Law



On December 23, 2019, the Government enacted Solidarity Law, declaring a public emergency in economic, financial, fiscal, administrative, pension, tariff, energy, health and social matters. The Solidarity Law establishes that (i) natural gas tariffs under federal jurisdiction will remain unaltered for a term of one hundred eighty (180) days as from December 23, 2019, and (ii) the executive branch is empowered to renegotiate tariffs under federal jurisdiction, either within the framework of the current general tariff reviews or through an extraordinary review, in accordance with Law No. 24,076 (Gas Law). The provinces were also invited to adhere to this policy. The Solidarity Law establishes that the Argentine Executive Branch is empowered to fix export duties up to a maximum of 33% of exported goods until December 31, 2021. The Solidarity Law also established a cap of 8% for export duties on hydrocarbons and mining products.

On June 19, 2020, Decree No. 543/2020 extended the 180-day term established in Article 5 of the Social Solidarity Law until the end of 2020. On December 17, 2020, Decree No. 1,020 / 2020 extended the freezing of electricity and natural gas rates for a period of 90 days or until the new transitory rate schedules agreed in the transitory agreements come into effect.

Also, the Solidarity Law entitles the Argentine Executive Branch to intervene in the management of the ENARGAS and the ENRE. On March 17, 2020, Decree No. 278/2020 was published in the Official Gazette, which provides for the State intervention in ENARGAS until December 31, 2020, which was extended by Decree No. 1,020/2020 until the earlier of (i) December 31, 2021, or (ii) until the end of the renegotiation of the tariff revision provided for by the decree is completed, the earlier of. Afterwards, the intervention was extended until December 31, 2022, by means of Decree No. 871/2021.

New Investment Promotion Regime for Exports

On April 7, 2021, the Argentine Executive Branch issued Decree N° 234/2021, which established a new investment promotion regime for exports (the “Promotion Regime”), aimed at, among other matters, increasing the export of goods and promoting sustainable economic development. The Ministry of Economy and the Ministry of Productive Development have been appointed as regulatory authorities for the Promotion Regime.

The Promotion Regime provides for the investment in new productive projects in, among others, forestry, mining, hydrocarbon, manufacturing and agro-industrial activities, as well as the expansion of existing business units, that require investment for the purposes of increasing their production.

The requirements to access the Promotion Regime include the presentation of an “Investment for Exports Project” consisting of a minimum direct investment of one hundred million U.S. Dollars (US\$100,000,000)

The beneficiaries which participate in the Promotion Regime will be able to apply up to 20% of the foreign currency proceeds obtained from the exports related to the project to, among others, a) Payment of principal and interests of debts arising from import of goods and services as from the maturity date; b) Payment of principal and interests of debts connected to foreign financial debts as from the maturity date; c) Payment of profits and dividends corresponding to closed and audited balance sheets; and d) Repatriation of direct investments by non-residents in companies that are not controllers of local financial entities. Please see “Item 10. Additional Information—Exchange Controls—Special regime under the investment promotion regime for exports set forth by Decree No. 234/21.”



Other relevant measures—“Presidente Nestor Kirchner Gas Pipeline”, Transport.Ar Program, FONDESGAS

On February 9, 2022, SdE Resolution No. 67/2022 was published in the Official Gazette, whereby:

- It declared the construction of the “President Néstor Kirchner Gas Pipeline” to be of National Public Interest as a strategic project for the development of natural gas in the Argentine Republic (which will transport natural gas starting from the Province of Neuquén, crossing the Provinces of Río Negro, La Pampa, Buenos Aires, up to the Province of Santa Fe), as well as its complementary works, and the construction of the works for the expansion and strengthening of the National Natural Gas Transportation System.
- It created the “Transport.Ar Producción Nacional” Gas Pipeline System Program, within the scope of the Undersecretary of Hydrocarbons, with the purpose of:
 - (a) Executing the necessary works to promote the development and growth of natural gas production and supply,
 - (b) Substituting imports of LNG and Gas Oil—Fuel Oil used to supply priority demand and thermal generation plants, respectively,
 - (c) Ensuring the supply of energy,
 - (d) Guaranteeing the domestic supply under the terms of Laws Nos. 17,319, 24,076 and 26,741,
 - (e) Increasing the reliability of the energy system,
 - (f) Optimizing the national transportation system,
 - (g) Increasing natural gas exports to neighboring countries,
 - (h) Promoting regional gas integration on the basis of the principles set forth in the existing regulations on the matter.
- It approved the list of works to be executed within the framework of the “Transport.Ar Producción Nacional” Gas Pipeline System Program.
- The SdE shall conduct the Program, defining the prioritization of the works, projects and their corresponding stages, in order to guarantee the development of natural gas in the market, paying special attention to the current needs that need to be urgently addressed in the whole sector of the natural gas market, which includes its exploitation, development and transportation; in accordance with the objectives set forth in Resolution 67/2022 and with the provisions of Decree No. 892/2020 (Gas.Ar Plan) and Resolution No. 1. 036/2021 of the SdE. Likewise, it shall monitor the development of the Program, the planning and execution of the Works, with the assistance of a team of renowned experts hired for such purpose.

On February 14, 2022, Decree No. 76/2022 was published in the Official Gazette, whereby the National Executive Branch:

- Granted to IEASA a Transportation Concession (the “Concession”) over the President Néstor Kirchner Gas Pipeline.



- In its capacity as principal, IEASA may bid, contract, plan and execute the construction of the infrastructure works included in the “Transport.Ar Producción Nacional” Gas Pipeline System Program.
- The transportation tariffs applicable by IEASA for the provision of the transportation service granted by the Concession will be determined and adjusted by the Ente Nacional Regulador del Gas (“ENARGAS”).
- IEASA, with the approval of the Ministry of Economy, may enter into freely negotiated contracts relating to transportation capacity with producers and/or shippers for the construction or expansion, in whole or in part, of the Gas Pipeline. The transportation capacity thus contracted will not be subject to the tariffs approved by ENARGAS, which will be applied to the transportation capacity not committed in these contracts.
- YPF S.A. will have priority to contract transportation capacity with respect to which IEASA is entitled to freely contract, in which case it will have to prepay, totally or partially, the amount associated to such contracts, prior approval of the Ministry of Economy. With respect to transportation capacity not contracted, IEASA is obligated to allow indiscriminate access to third parties.
- IEASA, in exclusivity with YPF S.A., may jointly establish a scheme of technical collaboration, association, investment, or any other form of participation for the purpose of executing the programs and projects financed by the Solidarity and Extraordinary Contribution (pursuant to Law No. 27,605).
- IEASA may partially or totally assign the ownership of the Concession to YPF S.A., prior authorization from the SdE.

With the authorization of the SdE, IEASA may assign in guarantee or fiduciary capacity the collection rights over the collection of tariffs and rates of the concession in order to guarantee the compliance with the obligations of the financing that may be obtained for the construction of the Gas Pipeline. IEASA is empowered to enter into trust or guarantee assignment agreements.

- Created the administration and financial trust “Fondo de Desarrollo Gasífero Argentino” (“FONDESGAS”)-, of which IEASA is trustee and beneficiary, for the purpose of financing the works included in the Gas Pipeline System Program “Transport.Ar Producción Nacional”, including the repayment of the capital and interest services of the trust securities issued within its framework. The trustee and administrator of the trust assets is Banco de Inversión y Comercio Exterior S.A. (BICE).
- The assets of FONDESGAS shall be constituted, among others, by the following trust assets: (i) The resources from credit operations in the domestic or foreign market, for which purpose the most convenient financial instruments may be appealed to under the terms authorized by the Ministry of Economy; and (ii) the resources from the contracts for the sale of transportation capacity over the Gas Pipeline.

Guidelines for an Energy Transition Plan to 2030



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On November 1, 2021, Resolution No. 1036/2021 of the SdE was published in the Official Gazette, which approved the “Guidelines for an Energy Transition Plan to 2030.”

These guidelines list six economic policy objectives to characterize a productive structure that is (i) inclusive, (ii) dynamic, (iii) stable, (iv) federal, (v) sovereign and (vi) sustainable.

The document develops different energy scenarios and their impacts on the sector’s emissions forecast.

In terms of supply, two possible scenarios are presented. The first implies higher oil and natural gas requirements with a 20% share of renewable energy generation in the electricity matrix by 2030. The second scenario assumes higher natural gas requirements and relatively lower oil requirements, together with a higher share of renewable energies in electricity generation, reaching 30%.

Mexico’s Oil and Gas Industry Overview

According to the US’ International Trade Administration, Mexico is the thirteenth largest producer of oil in the world and has the third largest proved oil reserves in Latin America, after Venezuela and Brazil. Mexico has significant hydrocarbon resources with estimated oil and gas proved developed and undeveloped reserves of 7.98 Bnboe, 3P reserves of 22.85 Bnboe and estimated prospective resources of 112.9 Bnboe, in each case as of January 1, 2021, according to the CNH. Multiple formations exist to develop productive fields.



Mexico’s Basins. Source: Wood Mackenzie.

The Mexican subsurface has multiple geological plays and provides sizeable opportunities across the risk spectrum, from onshore mature fields to large deep-water projects. While oil and gas reserves are strongly concentrated in Southeast Basin plays, prospective resources are spread across multiple plays across several basins, which could lead to more opportunities for oil and gas participants to access previously untapped reservoirs. Mexico’s



total oil production has declined from 3.3 MMbbl/d in 2006 to 1.6 MMbbl/d in 2022 due to the decrease in production from the Cantarell field, according to the CNH. Nevertheless, during last three years oil production was generally stable, and opportunities exist for private operators and Pemex to increase production through the introduction of new technologies for the use and exploitation of fields more technically challenging resources from shallow and deep-water exploration, as well as secondary and tertiary recovery projects in onshore conventional fields and unconventional resource exploration.



Mexican Oil and Gas Reserves as of January 1, 2021
 (Bnboe)

Geological Basin	Cumulative production	Reserves	
		1P	3P
Southeast	52.3	6.0	14.3
Tampico Misantla	3.9	1.0	5.7
Burgos	2.9	0.2	0.3
Veracruz	1.0	0.7	2.1
Sabinas	0.1	0.0	0.0
Others*	0.2	0.1	0.4
Deepwater	0.0	0.0	0.0
Total Mexico	60.3	8.0	22.8

* Includes Cinturón Plegado de Chiapas and Plataforma Burro-Picachos

Source: Pemex and CNH.

Although the largest resources are in the offshore and shale plays, substantial potential still exists in onshore conventional reservoirs. Mexico's shale resource base is among the largest in the world and is located only a few hundred miles away from the more developed U.S. shale plays with which the formations share many similarities. According to the EIA, technically recoverable shale resources, estimated at 545 Tcf of natural gas and 13.1 Bnbl of oil, are potentially larger than the country's proven conventional reserves.

Multiple E&P plays across basins



Source: EIA.

Private investment opportunities are available across Mexico's energy industry, including oil and gas E&P, the development, the construction and the management of new pipeline capacity and the bolstering of existing capacity, the development and the building of liquids and gas storage and transport facilities and revamping the country's gasoline-station sector, among others, that will require significant amounts of capital.



In addition to these sources of opportunities for private investment, Mexico exhibits significant potential to increase oil production through the wider application of secondary and tertiary techniques, significantly enhancing current recovery factors. For example, a one percentage point increase in recovery factors would represent a volume of approximately 1.6 Bnbl (equivalent to more than two years of the total oil production of Mexico).

The 2013 Energy Reform

In 2013, Mexico's government proposed far-reaching constitutional reforms aimed at modernizing the energy industry and increasing access to the country's oil and gas reserves, production capacity and overall supply infrastructure to aid in Mexico's economic growth, increase fiscal revenues and strengthen the federal budget. Furthermore, and relying on the approved constitutional reforms, Mexico's Congress passed secondary economic and technical legislation in August 2014, impacting energy related activities ranging from upstream to downstream activities and from resource exploitation to power generation.

Particularly relevant for Mexico's oil and gas industry, the reforms sought to boost oil and gas exploration and production by allowing private investor participation for the first time in over 75 years and increasing access to technology, expertise, and capital. The regulatory framework adopted by the reforms is considered to have abided by policy best practices and transparency at an international level.

The reforms granted the E&P sector more independence from Pemex. Prior to the reform, the Mexican Constitution stated that Pemex must carry out, by itself, all of the activities of the country related to the oil and gas industry. With the energy reform, the figure of Exploration and Production Agreements (E&P Agreements) of hydrocarbons was incorporated into the Mexican Constitution. The E&P Agreements now allow private companies to participate in the national energy sector, including E&P activities as operators or non-operators, with the ability to report oil and gas reserves in their financial statements. Also, derived from the reform Pemex is allowed to partner with private companies to carry out various activities of the productive chain of the sector, giving Pemex access to much advanced capital, technology and know-how, as well as allowing it to become a more efficient state-owned productive enterprise.

There are three principal means for private entities to invest in Mexico's E&P sector: Pemex farm-outs, E&P services contract migrations, and CNH's bidding rounds.

Hydrocarbon tender rounds

As mentioned above, the energy reform allowed CNH to allocate E&P Agreements. The Mexican Ministry of Energy ("SENER") establishes prequalification requirements for each bidding round, such as the operational, technical, financial, and legal capabilities required, and the bidding process is conducted by a committee of CNH members.

SENER released the first five year (2015-2020) hydrocarbon tender plan (the "Five Year Plan") after the enactment of the energy reforms. The Five Year Plan was intended to be a blue print of the government's strategy to increase hydrocarbon production, replenish existing reserves and maximize interest from participants in future licensing rounds.

As of the date of this annual report, the CNH has awarded and executed 104 contracts of exploration and production. Of those, 48 (44.23%) have been onshore, while approximately 31 (29.80%) have been in shallow waters and 28 (25.96%) have been in deep waters. In 2021, production reached a total aggregate amount of 1,637,340.00 Mbd of oil and 2,548,953.00 MMpcd of natural gas.

To date, the Mexican government has successfully completed the first, second and third bidding rounds. One hundred and four blocks were awarded through nine different tenders, 38 in Round 1, 50 in Round 2 and 16 in Round 3. Many reputable international oil and gas companies have been awarded blocks in these rounds, including, among others, Total, Shell, ENI, Petronas, Ecopetrol, Repsol, Murphy, Ophir, Premier, Statoil, DEA, Lukoil, CNOOC, Pan American, Fieldwood and Talos. These represent the first E&P Agreements awarded in Mexico since 1938.



On December 11, 2018, the CNH cancelled the second and third bids for Round 3. This was due to the fact that SENER required the withdrawal of all the blocks that were going to be tendered in order to carry out a greater analysis of the prospects incorporated in the tenders. Further, during a press conference held on January 24, 2020 the head of SENER stated that hydrocarbon tender rounds and farm-outs are not currently a part of the Federal Government's plans to increase oil production.

In October 2021, the government presented the Five Year Plan for 2020-2024. This new plan is characterized by prioritization of investments in shallow waters and conventional onshore areas, excluding unconventional onshore areas and deep-water. Pursuant to the Five Year Plan for 2020-2024, the Federal Government determined that the current administration will not undertake new bids to award contractual areas for exploration and production activities until the current contracts can demonstrate that profits have been obtained.

Farm-outs

Farm-outs are a mechanism by which a license holder to an energy resource assigns an interest in the license to another party. Pemex is using farm-outs to partner with international E&P operators with the financial resources and expertise to accelerate development and extract value from its extensive hydrocarbon asset base. The first farm-out contract was assigned in December 2016 to BHP Billiton, resulting in a partnership with Pemex to develop the Trion deep-water oilfield in the Perdido area.

In its 2017-2021 business plan, Pemex unveiled an aggressive farm-out program aimed at attracting new private sector partners. The farm-out projects include opportunities in onshore, shallow water and deep-water fields. Some of these fields are already in the production phase and represent over 1,000 square kilometers and 4,139 MMboe of Mexico's 3P reserves. Pemex estimates that these assets will require over US\$40 billion to develop. Pemex hopes to increase production in its fields by 15% through these farm-out agreements, according to Pemex's *Plan de Negocios 2017-2021*.

The first farm-out agreement for the Trion field was executed in March 2017 by Pemex and BHP Billiton. In March 2017, the CNH, began a tender process for the second production sharing agreement with Pemex in the shallow waters of the Ayín-Batsil fields in the Gulf of Mexico and, in September of the same year, the process for the farm-out in the deep water gas Nobilis Maximino field initiated. The first tender was declared null and the other process was canceled in December. In October 2017, two partnership processes were finalized in the Cárdenas Mora (3P reserves: 93.19MMboe) and Ogarrio (3P reserves: 53.97MMboe) fields. The farm-outs were awarded to Cheiron Holding Limited and DEA Deutsche Erdoel AG, respectively.

In April 2018, CNH published the tender CNH-A6-7 Associations/2018, to partner with Pemex through a "farm-out" for the extraction of oil in a group of fields in the Mexican states of Veracruz, Tabasco and Chiapas; however, on June 13, 2019 CNH canceled such tender, due to the fact that all fields were withdrawn as consequence of Pemex's forfeit of the migration processes that gave rise to the tender. During a press conference held on January 24, 2020 the head of SENER stated that hydrocarbon tender rounds and farm-outs are not currently a part of the Federal Government's plans to increase oil production.

E&P Services Contract Migration

The energy reform also provides for Pemex to migrate existing oil and gas integrated E&P services contracts to production sharing agreements or licenses, as a means to continue boosting investment in the E&P sector. These contracts were signed by Pemex and private companies prior to the energy reform and were known as *Contratos Integrales de Exploración y Producción* and *Contratos de Obra Pública Financiada* contracts. With the newly enacted regulatory regime, it is expected that these services contracts will migrate into E&P services contracts, transforming the relationship with Pemex from a service contractor into a joint venture. Pemex has identified a total of 22 service contracts which it plans to migrate in two separate blocks. The contract migration process began in 2015 and as of the date of this annual report 5 integrated E&P services contracts have been successfully migrated to production sharing agreements or licenses.



Oil and Gas Services Sector

Oil and Gas service companies are well established across the country, providing their services to onshore and offshore operations. All major international oil and gas service companies are present, with an increasing amount of small local providers available for certain activities at competitive costs.

Midstream and Downstream Infrastructure

There have been a number of investments in infrastructure development, which has included important investments in midstream and downstream facilities. For example, the progress made in the construction of the Dos Bocas refinery and the purchase of the Deer Park refinery in Houston, soon to be finalized, are part of a strategy to reduce all hydrocarbon imports, with the objective of leading to self-sufficiency in terms of refined products.

Oil and Gas Regulatory Framework in Mexico

Upstream and Downstream

On December 21, 2013, a decree amending several articles of the Mexican Constitution was enacted, by means of which Articles 25, 27, and 28 of the Mexican Constitution were amended leading to the opening of the oil, natural gas, and power sectors to private investment.

In August of 2014, Congress passed secondary laws to implement the reforms. The reforms allow the Mexican government to grant contracts to private-sector entities in the upstream sector through public tenders. These amendments also allow private-sector entities to obtain permits for the processing, refining, marketing, transportation, storage, import and export of hydrocarbons, including the processing, compression, liquefaction, regasification, transportation, distribution, marketing and retail of natural gas, the transportation, storage, distribution, marketing and retail of oil products, including NGL, and the transportation (through pipelines) and related storage of petrochemicals, including ethane.

The legislation enacted in 2014 includes the Mexican Hydrocarbons Law (*Ley de Hidrocarburos*), which preserves the concept of state ownership over hydrocarbons while located in the subsoil but allows private companies to take ownership over the hydrocarbons once they are extracted. The Mexican Hydrocarbons Law allows private-sector entities holding a permit granted by the Mexican Energy Regulatory Commission to store, transport, distribute, commercialize and carry out direct sales of hydrocarbons, as well as to own and operate pipelines and liquefaction, regasification, compression and de-compression stations or terminals, and related equipment in accordance with technical and other regulations. In addition, private-sector entities may import or export hydrocarbons subject to a permit from the SENER.

Permits granted prior to the enactment of the Mexican Hydrocarbons Law, including their general terms and conditions, will remain in force during their original term, and rights held by permit-holders will not be affected by the new laws and regulations. However, new permits, such as marketing permits granted by the Mexican Energy Regulatory Commission and import and export permits granted by the SENER are required. Additionally, legislation requires that oil companies make small percentage payments to landowners for any oil or gas extracted on their property. It also increased the amount of oil revenue that is to be transferred to local and state governments.

On May 4, 2021, the bill to reform and amend the Hydrocarbons Law (*Ley de Hidrocarburos*) introduced by President López Obrador to the Chamber of Deputies on March 26, 2021, was published on the Official Gazette (the “Hydrocarbons Law Reform”). In general terms, the Hydrocarbons Law Reform affects the permit regime originally set forth in the Hydrocarbons Law, by granting greater powers to the Ministry of Energy (SENER) and the CRE to grant, review and revoke the different permits contemplated in the Hydrocarbons Law. The main objectives of the Hydrocarbons Law Reform include, among others: (i) compliance with the public policy of minimum storage of petroleum products issued by the SENER; (ii) increasing the regulation of the revocation of existing permits; (iii) combating fuel theft (illegal bunkering); (iv) providing for the suspension of permits in the event of a national security issue; and (v) including new causes for the revocation of permits.



Moreover, the Hydrocarbons Law Reform wrestles back public control of Mexico's fuel sales sector. Consequently, the Hydrocarbons Law Reform has a greater impact on entities in the downstream and midstream segments. The amendments introduced by the Hydrocarbons Law Reform affect all kinds of permits, indistinctly, resulting in SENER and CRE having the ability to: (i) revoke, suspend or intervene, export and commercialization permits of hydrocarbons; (ii) liquefaction, transportation and storage of natural gas, oil or petroleum products; and (iii) import, commercialization, distribution and retail of petroleum products.

However, the Mexican Judiciary has demonstrated its independence and adherence to the rule of law, by admitting more than five thousand injunctions to halt the entry into force of some of the most controversial measures adopted by the current Mexican Government and minimize the impact of the amendments of the Hydrocarbons Law Reform. However, recent events and enactments continue to generate criticism and uncertainty, according to various organizations and stakeholders in the industry.

While the Hydrocarbons Law Reform, in principle, does not seem to affect the activities of hydrocarbons exploration and production under our E&P license contracts, it is important to note that, given the broad authority granted to the CRE and SENER, the Hydrocarbons Law Reform may potentially impact our sale of crude oil and natural gas, as such activity is executed through our commercialization permit granted by the CRE (and may indirectly affect the development of our E&P activities under our license contracts).

Additionally, on September 30, 2021, President Andrés Manuel López Obrador, introduced a constitutional initiative to reform the energy sector in Mexico to the Chamber of Deputies (the "Reform"). The Reform basically consists of modifying certain guidelines and precepts of the Mexican energy sector by modifying articles 25, 27 and 28 of the Mexican Constitution and its corresponding modification to the secondary laws, mainly the Electric Industry Law (*Ley de la Industria Eléctrica*). As with any other constitutional reform, to become law the Reform requires the approval of two thirds of the Congress (both the Chamber of Deputies and the Chamber of Senators), and the approval of the majority of the state congresses.

On April 17, 2022, the Reform was voted in the Chamber of Deputies. With 275 votes in favor, 223 against and zero abstentions, the Reform was not approved despite having more votes in favor, as it did not gather the sufficient votes to reach the qualified majority on the Chamber of Deputies (333 votes in favor) required for the Energy Reform to pass. As a consequence, the energy sector, at a constitutional level, remains unchanged as it was approved during the 2013 Energy Reform.

The Reform intended for the Mexican State to retake control of the electricity sector through its state-owned productive company, the Federal Electricity Commission (*Comisión Federal de Electricidad*, "CFE") through, among others, the establishment of the following conditions:

- a) both CFE and Pemex would have ceased to be productive state-owned companies and would have become governmental entities, by once again becoming companies wholly controlled by the Federal Government in charge of securing Mexico's energy sovereignty;
- b) the cancellation of all power generation permits (including all permit applications pending resolution) and power purchase agreements currently in force, as well as the non-recognition of self-supply and independent power producer permits modified and in force prior to the 2013 Energy Reform;
- c) CFE would have had the constitutional right to generate at least 54% (fifty-four) percent of Mexico's electrical power, leaving the remaining 46% (forty-six) percent to the private sector;
- d) CFE would have been granted the authority to determine Transmission and Distribution tariffs and effectively nullify the Clean Energy Certificates program (CELS); and
- e) CNH would have been absorbed by SENER and no longer would have been an independent regulator.



Reserves and Resources Certification in Mexico

On August 13, 2015, CNH published a set of guidelines (the “CNH Guidelines”) that governs the valuation and certification of Mexico’s reserves and the related contingency resources. The CNH Guidelines follow the same SPE/WPC/AAPG international standards as those described with respect to the reserves and resources certification process in Argentina (see “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Reserves and Resources Certification in Argentina”). Therefore, the processes for reserves classification and certification in Mexico are similar to those described with respect to Argentina.

Economic valuation criteria established by the CNH for proved reserves also follow the U.S. Securities and Exchange Commission’s definitions in Rule 4-10(a) of Regulation S-X which establishes that selling prices considered shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period.

Regulatory Entities

For midstream and downstream activities, including oil refining and natural gas processing, the Hydrocarbons Law establishes a permit regime that is granted by the SENER and the Energy Regulatory Commission (*Comisión Reguladora de Energía* or “CRE”), as applicable. The Hydrocarbons Law also sets forth the process by which entities may apply for these permits.

The SENER is responsible for developing the country’s upstream policy, including the determination of which areas will be made available through public bidding. They decide the bidding schedule and the contract models that are to apply. Additionally, they approve all non-fiscal terms of the contract. The Ministry of Finance (SHCP) approves all fiscal terms that apply to the contracts. The Ministry of Finance also participates in audits.

The CNH conducts the bidding rounds that award contracts to oil companies and consortiums of companies. They interface with Pemex and private companies and manage all E&P contracts. Permits for the transportation, storage, distribution, compression, liquefaction, decompression, regasification, marketing, and sale of crude oil, oil products, and natural gas are granted by the CRE.

The National Agency for Industrial Safety and Environment Production is a new agency created by the energy reforms. This agency regulates all safety and environmental concerns. The National Natural Gas Control Center (“CENEGAS”) is another recently-created federal agency. It is responsible for managing the system for gas distribution and storage, a task that previously belonged to Pemex.

The Mexican Federal Economic Competition Commission (“COFECE”) is an independent body of the Mexican government that has joint jurisdiction in the activities of natural gas, NGL, oil products and ethane concerning the prevention of, and enforcement against, monopolistic practices and economic concentrations. With the approval of COFECE, the Mexican Energy Regulatory Commission may issue new regulations to develop competitive markets in the hydrocarbons sector, which may include bundling restrictions, shareholder limitations, and caps in economic operators’ participation in marketing activities.

State Oil Company

As a result of the energy reform, Pemex was transformed from a decentralized public entity into a productive state-owned company on October 7, 2014—the day on which the new Pemex Law took effect, with the exception of certain provisions. As a productive state-owned company, Pemex remains wholly owned by the Mexican government and has the corporate purpose of generating economic value and increasing the income of the Mexican nation subject to principles of equity, as well as social and environmental responsibility.

Transportation

Before the energy reform, Pemex had exclusivity on certain activities such as processing, storage, transportation, distribution and marketing of petroleum products. The energy reform allows private sector participation in the construction and operation of oil products storage and transportation facilities.



The development of midstream and downstream natural gas activities, NGL, ethane and other oil derivatives are subject to the provisions of the Mexican Hydrocarbons Law, the Mexican Energy Sector Coordinated Regulatory Agencies Law (*Ley de los Órganos Reguladores Coordinados en Materia Energética*), the Mexican National Agency for Industrial Safety and Protection of the Environment of the Hydrocarbons Sector Law (*Ley de la Agencia Nacional de Seguridad Industrial y de Protección al Medio Ambiente del Sector Hidrocarburos*), the Mexican Hydrocarbon General Regulations, the Regulations Relating to the Activities Specified in Title Three of the Mexican Hydrocarbons Law and applicable environmental and safety regulations. Directives and General Rules (*Disposiciones Administrativas de Carácter General*) issued by the Mexican energy and environmental authorities, Mexican Official Standards (*Normas Oficiales Mexicanas*) and terms and conditions set forth in related permits also regulate our activities. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments— Our operations are subject to extensive regulation in the countries in which we operate.”

Building and operating natural gas, LNG, NGL, ethane and oil products storage facilities, pipelines and distribution systems require governmental permits and authorizations from federal, local and municipal authorities, such as the Mexican Energy Regulatory Commission, the Mexican Federal Economic Competition Commission, SEMARNAT, ASEA and the SENER, real estate rights-of-way, and other related authorizations. Permits issued by the Mexican Energy Regulatory Commission also impose a series of regulatory obligations and specific terms and conditions commonly referred to as “general terms and conditions” (*Términos y Condiciones Generales*).

Market Regulations

In the past, the Mexican government has imposed price controls on the sales of natural gas, NGL, gasoline, diesel, gas oil intended for domestic use, fuel oil and other products. In accordance with the 2017 Federal Revenue Law (*Ley de Ingresos de la Federación para el Ejercicio Fiscal de 2017*), during 2017 the Mexican government gradually removed price controls on gasoline and diesel as part of the liberalization of fuel prices in Mexico. To date, sale prices of gasoline and diesel have been fully liberalized and are determined by the free market.

However, on June 11, 2021, the Mexican Tax Administration Service (*Servicio de Administración Tributaria SAT*) published in the Federal Official Gazette the Seventh Resolution of Amendments to the General Rules of Foreign Trade for 2020 (*Séptima Resolución de Modificaciones a las Reglas Generales de Comercio Exterior para 2020*). In particular, the amendment to Rule 2.4.1. has generated uncertainty among investors in the sector. The amendment implies that only State-owned productive enterprises (PEMEX or CFE) and their subsidiaries may obtain (i) the authorization to import or export hydrocarbons, fuels, petrochemicals, and other products from a place other than the authorized location or, (ii) the extension of such authorization. As a result, private investors may only import and export said products through customs, customs sections, international airports, authorized border crossings, ports, railway terminals that have customs services, and the other locations set forth in Article 9 of the Regulation of the Customs Law (*Reglamento de la Ley Aduanera*); while the State-owned companies will not be bound by such restrictions. This amendment, among other things, may (i) significantly restricts the private sector’s options to export from, and import petrochemicals and hydrocarbons to Mexico; and (ii) put at risk the continuity and execution of business plans and investment projects in the development of new supply chains and infrastructure in the energy sector.

Federal Environmental Law

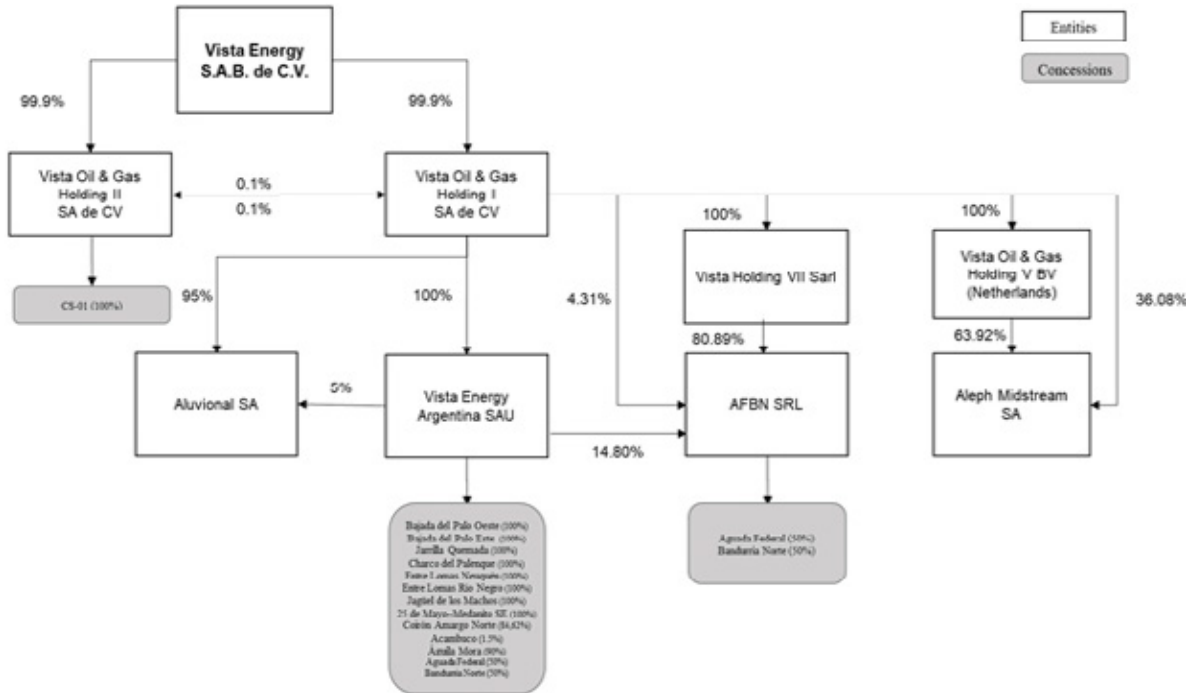
The Mexican Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*) enacted on July 7, 2013 regulates environmental liability arising from damages to the environment including remediation and compensation. In the event of intentional and unlawful action or inaction, the responsible party will be fined up to approximately 48 million Mexican Pesos for 2017. This liability regime is independent from administrative, civil or criminal liability regimes, which may be applicable depending on the performed conduct.

Environmental liability may be attributed to an entity for conduct carried out by its representatives, managers, directors, employees, or officers who are directly involved in operations. The statute of limitations to claim environmental liability is twelve years from the date of the environmental damage. The law allows the interested parties to solve disputes by means of alternative dispute resolution mechanisms, provided that public interest or third party rights are not affected.



ORGANIZATIONAL STRUCTURE

The following diagram shows our main subsidiaries as of the date of this annual report:



PROPERTY, PLANT AND EQUIPMENT

We have freehold and leasehold interests, but there is no specific interest that is individually material to us. The majority of our property, consisting of oil and gas reserves, oil and gas wells and corporate office buildings are located in Argentina. In each of the countries in which we operate, the state is the exclusive owner of all hydrocarbon resources located in such country and has full authority to determine the rights, royalties or compensation to be paid by private investors for the exploration or production of any hydrocarbon reserves. In Argentina, the Argentine Republic grants such rights through exploitation concessions. In Mexico, the Mexican State performs E&P activities through entitlements, granted to productive state-owned companies, or by granting productive state-owned companies or private entities, individually or under a consortium, exploration and extraction agreements. Entitlements and exploration and extraction agreements have different regulatory schemes. Entitlements can only be granted to productive state-owned companies (in Mexico, only PEMEX), and are assigned directly by the Mexican government. In contrast, exploration and extraction agreements are granted through public and competitive bidding processes held by CNH.

We are subject to several environmental laws and regulations promulgated by local and federal governments in Argentina and Mexico which may affect the utilization of the assets. In addition, other environmental issues may influence the Company's use of property, plant and equipment. See "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry— The oil and gas industry is subject to particular operational and economic risks" and "Item 4—Information on the Company—Business Overview — ESG Matters."



ITEM 4.A UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in “Forward-Looking Statements” and “Item 3—Key Information—Risk Factors” and the matters set forth in this annual report generally.

The following discussion is based on, and should be read in conjunction with our Audited Financial Statements and related notes contained in this annual report.

ITEM 5A. OPERATING RESULTS

The following table presents our selected financial data as of and for each of the years in the three-year period ended December 31, 2021. Our historical results for any prior period do not necessarily indicate results to be expected for any future period.

The selected consolidated statement of comprehensive income for the years ended December 31, 2021, 2020 and 2019 and the selected consolidated statement of financial position as of December 31, 2021 and 2020, have been prepared in accordance with IFRS as issued by the IASB and have been derived from our Audited Financial Statements included elsewhere in this annual report.

We qualify as an “emerging growth company” pursuant to the JOBS Act. An emerging growth company may take advantage of specified reduced reporting and other requirements that are otherwise applicable generally to public companies. We have elected to adopt certain of the reduced disclosure requirements available to emerging growth companies.

All of the summary financial information included in the following tables is denominated in U.S. Dollars. The financial data that has been derived from our Audited Financial Statements was prepared in accordance with IFRS. For further information, see “Presentation of Information—Financial Statements and Information.”

You should read the information below in conjunction with our Audited Financial Statements, including the notes thereto, as well as the sections “Presentation of Financial Information.”



	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
	(in thousands of US\$)		
Revenue from contracts with customers	652,187	273,938	415,976
Cost of sales			
Operating costs	(107,123)	(88,018)	(114,431)
Crude oil stock fluctuation	(905)	3,095	310
Depreciation, depletion and amortization	(191,313)	(147,674)	(153,001)
Royalties	(86,241)	(38,908)	(61,008)
Gross profit	266,605	2,433	87,846
Selling expenses	(42,748)	(24,023)	(27,138)
General and administrative expenses	(45,858)	(33,918)	(42,400)
Exploration expenses	(561)	(646)	(676)
Other operating income	23,285	5,573	3,165
Other operating expenses	(4,214)	(4,989)	(6,180)
Reversal / (Impairment) of long-lived assets	14,044	(14,438)	—
Operating profit / (loss)	210,553	(70,008)	14,617
Interest income	65	822	3,770
Interest expense	(50,660)	(47,923)	(34,163)
Other financial results	(7,194)	4,247	(715)
Financial results, net	(57,789)	(42,854)	(31,108)
Profit / (Loss) before income tax	152,764	(112,862)	(16,491)
Current income tax (expense) / benefit	(62,419)	(184)	(1,886)
Deferred income tax (expense) / benefit	(39,695)	10,297	(14,346)
Income tax (expense) / benefit	(102,114)	10,113	(16,232)
Profit / (loss) for the year	50,650	(102,749)	(32,723)
Other comprehensive income			
<i>Other comprehensive income that shall not be reclassified to profit or loss in subsequent periods</i>			
- (Loss) / profit from actuarial remediation related to defined benefit plans	(4,513)	460	(1,577)
- Deferred income tax benefit / (expense)	2,048	(114)	394
Other comprehensive income that shall not be reclassified to profit or loss in subsequent years	(2,465)	346	(1,183)
Other comprehensive income for the year, net of income taxes	(2,465)	346	(1,183)
Total comprehensive profit / (loss) for the year	48,185	(102,403)	(33,906)
(Losses)/Earnings per share attributable to equity holders of the parent			
Basic (In U.S. Dollars per share):	0.574	(1.175)	(0.409)
Diluted (In U.S. Dollars per share):	0.543	(1.175)	(0.409)
Adjusted EBITDA(1)	380,107	95,607	170,862
Adjusted EBITDA margin(2)	58%	35%	41%
Adjusted Net Income (3)	78,483	(115,106)	(25,217)

(1) We calculate Adjusted EBITDA as (loss)/profit for the year/period plus income tax expense, financial results, net, depreciation, depletion and amortization, transaction costs related to business combinations, restructuring and reorganization expenses, bargain purchase on business combination and gain from asset disposals and impairment (recovery) of long-lived assets. We present Adjusted EBITDA because we believe it provides investors with a supplemental measure of the financial performance of our core operations that facilitates period to period comparisons on a consistent basis. Our management uses Adjusted



EBITDA, among other measures, for internal planning and performance measurement purposes. Adjusted EBITDA is not a measure of liquidity or operating performance under IFRS and should not be construed as an alternative to net profit, operating profit, or cash flow provided by operating activities (in each case, as determined in accordance with IFRS). Adjusted EBITDA, as calculated by us, may not be comparable to similarly titled measures reported by other companies.

- (2) We calculate Adjusted EBITDA margin by dividing Adjusted EBITDA by revenues from contracts with customers.
- (3) We calculate Adjusted Net Income as net income plus deferred income tax expense (benefit), plus changes in fair value of warrants, and plus impairment loss (recovery) of long-lived assets. We add back these three adjustments since they are non-cash items that do not reflect the fair net income generation of the Company.

The following table sets forth the reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin and Net Debt:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
	(in thousands of US\$)		
Profit / (loss) for the year	50,650	(102,749)	(32,723)
Income tax expense (benefit)	102,114	(10,113)	16,232
Financial results, net	57,789	42,854	31,108
Depreciation, depletion and amortization	191,313	147,674	153,001
Restructuring and reorganization expenses	2,284	4,886	3,244
Bargain purchase on business combination and gain from asset disposals.	(9,999)	(1,383)	—
Impairment (recovery) loss of long-lived assets	(14,044)	14,438	—
Adjusted EBITDA	380,107	95,607	170,862
Revenue from contracts with customers	652,187	273,938	415,976
Adjusted EBITDA margin	58%	35%	41%

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
	(in thousands of US\$)		
Profit / (loss) for the year	50,650	(102,749)	(32,723)
Adjustments:			
(+) Deferred Income tax	39,695	(10,297)	14,346
(+) Changes in the fair value of Warrants	2,182	(16,498)	(6,840)
(+) Impairment (recovery) loss of long-lived assets	(14,044)	14,438	—
Adjustments to Net Income/Loss	27,833	(12,357)	7,506
Adjusted Net Income/Loss	78,483	(115,106)	(25,217)

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
	(in thousands of US\$)		
Current and non-current borrowings	610,973	539,786	451,413
Cash, bank balances and other short term investments	315,013	202,947	260,028
Net Debt	295,960	336,839	191,385



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Selected Consolidated Statement of Financial Position

	As of December 31, 2021	As of December 31, 2020
Assets		
Non-current assets		
Property, plant and equipment	1,223,982	1,002,258
Goodwill	28,416	28,484
Other intangible assets	3,878	21,081
Right-of-use assets	26,454	22,578
Investments in associates	2,977	—
Trade and other receivables	20,210	29,810
Deferred income tax assets	2,771	565
Total noncurrent assets	1,308,688	1,104,776
Inventories	13,961	13,870
Trade and other receivables	46,096	51,019
Cash, bank balances and other short-term investments	315,013	202,947
Total current assets	375,070	267,836
Total assets	1,683,758	1,372,612
Capital stock	586,706	659,400
Share-based payments	31,601	23,046
Other accumulated comprehensive losses	(5,976)	(3,511)
Accumulated losses	(47,072)	(170,417)
Total Equity	565,259	508,518
Deferred income tax liabilities	175,420	135,567
Lease liabilities	19,408	17,498
Provisions	29,657	23,909
Borrowings	447,751	349,559
Warrants	2,544	362
Employee benefits	7,822	3,461
Trade and other payables	50,159	0
Total noncurrent liabilities	732,761	530,356
Provisions	2,880	2,084
Lease liabilities	7,666	6,183
Borrowings	163,222	190,227
Salaries and payroll taxes	17,491	11,508
Income tax liability	44,625	0
Other taxes and royalties	11,372	5,117
Trade and other payables	138,482	118,619
Total current liabilities	385,738	333,738
Total liabilities	1,118,499	864,094
Total equity and liabilities	1,683,758	1,372,612
Dividends and Shares		
Number of shares	89,178,231	87,851,288
Dividends declared	—	—
Dividends declared per-share	—	—



Source of Revenues

Vista is principally engaged in the oil and gas business in the E&P industry. Our oil and gas operations derive revenues mainly from the sale of crude oil, natural gas, and NGL. During the year ended December 31, 2021, oil sales contributed 91% of our total revenues, natural gas sales contributed 8% of our total revenues and NGL sales contributed 1% of our total revenues. During the year ended December 31, 2020, oil sales contributed 86.4% of our total revenues, natural gas sales contributed 12.3% of our total revenues and NGL sales contributed 1.4% of our total revenues. During the year ended December 31, 2019, oil sales contributed 81.3% of our total revenues, natural gas sales contributed 17.2% of our total revenues and NGL sales contributed 1.5% of our total revenues. During 2021, most of our revenues were generated in Argentina. For the periods of 2020 and 2019 all of our revenues were generated in Argentina.

Our sales volumes directly impact our results of operations. As reservoir pressure declines, production from a given well or formation decreases. Growth in our future production and reserves will depend on the development of our acreage and the corresponding capital expenditure, which will determine our ability to add proved reserves in excess of our production. Accordingly, we plan to maintain our focus on adding reserves by further drilling our acreage, in particular our shale acreage and testing additional stacked pay zones and reducing well spacing. Our ability to add reserves through acquisitions is dependent on many factors, including prevailing market conditions and our ability to raise capital, obtain regulatory approvals, procure drilling rigs and personnel and successfully identify and consummate acquisitions.

Our business is inherently volatile due to the influence of external factors, such as domestic demand, market prices, availability of financial resources for our business plan and its corresponding costs and government regulations. Consequently, our past financial condition, results of operations and the trends indicated by such results and financial condition may not be indicative of current or future financial conditions, results of operations or trends.

We sell our oil and gas to many creditworthy purchasers. Since our production is sold in the commodities market where several customers or markets are accessible to us, we do not believe the loss of any customer would have a material adverse effect on our business.

Production Results and Other Operating Data

The following table sets forth summary unaudited information about the oil and natural gas historical production volumes and other relevant operating and financial data of the assets we own in Argentina and Mexico. For the year ended December 31, 2021, the historical production volumes and other relevant operating data included below was calculated at their respective working interest percentages, including 100% working interest in 25 de Mayo-Medanito, Jagüel de los Machos, Entre Lomas, Agua Amarga, Bajada del Palo Oeste and Bajada del Palo Este concessions, 84.62% in Coirón Amargo Norte, 1.5% in Acambuco, 90% in Águila Mora, 10% in Coirón Amargo Sur Oeste fully divested on April 1, 2021, 50% working interest in Aguada Federal and Bandurria Norte as of September 16, 2021, and 50% working interest in the block CS-01 increased to 100% on March 25, 2021, 50% working interest A-10 and TM-01 fully divested on August 23, 2021. Royalties payable to provinces have not been deducted from our net production amounts given that substantially all of our production is currently in Argentina and under Argentine law royalties constitute a production tax payable in cash (and do not give provinces a direct interest in such production to make lifting and sales arrangements independently). We account for royalties as cost of sales.

	Year ended December 31 2021	Year ended December 31 2020	Year ended December 31, 2019
Net production volumes(1):			
Oil (MMbbl)	11.1	6.7	6.7
Natural Gas (Bn cf)	16.4	15.8	20.8
NGL (MMboe)	0.2	0.2	0.3
Total (MMboe)	14.2	9.7	10.6



	Year ended December 31 2021	Year ended December 31 2020	Year ended December 31, 2019
Average daily net production (boe/d)	38,845	26,594	29,112
Average realized sales price:			
Oil (US\$/bbl)	54.9	37.2	53.0
Natural Gas (US\$/MMBtu)	3.2	2.0	3.3
NGL (US\$/tn)	312	205	272
Average realized sales price (US\$/boe)	46.0	28.1	39.1
Average unit costs (US\$/boe)(2):			
Operating expenses	7.6	9.0	10.8
Royalties(3)	6.1	4.0	5.7
Depreciation, depletion and amortization	13.5	15.2	14.4
Other data (in thousands of US\$)			
Operating expenses	107,123	88,018	114,431
Royalties(3)	86,241	38,908	61,008
Depreciation, depletion and amortization	191,313	147,674	153,001

- (1) Measured based on our working interest. There was no production due to others during the applicable periods. Oil production is comprised of production of crude oil, condensate and natural gasoline. Natural gas production excludes natural gas consumption. NGL production is comprised of production of propane and butane (LPG) and excludes natural gasoline.
- (2) We calculate average unit costs per boe by dividing operating expenses, royalties or depreciation, depletion and amortization for the relevant period, as applicable, by average daily net production multiplied by days in each period (365 days for 2019, 366 days for 2020 and 365 days for 2021).
- (3) Measured based on our working interest. Royalties are applied to the total production of the concessions, and are calculated by applying the applicable royalty rate to the production, after discounting certain expenses in order to bring the value of the cubic meter of crude oil, natural gas and liquefied gas at a price from wellhead.

The following table highlights certain operating data through the end of the fourth quarter of 2021:

	2021			
	Three-month period ended December 31,	Three-month period ended September 30,	Three-month period ended June 30,	Three-month period ended March 31,
Average Brent Oil Price (US\$per bbl)(1)	79.7	73.2	69.1	61.3
Average Medanito Crude Oil Price (US\$per bbl)(2)(3)	56.54	53.95	52.27	49.49
Average Natural Gas Price (US\$per MMBtu)(3)	2.74	3.66	3.38	2.21
Net production volumes:				
Oil (MMbbl)	2.98	2.85	2.87	2.38
Natural Gas (Bnct)	4.2	4.5	4.1	3.6
NGL (MMboe)	0.05	0.05	0.04	0.04
Total (Mboe)	3.78	3.70	3.63	3.07
Average realized sales price:				
Oil (US\$/bbl)	60.6	57.0	54.9	45.5
Natural Gas (US\$/MMBtu)	2.7	4.1	3.5	2.0
NGL (US\$/tn)	407	341	314	244
Lifting Cost (US\$/boe)	8.0	7.3	7.3	7.5
Number of conventional wells drilled	2	4	1	0
Number of shale wells drilled	7	4	4	4
Revenue from contracts with customers	196,004	175,005	165,277	115,901

- (1) Source: Bloomberg.
- (2) Light oil extracted from the Neuquina Basin. Source: Argentine Secretariat of Energy.



- (3) *Source:* Argentine Secretariat of Energy.
- (4) *Source:* Argentine Secretariat of Energy and US\$/AR\$exchange rate according to Communication “A” 3500 of the Argentine Central Bank.

Factors Affecting our Results of Operations

Our operations are affected by a number of factors, including:

- (i) the volume of crude oil, natural gas and liquid gas we produce and sell;
- (ii) the effects of the COVID-19 outbreak and the measures adopted by the countries in which we operate as a result of the pandemic;
- (iii) pricing regulation, mainly related to gas;
- (iv) export administration by the Argentine and Mexican governments and domestic supply requirements;
- (v) international and domestic prices of crude oil and oil products;
- (vi) discount of our oil production to market prices;
- (vii) our capital expenditures and financing availability;
- (viii) cost increases;
- (ix) market demand for hydrocarbon products;
- (x) operational risks, labor strikes and other forms of public protest;
- (xi) taxes, including export taxes;
- (xii) regulation of capital flows;
- (xiii) exchange rates;
- (xiv) interest rates; and
- (xv) changes to demand for hydrocarbon products and related services as the result of COVID-19 pandemic related disruptions.

Our business is inherently volatile due to the influence of external factors, such as domestic demand, market prices, availability of financial resources for our business plan and its corresponding costs and government regulations and policies. Consequently, our past financial condition, results of operations and trends indicated by such results and financial condition may not be indicative of current or future financial conditions, results of operations or trends.

Discovery and Exploitation of Reserves

Our results of operations depend to a large extent on our level of success in the exploration campaigns and appraisal of wells, the implementation of secondary and tertiary recovery projects in our conventional blocks, and in the further delineation of stack landing zones and the reduction of well spacing in our Vaca Muerta shale acreage. While we have geological reports evaluating certain proved, contingent and prospective reserves in our blocks, there is no assurance that we will continue to be successful in the exploration, appraisal, development and commercialization of oil and gas. The calculation of our geological and petrophysical estimates is complex and imprecise, which means it is possible that our future exploration will not result in additional discoveries, and, even if we are able to successfully make such discoveries, it is uncertain whether the discoveries will be commercially viable to produce.

Funding our capital expenditures partially relies on oil prices remaining close to, or higher than, our estimates together with other factors to generate sufficient cash flow. Low oil prices may affect our revenues, which in turn may affect our debt capacity and remaining within the leverage ratios defined in the covenants in our financing agreements, as well as our cash flow from operations. Our operations, investor confidence and share price could be adversely affected if we are not able to generate enough cash flows to fund our future operating expenses and capital expenditures.



If average realized oil prices are higher than expected, we would have the ability to allocate additional capital to engage in new in-house projects, potential acquisition opportunities and accelerate the pace of existing operations, in all cases leading to a potential increase of our oil and gas production and cash flows.

Our operations results would be adversely affected in the event that our oil and natural gas reserves and the capital expenditure return does not meet our expectations. In addition, we focus on several factors when analyzing new investment in our blocks or potential acquisitions. As a consequence, it is uncertain whether we will focus in the development of our current assets or make any acquisitions to increase our current production and reserves. Our business, results from operations and financial condition may be materially affected if we do not deploy the necessary capital expenditures to increase the reserves of our current blocks or increase our reserves through profitable acquisition opportunities.

Availability and Reliability of Infrastructure

Our business depends on the availability and reliability of operating and transportation facilities in the areas we operate. Prices, together with the availability of equipment and infrastructure, with the corresponding maintenance thereof, affect our ability to follow our investment plan to operate our business, and thus our operations results and financial condition. See “Item 4—Information on the Company—History and Development of the Company—Our Operations—Oil and Natural Gas Reserves Production—Transportation and Treatment” and Our Business—Our Operations—Investment in Property, Plant and Equipment.”

Contractual Obligations

In order to protect our exploitation rights in our concessions, we must achieve certain milestones, including investment commitments, related to drilling and production in determined time periods, as stated in the corresponding agreements. The operating and maintenance costs may increase significantly due to adverse local or international market conditions, including local recession, foreign exchange volatility or high financing costs, which could prevent us from meeting our commitments under such agreements on commercially reasonable terms or at all, which may force us to forfeit our interests in such areas. If we do not succeed in renewing these agreements and maintaining our operations in these concessions, or securing new ones, our ability to grow our business may be materially affected. Health and safety measures introduced by the Argentine and Mexican governments, in conjunction with guidelines and emergency procedures by our Company, have had, and probably will keep having, and impact on our drilling, completion and general operations. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures.”

The Argentine and Mexican Economies

Our main assets and most of our operations are located in Argentina and to a lesser extent in Mexico. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic and political conditions prevailing from time to time in Argentina, and to a lesser extent in Mexico.

The general performance of the Argentine economy affects the demand for energy, while inflation, fluctuations in currency exchange rates and social stability affect our costs and our margins. Inflation primarily affects our business by increasing operating costs in Argentine Pesos.

The following table sets forth key economic indicators in Argentina during the periods indicated:

	2021	2020	2019	2018	2017	2016
Real GDP (% change)(3)	10.3(1)	(9.9)(1)	(2.0)(2)	2.6	(2.1)	2.7
Nominal GDP (in millions of AR\$)(3)	46,687,236(1)	27,481,440(1)	21,802,256(2)	14,744,811	10,660,228	8,228,160
Consumer Price Index (CPI) variation (in %)(4)	50.9	36.1	53.8	47.6	24.8	41.0
Nominal Exchange Rate (in AR\$/US\$at period end)	102.8	84.1	59.9	37.8	18.8	15.9



- (1) Preliminary data.
- (2) Provisional data.
- (3) Source: INDEC. Preliminary and provisional data are shown as stated by INDEC.
- (4) The inflation from 2013 to 2016 corresponds to the one published by the Buenos Aires City Government.
- (5) Data in accordance with foreign exchange rate set forth in Communication “A” 3,500 issued by the Argentine Central Bank.

For more information on these macroeconomic and political conditions, see “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments.”

Foreign Exchange Rates

The following tables show, for the periods indicated, certain information regarding the exchange rates for U.S. Dollars, expressed in nominal Argentine Pesos per Dollar (According to Communication “A” 3500 of the Argentine Central Bank.). See “Item 10—Additional Information—Exchange Controls.”

	Average (1)	End of Period
Year Ended December 31, 2017	16.6	18.8
Year Ended December 31, 2018	28.1	37.8
Year Ended December 31, 2019	49.5	59.9
Year Ended December 31, 2020	70.6	84.1
Year Ended December 31, 2021	95.2	102.8
Month Ended September 31, 2021	98.3	98.7
Month Ended October 31, 2021	99.2	99.7
Month Ended November 30, 2021	100.3	100.9
Month Ended December 31, 2021	101.9	102.8
Month Ended January 31, 2022	104.0	105.0
Month Ended February 28, 2022	106.3	107.4
Month Ended March 31, 2022	109.5	110.0

- (1) Yearly data reflect average of month-end rates. Monthly data reflect average of day-end rates.

Sources: Data in accordance with foreign exchange rate set forth in Communication “A” 3,500 issued by the Argentine Central Bank

The following tables show, for the periods indicated, certain information regarding the exchange rates for U.S. dollars, expressed in nominal Mexican Pesos per Dollar (price to settle obligations published by Banco de México).

	Average (1)	End of Period
Year Ended December 31, 2017	18.9	19.7
Year Ended December 31, 2018	19.2	19.7
Year Ended December 31, 2019	19.3	18.9
Year Ended December 31, 2020	21.5	19.9
Year Ended December 31, 2021	20.3	20.6
Month Ended September 31, 2021	20.0	20.3
Month Ended October 31, 2021	20.5	20.3
Month Ended November 30, 2021	20.8	21.8
Month Ended December 31, 2021	21.0	20.6
Month Ended January 31, 2022	20.5	20.7
Month Ended February 31, 2022	20.5	20.7
Month Ended March 31, 2022	20.6	20.0



(1) Reflects average of day-end rates.

Sources: *Banco de México*

The majority of our sales are directly denominated in U.S. Dollars or indexed to the U.S. Dollar. We collect a significant portion of our revenues in Argentine Pesos pursuant to prices which are indexed to the U.S. Dollar, mainly revenues resulting from the sale of natural gas and crude oil, which sales are invoiced in U.S. dollars using the U.S. Dollar/Argentine Peso exchange rate as of the date of issuance of the invoice payable within a 30- to 65-day payment period. However, our invoices are subject to adjustment to the prevailing U.S. Dollar/Argentine Peso exchange rate in effect as of the date of payment. Any significant increase in the Argentine Peso price as a result of a decline in the Peso/Dollar exchange rate could lead to decreased sales volumes as a result of increases in the effective price in Argentine Pesos paid by our customers for natural gas and crude oil. We are exposed to the risk that purchasers of our natural gas and crude oil may be unable to pay amounts owed to us following a depreciation of the Argentine Peso.

Argentine Foreign Exchange Regulations

Since September 1, 2019, with the purpose of strengthening the normal functioning of the economy, fostering a prudent administration of the exchange market, reducing the volatility of financial variables and containing the impact of the variations of financial flows on the real economy, foreign exchange controls were reinstated in Argentina. See “Item 10—Additional Information—Exchange Controls.”

The value of the peso compared to other currencies depends, among other factors, on the level of international reserves held by the BCRA, which have also shown significant fluctuations in recent years, as well as on the fiscal and monetary policies adopted by the Argentine government. The Argentine macroeconomic environment, in which we operate, was affected by the continuous devaluation of the peso, which in turn had a direct impact on our financial and economic position. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Company—We are exposed to foreign exchange risks relating to our operations in Argentina and Mexico.”

Policy and Regulatory Developments in Argentina and Mexico

The Argentine and Mexican oil and gas industry have been subject to major reforms during the past five years and there can be no assurance that future reforms or reversal of existing ones will not have an adverse impact on our revenues and results of operations. Our business is, to a large extent, dependent upon regulatory conditions prevailing in the countries in which we operate and our results of operations may be materially and adversely affected by regulatory changes in these countries. Additionally, the regulatory burden on the oil and gas industry increases the cost of doing business in the industry and consequently affects profitability.

For more information regarding policy and regulatory developments relating to the oil and gas industry in Argentina, see “Item 4—Information on the Company—Industry and Regulatory Overview —Argentina’s Oil and Gas Industry Overview.” For more information regarding policy and regulatory developments relating to the oil and gas industry in Mexico, see “Item 4—Information on the Company—Industry and Regulatory Overview —Mexico’s Oil and Gas Regulatory Overview.”

Seasonality

Although there is some historical seasonality to the prices that we are paid for our production. For example, seasonal demand behavior during winter and autumn affects the prices that we receive for our production. However, the impact of such seasonality has historically not been material. Additionally, seasonality does not play a significant role in our ability to conduct our operations, including drilling and completion activities as planned in our budgets.

Warrants

Under IFRS, a contract to issue a variable number of common shares, such as our warrants, should be classified as a financial liability and measured at fair value, with changes in fair value recognized in the consolidated statement of profit or loss and comprehensive income. As of the date of this annual report, we had 70,000,000 Warrants and 29,680,000 Sponsor Warrants outstanding (totaling 99,680,000 warrants outstanding) that are



exercisable for 23,333,333 and 9,893,333 series A shares, respectively. These warrants have been accounted for as a liability and are subject to adjustment of their fair market value at each reporting period. The determination of fair market value is subject to assumptions and estimates and changes to these assumptions and estimates could impact the valuation of the warrants, which could in turn have an effect on our consolidated statement of profit or loss and comprehensive income. For more information on our warrants, see “Item 10—Additional Information—Memorandum and Articles of Association—Warrants” and Note 18.3 of our Audited Financial Statements.

Deferred Income Tax

Under IFRS, the difference between the book value of property, plant and equipment (measured in U.S. Dollars, our functional currency) and the tax basis of such property, plant and equipment (which tax basis is expressed in Argentine Pesos or Mexican Pesos, as applicable, and may not be re-valued due to foreign exchange fluctuations under applicable tax laws) is a temporary difference to be considered in the calculation of deferred income tax. For more information, see Note 2.4.14 to our Audited Financial Statements. In addition to property, plant and equipment, we recognize deferred tax assets with respect to the temporary difference between the accounting and tax basis of the well plugging and abandonment provisions relating to our oil and gas properties.

On December 29, 2017, the Argentine government enacted Law No. 27,430 which introduced several changes to the Argentine income tax regime as well as to other federal taxes. Pursuant to Law No. 27,430 the income tax rate for Argentine companies would be gradually reduced from 35% to 30% commencing on tax periods initiated after January 1, 2018 and through December 31, 2019, and to 25% commencing on tax periods initiated after January 1, 2020 (an additional income tax withholding on actual or presumed dividend distributions to Argentine resident individuals or to foreign resident shareholders was also enacted at a 7% and 13% rate, respectively, so that an aggregate 35% tax burden is completed). On December 23, 2019, the Solidarity Law was published in the Official Gazette, providing –among many other federal tax aspects, including the creation of the so-called “PAIS Tax”- the suspension of the application of the 25% corporate tax rate for one tax period. Pursuant to further clarifications unofficially made by the Argentine tax authorities, the 25% corporate tax rate (coupled with the 13% income tax withholding on actual or presumed dividend distributions of profits) would be applicable as of tax periods initiated after January 1, 2021. Through Law No. 27,630, the income tax rate applicable to Argentine companies is again modified, establishing a progressive tax rate system with a rate of 25% to 35% based on the accumulated net taxable income and a 7% withholding applicable to any distribution of dividends or profits made by such entities to individuals resident in Argentina and to beneficiaries abroad, regardless of the tax period in which such dividends or profits are made available to the shareholders. These amendments are applicable to tax periods beginning on or after January 1, 2021. Despite these changes, there are many transactions and calculations for which the ultimate tax determination is still uncertain. We recognize liabilities for potential tax claims based on estimates of whether additional taxes will be due in the future. For more information, see Note 2.4.14 to our Audited Financial Statements.

Depreciation, Depletion and Amortization

IFRS requires us to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, among other line items, relating to our oil and gas properties. Actual results could differ from such estimates. Depreciation, depletion and amortization rates can fluctuate as a result of development costs, acquisitions, impairments, as well as changes in proved reserves or proved developed reserves. For more information, see Note 2.4.2.2 of our Audited Financial Statements.

Oil and Gas Market Conditions

The oil and gas industry is cyclical and commodity prices are highly volatile. During 2015 and 2016, global and domestic oil supply continued to outpace demand resulting in ongoing low realized oil and gas prices. Although during 2017 and most of 2018 commodity prices tended to improve, prices declined in the fourth quarter of 2018. During 2019, global oil prices continued to decrease, especially during the second half of the year, mainly due to the political developments in Middle East and the trade dispute between China and the United States. In addition, domestic oil prices in Argentina suffered a further impact as a consequence of the Presidential Decree No. 566.

During the first week of March 2020, the Organization of Petroleum Exporting Countries (“OPEC”) and certain non-OPEC producers (referred to as OPEC+) met in Vienna, Austria, to discuss the prospect of extending or increasing oil production cuts, in light of a decrease in demand due to COVID-19. No consensus was reached among



the 24 participating countries, effectively eliminating quotas and reduction targets as of April 1, 2020. After the events, Saudi Arabia, the world's largest oil exporter, through its state-owned Company Saudi Aramco, decided to lower the OSP (Official Selling Price) of its Arab light crude by around US\$8 per barrel, the largest monthly decrease in 20 years. Concurrently, it announced plans to increase production to at least 10 million barrels per day as of April. On March 8, 2020, Brent crude slid US\$10.9 (or 24.1%) to US\$34.4 in the worst decline in a single day since 1991. From March 16 to April 2, 2020, Brent price was below US\$30/bbl, with a minimum price of US\$22.72/bbl on March 30, 2020. Although, OPEC and OPEC+ agreed on a curtailment of 9.7 MMBbl/d on April 9, 2020, pushing Brent above the US\$30/bbl mark, Brent dropped below US\$20/bbl on April 21, 2020, as a result of the fall in crude oil demand generated by the COVID-19 pandemic. During the second half of 2020, Brent traded at an average price of US\$44.3/bbl, resulting in an average price during 2020 of US\$43.2/bbl.

During 2021, global economic recovery boosted the demand for crude oil. Brent oil prices increased from US\$51.8/bbl on December 31, 2020, to US\$77.8/bbl on December 31, 2021, with an average of US\$71.0/bbl for the year 2021, a 67% increase year over year. By early 2022, global oil prices were back to pre-pandemic levels, although volatility remained high and the risk of second or third waves of COVID-19 negatively impacting prices cannot be discarded.

It is likely that commodity prices will continue to fluctuate due to global supply and demand, inventory supply levels, weather conditions, geopolitical and other factors. Additionally, the oil and gas industry is subject to a number of operational trends, some of which affect the basins we operate. Oil and gas companies are increasingly utilizing new techniques to lower drilling costs and increase the efficiency of operations.

The operating results and cash flows of our business are susceptible to risks relating to the volatility of international oil prices. Due to regulatory, economic and government policy factors, oil prices in Argentina in the past have lagged far behind the prevailing prices in the international market. Furthermore, in order to ensure the domestic supply and increase government revenue, Argentina's government has imposed high export duties and other restrictions on exports in the past that have prevented companies from benefiting from significant increases in international oil prices. Oil exports remain subject to authorization from the SdE, which requires producers to demonstrate that local demand has been met or that an offer to sell oil to the local buyer has been made and rejected. We cannot predict if, when or what measures will be implemented or maintained by the Argentine government, nor what effects such measures will have, particularly on oil prices in Argentina.

The price of natural gas in Argentina has been limited by a series of government measures intended to ensure domestic supply at affordable prices. Therefore, gas producers can elect to sell to distributors the gas necessary to meet the needs of the regulated internal market at prices established by the relevant authorities. Alternatively, gas producers can only sell their surplus gas production on the deregulated market, either in Argentina or potentially, and subject to meeting certain requirements, through exports. Historically, gas prices in the regulated market have lagged far behind prices in the deregulated and regional markets.

The following table highlights the quarterly average price trends for crude oil and natural gas in U.S. Dollars for the periods presented:

	2021				2020	2019	2018	2017	2016	2015
	Q4	Q3	Q2	Q1						
Average Brent Oil Price (per bbl)(1)	79.7	73.2	69.1	61.3	43.2	43.2	71.69	54.74	45.13	53.60
Average 25 de Mayo-Medanito Crude Oil Price (per bbl)(2)	56.54	53.95	52.27	49.49	40.64	54.0	64.98	56.52	63.40	74.59
Average Natural Gas Price (per MMBtu)(3)	2.74	3.66	3.38	2.21	2.29	3.35	4.42	3.76	3.21	2.08

- (1) *Source:* Bloomberg.
- (2) Light oil extracted from the Neuquina Basin. *Source:* Argentine Secretariat of Energy.
- (3) *Source:* Argentine Secretariat of Energy.



A sustained drop in oil, natural gas and NGL prices may not only decrease our revenues but may also reduce the amount of oil, natural gas and NGL that we can produce economically and therefore potentially lower our oil, natural gas and NGL reserve quantities.

COVID-19 pandemic

Since December 2019, a novel strain of coronavirus (2019-nCov, referred to as COVID-19) has spread throughout the world. On March 11, 2020, COVID-19 was categorized as a pandemic by the World Health Organization. The COVID-19 pandemic has resulted in numerous deaths and the imposition of local, municipal and national governmental “shelter-in-place” and other quarantine measures, border closures and other travel restrictions, causing unprecedented commercial disruption in a number of jurisdictions, including Mexico and Argentina. To mitigate the impact of the COVID-19 pandemic, the Argentine and Mexican governments, have over time implemented different measures involving mandatory social restrictions on mobility and closures of non-essential businesses. Some of the consequences generated by these measures were (i) a material adverse impact on financial markets, (ii) a reduction in the demand for hydrocarbon products and, therefore, in our revenues, (iii) a significant drop in the international price of oil and increased price volatility and (iv) the deepening of Argentina’s economic recession.

During 2020, our operations in Argentina and Mexico were substantially impacted by COVID-19, given the sharp contraction in crude oil and natural gas demand and the strong decrease in oil and gas prices. This had a significant impact on our total hydrocarbons production and financial performance. On March 20, 2020, we decided to stop our drilling and completion activity in our Vaca Muerta project in Bajada del Palo Oeste. To ensure the continuity of our operations, we implemented a Business Continuity Plan (BCP) based on keeping minimum crew shifts operating as fully independent cells. Our cell strategy assembled people in small teams working in the field with minimal or no interaction with other cells. We coordinated weekly emergency drills to prepare employees and contractors to better manage symptoms compatible with COVID-19. Entrance controls, temperature tests, medical surveys were performed for employees and third-party contractors before they arrive at their shift to rule out any COVID-19 compatible symptoms cases. During the third quarter of 2020, we adopted a new protocol to restart drilling, completion and pulling operations, in light of the easement of lock-down restrictions in Argentina and Mexico and the recovery in hydrocarbons demand and prices.

During 2021, the demand for, and price of, crude oil and crude oil by-products surpassed pre-COVID-19 levels and most economies, including Argentina and Mexico, experienced GDP growth as mobility and closure restrictions were substantially eased towards the end of the year (mainly due to vaccination coverage). Having restarted drilling and completion activity in Q3 2020, we tied in 20 new wells in Bajada del Palo Oeste in 2021. This boosted our total production to 38.8 Mboe/d in 2021, an increase of 46% compared to 2020. Additionally, due to the recovery in oil and gas prices, our Adjusted EBITDA was US\$380.1 million, an increase of 296% compared to 2020.

During 2021 we adapted the BCP, as the progress in vaccination provided coverage to our staff and the general population in Argentina and Mexico. We temporarily reverted to isolated cells for essential field operations during the peaks of the Covid-19 variants and carried out frequent antigen tests for rapid detection of positive cases. Since April 2021 we implemented a hybrid work scheme for office staff, with two separate cells at each location, to limit office attendance to 50% of the total capacity in our premises. This protocol allowed us to reconnect teams in live meetings, whilst minimizing risks at the office. The hybrid scheme was temporarily switched to 100% home-office as contagion rates increased during the propagation of the Omicron variant.

Results of Operations

The following discussion relates to certain financial and operating data for the periods indicated. You should read this discussion in conjunction with our Audited Financial Statements and the accompanying notes thereto. We measure our performance by our net profit (loss) for the period, gross profit and operating profit and use these metrics to make decisions about allocating resources and to evaluate our financial performance.



Year ended December 31, 2021 compared to year ended December 31, 2020

	Year ended December 31, 2021		Year ended December 31, 2020	
	(in thousands of US\$ except per share data)	(% of revenues)	(in thousands of US\$ except per share data)	(% of revenues)
Revenue from contract with customers	652,187	100%	273,938	100%
Cost of sales	(385,582)	(59)%	(271,505)	(99)%
Gross profit	266,605	41%	2,433	1%
Selling expenses	(42,748)	(7)%	(24,023)	(9)%
General and administrative expenses	(45,858)	(7)%	(33,918)	(12)%
Exploration expenses	(561)	(0)%	(646)	(0)%
Other operating income	23,285	4%	5,573	2%
Other operating expenses	(4,214)	(1)%	(4,989)	(2)%
Reversal / (Impairment) of long-lived assets	14,044	2%	(14,438)	(5)%
Operating profit / (loss)	210,553	32%	(70,008)	(26)%
Interest income	65	0%	822	0%
Interest expense	(50,660)	(8)%	(47,923)	(17)%
Other financial results	(7,194)	(1)%	4,247	2%
Financial results, net	(57,789)	(9)%	(42,854)	(16)%
(Loss)/Profit before income tax	152,764	23%	(112,862)	(41)%
Current income tax (expense)	(62,419)	(10)%	(184)	(0)%
Deferred income tax (expense) / benefit	(39,695)	(6)%	10,297	4%
Income tax benefit / (expense)	(102,114)	(16)%	10,113	4%
Profit / (loss) for the year	50,650	8%	(102,749)	(38)%
Other comprehensive income				
<i>Other comprehensive income that shall not be reclassified to profit or loss in subsequent periods</i>				
- (Loss) / profit from actuarial remediation related to defined benefit plans	(4,513)	(1)%	460	0%
- Deferred income tax benefit / (expense)	2,048	0%	(114)	(0)%
Other comprehensive income that shall not be reclassified to profit or loss in subsequent years	(2,465)	(0)%	346	0%
Other comprehensive income for the year, net of income taxes	(2,465)	(0)%	346	0%
Total comprehensive profit / (loss) for the year	48,185	7%	(102,403)	(37)%
(Losses)/Earnings per share attributable to equity holders of the parent				
Basic (In U.S. Dollars per share):	0.574	N/A	(1.175)	N/A
Diluted (In U.S. Dollars per share):	0.543	N/A	(1.175)	N/A



Revenue from contracts with customers

The detail of our revenues from contracts with customers is the following:

Types of goods	For the year ended December 31, 2021	For the year ended December 31, 2020
Revenues from crude oil sales	593,060	236,596
Revenues from natural gas sales	54,301	33,575
Revenues from NGL sales	4,826	3,767
Revenue from contracts with customers	652,187	273,938

Total revenue from contracts with customers increased to US\$652.2 million during the year ended December 31, 2021, compared to US\$273.9 during the year ended December 31, 2020. Such increase was primarily driven by higher realized prices and higher production.

Revenues from crude oil increased to US\$593.1 million during the year ended December 31, 2021, compared to US\$236.6 million during the year ended December 31, 2020, which represented 91% and 86% of our total revenue from contracts with customers, respectively. Such increase was primarily driven by an increase in realized crude oil price of 48% and an increase in production of 46% year over year.

Total volume of crude oil sold increased to 10,777 Mbbbl during the year ended December 31, 2021, compared to 6,367 Mbbbl during the year ended December 31, 2020, as a result of a year during which we tied-in 20 shale wells, increasing the total number of shale wells on production to 40 at year-end.

Average realized crude oil sales prices increased to US\$54.9/bbl during the year ended December 31, 2021, compared to US\$37.2/bbl during the year ended December 31, 2020, an increase that was mainly driven by a higher Brent price, which increased 64% during 2021 compared to 2020.

In 2021, 3,054 Mbbbl of crude oil, or 28% of total crude oil volumes, were sold to export markets for a total revenue of US\$182.2 million. In 2020, 2,791 Mbbbl of crude oil, or 44% of total crude oil volumes, were sold to export markets for a total revenue of US\$94.9 million.

Revenues from natural gas increased to US\$54.3 million during the year ended December 31, 2021, compared to US\$33.6 during the year ended December 31, 2020, which represented 8% and 12% of our total revenue from contracts with customers, respectively. Such increase was primarily driven by an increase in the realized natural gas price, which increased 56% during 2021 compared to 2020.

Total volume of natural gas sold increased to 2,911 Mboe during the year ended December 31, 2021, compared to 2,735 Mboe during the year ended December 31, 2020. This increase was primarily driven by higher gas production.

The average realized natural gas sales prices increased to US\$3.2/MMBtu during the year ended December 31, 2021, an increase of 58% compared to US\$2.03/MMBtu during the year ended December 31, 2020. Such increase was mainly driven by higher prices to industrial customers and the Gas Plan winter price of 4.1 \$/MMBtu and summer price of 2.7 \$/MMBtu.

Revenues from NGL increased to US\$4.8 million during the year ended December 31, 2021, compared to US\$3.8 million during the year ended December 31, 2020, which represented 1% of our total revenue from contracts with customers.



During the year ended December 31, 2021, 99% of our revenue was generated by our oil and gas properties in Argentina, as well as during the year ended December 31, 2020.

Cost of Sales

	For the year ended December 31, 2021	For the year ended December 31, 2020
	(in thousands of US\$)	
Operation costs	(107,123)	(88,018)
Crude oil stock fluctuation	(905)	3,095
Depreciation, depletion and amortization	(191,313)	(147,674)
Royalties	(86,241)	(38,908)
Cost of sales	(385,582)	(271,505)

Cost of sales increased to US\$385.6 million during the year ended December 31, 2021, compared to US\$271.5 million during the year ended December 31, 2020. Total cost of sales included fluctuations in the inventory of crude oil, operating expenses, depreciation, depletion and amortization and royalties. This increase was primarily driven by the increase in total production.

Operating expenses increased to US\$107.1 million during the year ended December 31, 2021, compared to US\$88.0 during the year ended December 31, 2020, which represented 28% and 32% of our total cost of sales, respectively. This increase was primarily driven by a 46% increase in total production year over year.

Operating expenses per produced barrel decreased to 7.6 US\$/boe during the year ended December 31, 2021, from 9.0 US\$/boe during the year ended December 31, 2020. This decrease was mainly driven by the fact that incremental production at Bajada del Palo Oeste has a low marginal cost, and therefore dilutes the Company's fixed cost base.

Depreciation, depletion and amortization increased to US\$191.3 million during the year ended December 31, 2021, compared to US\$147.7 million during the year ended December 31, 2020, which represented 50% and 54% of our total cost of sales, respectively. This increase was primarily driven by higher capital expenditures and total production in 2021 compared to 2020.

Royalties increased to US\$86.2 million during the year ended December 31, 2021, compared to US\$38.9 million during the year ended December 31, 2020, which represented 22% and 14% of our total cost of sales, respectively. This increase was primarily driven by the abovementioned increase in total production, realized oil price and realized natural gas price.

The fluctuation in crude oil inventories changed from an income to an expense of \$0.9 million during the year ended December 31, 2021, compared to an income of \$3.1 million during the year ended December 31, 2020. This was primarily due to the decrease in crude oil stock at the end of the period due to higher sales volumes during the period.

Gross Profit

Gross profit increased to US\$266.6 million during the year ended December 31, 2021, compared to US\$2.4 million, which represented 41% and 1% of our total revenue from contracts with customers, respectively.

Selling Expenses

Selling expenses increased to US\$42.7 million during the year ended December 31, 2021, compared to US\$24.0 million during the year ended December 31, 2020, which represented 7% and 9% of our total revenue from contracts with customers, respectively. This increase was primarily driven by an increase of 131% in taxes, rates and contributions, 100% in tax on bank transactions and 88% in transport. Such variations were partially offset by a decrease of 39% in fees and compensation for services, in all cases during 2021 compared to 2020.



General and Administrative Expenses

General and administrative expenses increased to US\$45.9 million during the year ended December 31, 2021, compared to US\$33.9 million during the year ended December 31, 2020, which represented 7% and 12% of our total revenue from contracts with customers, respectively. This increase was primarily driven by an increase in salaries and social security charges of 59%, employees benefits of 65% and institutional promotion and advertising of 84%, in all cases during 2021 compared to 2020.

Exploration Expenses

Exploration expenses decreased to US\$0.5 million during the year ended December 31, 2021, compared to US\$0.6 million during the year ended December 31, 2020, as a result of a decrease in activity levels.

Other Operating Income

Other operating income increased to US\$23.3 million during the year ended December 31, 2021, compared to US\$5.6 million during the year ended December 31, 2020. This increase was mainly due to the gain on the disposal of assets through the transfer of our working interest in the CASO area for US\$9.8 million, as well as the gain on the farm out agreement with Trafigura for US\$9.0 million.

Other Operating Expenses

Other operating expenses decreased to US\$4.2 million during the year ended December 31, 2021, compared to US\$5.0 million during the year ended December 31, 2020. This decrease was primarily driven by a reduction in restructuring and reorganization costs related to the changes in the group's structure.

Operating Profit

Operating profit increased to of US\$210.6 million during the year ended December 31, 2021, compared to a loss of US\$70.0 million during the year ended December 31, 2020, which represented 32% and (26)% of our total revenue from contracts with customers, respectively.

Interest Income

Interest income decreased to US\$0.1 million during the year ended December 31, 2021, compared to US\$0.8 million during the year ended December 31, 2020. This decrease was primarily driven by a reduction on investment recognized at amortised cost.

Interest Expense

Interest expense increased to US\$50.7 million during the year ended December 31, 2021, compared to US\$47.9 during the year ended December 31, 2020. This increase was primarily driven by higher average gross debt during 2021 compared to 2020.

Other Financial Results

Other financial results totaled a loss of US\$7.2 million during the year ended December 31, 2021, compared to a gain of US\$4.2 million during the year ended December 31, 2020. This change was primarily due to changes in the fair value of warrants in 2021, mainly driven by an increase in the Company's share price in 2021, increased remeasurements of loans originated by financial liabilities incurred in Argentina adjusted by the benchmark stabilization ratio ("UVA" for its acronym in Spanish). However, these effects were partially offset by an increase in income resulting from net foreign exchange rate changes during 2021 compared to 2020.



Profit Before Income Taxes

Profit before income taxes totaled a gain of US\$152.8 million during the year ended December 31, 2021, compared to a loss of US\$112.9 million during the year ended December 31, 2020.

Income Tax expense

Our income tax expenses totaled a loss of US\$102.1 million during the year ended December 31, 2021, compared to a gain of US\$10.1 million during the year ended December 31, 2020. This change was primarily driven by (i) an increase in current income tax expenses from US\$0.2 to US\$62.4 million compared to the year ended December 31, 2021, which was mainly driven by the higher pre-tax income from Vista Argentina, our main subsidiary, during 2021 and (ii) a deferred income tax expense during 2021 of US\$39.7 as compared to an income of US\$10.3 in 2020. Such variance was mainly driven by the application of NOLs from our main subsidiary Vista Argentina during 2021.

Profit (loss) for the year, net

During the year ended December 31, 2021, the profit for the year, net totaled US\$50.7 million during the year ended December 31, 2021, compared to US\$102.7 million during year ended December 31, 2020.



Year ended December 31, 2020 compared to year ended December 31, 2019

	For the year ended December 31, 2020		For the year ended December 31, 2019	
	(in thousands of US\$ except per share data)	(% of revenues)	(in thousands of US\$ except per share data)	(% of revenues)
Revenue from contract with customers	273,938	100%	415,976	100%
Cost of sales	(271,505)	(99%)	(328,130)	(79%)
Gross profit	2,433	1%	87,846	21%
Selling expenses	(24,023)	(9%)	(27,138)	(7%)
General and administrative expenses	(33,918)	(12%)	(42,400)	(10%)
Exploration expenses	(646)	(0%)	(676)	(0%)
Other operating income	5,573	2%	3,165	1%
Other operating expenses	(4,989)	(2%)	(6,180)	(1%)
Impairment of long-lived assets	(14,438)	(5%)	—	—
Operating profit	(70,008)	(26%)	14,617	4%
Interest income	822	0%	3,770	1%
Interest expense	(47,923)	(17%)	(34,163)	(8%)
Other financial results	4,247	2%	(715)	(0%)
Financial results, net	(42,854)	(16%)	(31,108)	(7%)
(Loss) before income tax	(112,862)	(41%)	(16,491)	(4%)
Current income tax (expense)	(184)	(0%)	(1,886)	(0%)
Deferred income tax (expense) / benefit	10,297	4%	(14,346)	(3%)
Income tax benefit / (expense)	10,113	4%	(16,232)	(4%)
Net loss for the year	(102,749)	(38%)	(32,723)	(8%)
Other comprehensive income				
<i>Other comprehensive income that will not be reclassified to profit or loss in subsequent periods</i>				
- Remeasurements profit / (loss) related to defined benefits plans	460	0%	(1,577)	(0%)
- Deferred income tax (expense) / benefit	(114)	(0%)	394	0%
Other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent periods	346	0%	(1,183)	(0%)
Other comprehensive income (loss) for the year/period, net of tax	346	0%	(1,183)	(0%)
Total comprehensive (loss) for the year	(102,403)	(37%)	(33,906)	(8%)
Loss per share attributable to equity holders of the parent				
Basic and Diluted (In U.S. Dollars per share):	(1.175)	N/A	(0.409)	N/A



Revenue from contracts with customers

The detail of our revenues from contracts with customers is the following:

Types of goods	For the year ended December 31, 2020	For the year ended December 31, 2019
Revenues from crude oil	236,596	338,272
Revenues from natural gas	33,575	71,524
Revenues from NGL	3,767	6,180
Revenues from contracts with customers	273,938	415,976

Total revenue from contracts with customers decreased to US\$273.9 million during the year ended December 31, 2020, compared to US\$416.0 during the year ended December 31, 2019. Such decrease was primarily driven by lower production as a consequence of lower oil demand (which led to the shut-in of our shale oil wells during 3 months) and lower drilling and completion activity.

Revenues from crude oil decreased to US\$236.6 million during the year ended December 31, 2020, compared to US\$338.3 million during the year ended December 31, 2019, which represented 86% and 81% of our total revenue from contracts with customers, respectively. Such decrease was primarily driven by the decline in realized crude oil price of 30%.

Total volume of crude oil sold was mostly stable at 6,367 Mbbl during the year ended December 31, 2020, compared to 6,386 Mbbl during the year ended December 31, 2019, as a result of a year during which we tied-in 12 shale oil wells, which production was offset by the shut-in of shale our shale oil wells during approximately 60 days.

Average realized crude oil sales prices decreased to US\$37.2/bbl during the year ended December 31, 2020, compared to US\$53.0/bbl during the year ended December 31, 2019, a decrease that was mainly driven by a lower Brent price, which decreased 33% during 2020 compared to 2019.

Revenues from natural gas decreased to US\$33.6 million during the year ended December 31, 2020, compared to US\$71.5 during the year ended December 31, 2019, which represented 12% and 17% of our total revenue from contracts with customers, respectively. Such decrease was primarily driven by both a reduction in the natural gas production and the realized natural gas price.

Total volume of natural gas sold decreased to 2,735 Mboe during the year ended December 31, 2020, compared to 3,665 Mboe during the year ended December 31, 2019. This decrease was primarily driven by lower conventional gas production.

The average realized natural gas sales prices decreased to US\$2.0/MMBtu during the year ended December 31, 2020, a decrease of 39% compared to US\$3.3/MMBtu during the year ended December 31, 2019. Such decrease was mainly driven by a lower price in the industrial segment due to softer demand.

Revenues from NGL decreased to US\$3.8 million during the year ended December 31, 2020, compared to US\$6.2 million during the year ended December 31, 2019, which represented 1% and 1% of our total revenue from contracts with customers, respectively.

During the year ended December 31, 2020, 99% of our revenue was generated by our oil and gas properties in Argentina, while during the year ended December 31, 2019, 99% of our revenue was generated by our oil and gas properties in Argentina.



Cost of Sales

	For the year ended December 31, 2020	For the year ended December 31, 2019
	(in thousands of US\$)	
Operating expenses	(88,018)	(114,431)
Crude oil stock fluctuation	3,095	310
Depreciation, depletion and amortization	(147,674)	(153,001)
Royalties	(38,908)	(61,008)
Cost of sales	(271,505)	(328,130)

Cost of sales decreased to US\$271.5 million during the year ended December 31, 2020, compared to US\$328.1 million during the year ended December 31, 2019. Total cost of sales included fluctuations in the inventory of crude oil, operating expenses, depreciation, depletion and amortization and royalties. This decrease was primarily driven by the re-negotiation of contracts with key suppliers that improved our cost structure.

Operating expenses decreased to US\$88.0 million during the year ended December 31, 2020, compared to US\$114.4 during the year ended December 31, 2019, which represented 32% and 35% of our total cost of sales, respectively. This decrease was primarily driven by the renegotiation of more than 20 key oilfield services contracts.

Operating expenses per produced barrel decreased to 9.0 US\$/boe during the year ended December 31, 2020 from 10.8 US\$/boe during the year ended December 31, 2019. Such decrease was mainly driven by the abovementioned re-negotiation of oilfield services contracts with key suppliers that improved our cost structure and leveraging our shale production ramp-up on the existing conventional operations.

Depreciation, depletion and amortization decreased to US\$147.7 million during the year ended December 31, 2020, compared to US\$153.0 million during the year ended December 31, 2019, which represented 54% and 47% of our total cost of sales, respectively. This decrease was primarily driven by the reduction in the depreciation, depletion and amortization ratio (total production to proved reserves).

Royalties decreased to US\$38.9 million during the year ended December 31, 2020, compared to US\$61.0 million during the year ended December 31, 2019, which represented 14% and 19% of our total cost of sales, respectively. This decrease was primarily driven by the abovementioned decreases in total production, realized oil price and realized natural gas price.

Gross Profit

Gross profit decreased to US\$2.4 million during the year ended December 31, 2020, compared to US\$87.8 million, which represented 1% and 21% of our total revenue from contracts with customers, respectively.

Selling Expenses

Selling expenses decreased to US\$24.0 million during the year ended December 31, 2020, compared to US\$27.1 million during the year ended December 31, 2019, which represented 7% and 9% of our total revenue from contracts with customers, respectively. This decrease was primarily driven by a decrease of 54% in taxes, rates and contributions, 33% in tax on bank transactions and by sales exports made during 2020. Such variations were partially offset by an increase of 9,106% in fees and compensation for services, in all cases during 2020 compared to 2019. Such variations were mainly impacted by the devaluation of the Argentine Peso against the US Dollar.

General and Administrative Expenses

General and administrative expenses decreased to US\$33.9 million during the year ended December 31, 2020, compared to US\$42.4 million during the year ended December 31, 2019, which represented 12% and 10% of our total revenue from contracts with customers, respectively. This decrease was primarily driven by a decrease in salaries and social security charges of 19%, Employees benefits of 18% and Fees and compensation for services of 33%, in all cases during 2020 compared to 2019 due to a reduction of labor force and expenses reductions with third parties.



Exploration Expenses

Exploration expenses remained flat, totaling US\$0.6 million during the year ended December 31, 2020, compared to US\$0.7 million during the year ended December 31, 2019 with similar exploration activity levels.

Other Operating Income

Other operating income increased to US\$5.6 million during the year ended December 31, 2020, compared to US\$3.2 million during the year ended December 31, 2019. This increase was mainly driven by the increase in Services to third parties of 19% during 2020 compared to 2019 and the accounting gain for the additional working interest in Coirón Amargo Norte (bargain gain for purchase on business combination) of US\$1.4 million during 2020, compared to nil during 2019.

Other Operating Expenses

Other operating expenses decreased to US\$5.0 million during the year ended December 31, 2020, compared to US\$6.2 million during the year ended December 31, 2019. This decrease was primarily driven by a net effect of a decreased in other expenses of US\$0.7 and a decrease due to the variation from a gain of US\$1.0 million in allowance for obsolescence of inventories to a loss of US\$0.6 million and a US\$1.4 increase in reorganization expenses, in all cases during 2020 compared to 2019.

Operating Profit

Operating profit decreased to a loss of US\$70.0 million during the year ended December 31, 2020, compared to US\$14.6 million during the year ended December 31, 2019, which represented (26)% and 4.0% of our total revenue from contracts with customers, respectively.

Interest Income

Interest income decreased to US\$0.8 million during the year ended December 31, 2020, compared to US\$3.8 million during the year ended December 31, 2019. This decrease was primarily driven by a reduction of 100% in interests on government bonds at amortized costs.

Interest Expense

Interest expense increased to US\$47.9 million during the year ended December 31, 2020, compared to US\$34.2 during the year ended December 31, 2019. This increase was primarily driven by higher average gross debt during 2020 compared to 2019.

Other Financial Results

Other financial results totaled a gain of US\$4.2 million during the year ended December 31, 2020, compared to a loss of US\$0.7 million during the year ended December 31, 2019. This change was primarily driven by an increase of 141% in changes in the fair value of warrants, and partially offset by an the loss of impairment of financial assets, which totaled US\$4.8 million, compared to nil, in all cases during 2020 compared to 2019.

Profit Before Income Taxes

Profit before income taxes totaled a loss of US\$112.9 million during the year ended December 31, 2020, compared to a loss of US\$16.5 million during the year ended December 31, 2019.



Income Tax expense

Our income tax expenses totaled a gain of US\$10.1 million during the year ended December 31, 2020, compared to a loss of US\$16.2 million during the year ended December 31, 2019. This decrease was primarily driven by (i) a decrease in current income tax expenses from US\$1.9 to US\$0.1 million compared to the year ended December 31, 2019, which was mainly driven by the higher amount of tax losses generated by Vista Argentina, our main subsidiary, during 2019 (which was a result of the combined impact of a devaluation of the Argentine Peso versus the U.S. Dollar and a net debt position in U.S. Dollars) and (ii) a gain in deferred income tax expense during 2020 of US\$10.3 as compared to a loss of US\$14.3 in 2019, such variance was mainly driven by the generation of NOLs from our main subsidiary Vista Argentina.

Loss for the year, net

During the year ended December 31, 2020, loss for the year, net totaled US\$102.7 million during the year ended December 31, 2020, compared to US\$32.7 million during year ended December 31, 2019.

ITEM 5B. LIQUIDITY AND CAPITAL RESOURCES

Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including:

- changes in oil, natural gas and liquid gas prices and our ability to generate cash flows from our operations;
- our capital expenditure requirements; and
- the level of our outstanding indebtedness and the interest we are obligated to pay on this indebtedness.

Since our incorporation on March 22, 2017, we have raised US\$650 million in public equity offerings, US\$95 million in private equity offerings and US\$300 million through borrowings, as described further below, which net of the redemption rights, as explained below, have been used to fund the Initial Business Combination, our capital expenditures program and to increase our liquidity.

On August 15, 2017, we completed our US\$650 million initial global offering of 65,000,000 series A shares and 65,000,000 warrants exercisable for such series A shares (the “Warrants”), generating net proceeds to us, after offering expenses, of US\$640 million. The series A shares and warrants issued pursuant to our initial global offering are listed on the Mexican Stock Exchange.

Three Warrants entitle the holder thereof to purchase one series A share at a price of US\$11.50 per series A share. The Warrants expire on April 4, 2023 or earlier if, after exercisability, the closing price for a series A share for any 20 trading days within an applicable 30-trading day period equals or exceeds the Mexican Peso equivalent of US\$18.00 and we decide to early terminate the exercise period thereof. In the event that we declare an early termination, we will have the right to declare that the exercise of the warrants be made on a “cashless basis.” See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

Concurrently with our initial global offering, Vista Sponsor Holdings, L.P. and the Executive Team purchased a total of 29,680,000 warrants exercisable for series A shares in a private placement (the “Sponsor Warrants”), generating gross proceeds to us of US\$14,840,000. The Sponsor Warrants are identical to and fungible with the Warrants. However, the Sponsor Warrants may be exercised for cash or on a cashless basis at the discretion of Vista Sponsor Holdings, L.P. and the Executive Team, or their permitted transferees. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

On August 15, 2017, we also executed a forward purchase agreement (the “FPA”) pursuant to which RVCP agreed to purchase a total of up to 5,000,000 series A shares (the “FPA Shares”) and up to 5,000,000 warrants (“FPA Warrants”) for a total purchase price of US\$50 million (or US\$10 per unit).

Further, on September 12, 2018, we entered executed a subscription agreement with Kensington, RVCP’s sole limited partner, for the subscription of the FPA Shares and the FPA Warrants that could be purchase by RVCP, or its permitted transferees, pursuant to the FPA. On February 12, 2019, we completed the sale of the FPA Shares and



the FPA Warrants to Kensington for an amount of US\$50.0 million pursuant to the FPA and, additionally, 500,000 series A shares for an amount of US\$5.0 million pursuant to certain subscription commitment among Vista and Kensington. The FPA Warrants are subject to the same terms as the Sponsor Warrants. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

As per the unanimous shareholders resolutions dated July 28, 2017, our shareholders resolved to reduce a portion of our outstanding capital stock. As a result, a number of series A shares, which represented a portion of the amount authorized to be reduced, were reimbursed for cash and canceled.

On April 4, 2018, the date we consummated our Initial Business Combination:

- we entered into a bridge loan agreement (the “Bridge Loan”) with Citibank, N.A., Credit Suisse AG Cayman Islands Branch and Morgan Stanley Senior Funding, Inc. in an aggregate principal amount equal to US\$260.0 million, maturing on February 11, 2019, bearing interest at a variable rate between 3.25% and 5%. The Bridge Loan was prepaid in full on or about July 19, 2018 with the proceeds of the Credit Agreement.
- approximately 31.29% of holders of series A shares exercised their redemption rights, as a result of which 20,340,685 series A shares were redeemed for an amount of US\$204.6 million. The holders of remaining series A shares were capitalized net of the deferred offering expenses paid to the underwriters in our initial global offering for an amount of US\$442.5 million, and
- we obtained from a private placement transaction a capital contribution of US\$95,000,000 representing 9,500,000 series A shares that were paid in.

In July 2019, we completed a global offering consisting of a follow-on public offering in Mexico of our series A shares and an international public offering in the United States and other countries of our series A shares represented by American Depositary Shares on the NYSE for a total amount of 10,906,257 series A shares (including all over-allotment options). Our ADSs began trading on the NYSE on July 26, 2019, under the ticker symbol “VIST.” The gross proceeds of the global offering amounted to approximately \$101 million, before fees and expenses.

As of December 31, 2021, we hold 40,162,362 series A shares in treasury for delivery upon exercise of any Warrants, Sponsor Warrants or FPA Warrants, as the case may be.

We believe that our working capital is sufficient for our present requirements.

Indebtedness

As of December 31, 2021, we had total outstanding indebtedness of US\$611 million.

On July 19, 2018, Vista Argentina, in its capacity as borrower, Vista, Vista Holding I, APCO Argentina and APCO International, as guarantors, entered into a syndicated term loan agreement (the “Credit Agreement”) for an aggregate principal amount equal to US\$300 million with the following syndicate of banks: Banco de Galicia y Buenos Aires S.A.U., Itaú Unibanco S.A.U., Nassau Branch, Banco Santander Rio S.A. and Citibank, N.A. (acting through its International Banking Facilities) (the “Lenders”). Vista Holding II, Aluvional Logística S.A. and AFBN S.R.L. are also guarantors since October 2018, March 2021 and December 2021, respectively.

The Credit Agreement consists of a five-year (i) fixed rate tranche and (ii) a floating rate tranche. On July 19, 2018, Vista Argentina requested a loan disbursement in an amount equal to US\$300 million pursuant to the Credit Agreement. The funds from the loans were used to (i) repay in full all of the outstanding loans, obligations, interests, fees, costs and expenses under the bridge loan agreement dated as of April 4, 2018, among Vista, as borrower, Vista Argentina, Vista Holding I, APCO Argentina, APCO International and Vista Holding II, as guarantors, and the Lenders for an aggregate principal amount of US\$260 million (the “Bridge Loan”), (ii) for general corporate purposes and (iii) pay related transaction fees, costs and expenses. Vista used the proceeds from the Bridge Loan to finance a portion of the Initial Business Combinations.



The Credit Agreement is an unsecured facility that amortizes on a semi-annual basis beginning eighteen months after the disbursement date. On October 22, 2018, Vista Holding II became a guarantor and a loan party to the Credit Agreement, and on October 31, 2018, APCO Oil & Gas S.A.U. assumed the obligations of APCO International under the Guaranty in its capacity as the successor to APCO International (see “Item 4—Information on the Company—History and Development of the Company”). Pursuant to the terms of the Credit Agreement, Vista may be required from time to time to add additional material subsidiaries of Vista as Guarantors under the Credit Agreement. Any such Guarantors are subject to the affirmative and negative covenants and other restrictions applicable to loan parties under the Credit Agreement. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Company—Our debt obligations include operating and financial restrictions, which may prevent us from pursuing certain business opportunities and taking certain actions.” As of the date of this annual report, there is no default or event of default outstanding under the Credit Agreement.

On June 10, 2019, we, Vista Argentina, Vista Holding I, APCO Argentina, APCO International and Vista Holding II entered into an amendment (the “First Amendment”) to the Credit Agreement with the Lenders and with Itaú Unibanco S.A., Nassau Branch, as administrative agent. The First Amendment provides us, the other Guarantors and Vista Argentina with, among others, additional flexibility to make certain investments in other loan parties and in third parties (subject to certain ceilings) and provides Vista Holding I with additional flexibility during the eighteen-month period (ending on January 19, 2020) following the date of the Credit Agreement to make certain dividends and distributions to Vista and other persons (subject to certain ceilings).

On March 12, 2020, we, Vista Argentina, Vista Holding I and Vista Holding II entered into a further amendment (the “Second Amendment”) to the Credit Agreement with the Lenders and with Itaú Unibanco S.A., Nassau Branch, as administrative agent. The Second Amendment provides for the adjusted consolidated net debt and adjusted consolidated EBITDA ratio to be tested on a consolidated basis at the level of Vista Holding I (excluding debt of Vista Holding I owing to us or any of the guarantors). Previously, such ratio excluded the indebtedness and EBITDA of Vista Holding I for testing purposes.

On July 17, 2020, we, Vista Argentina, Vista Holding I and Vista Holding II entered into a further amendment (the “Third Amendment”) to the Credit Agreement with the Lenders and with Itaú Unibanco S.A., Nassau Branch, as administrative agent. The Third Amendment provides for, among others, amendments to certain provisions on mandatory prepayments, covenants, events of default and permitted refinanced indebtedness, as well as an increase of the additional indebtedness basket to US\$30 million. The Third Amendment also provided for the deferral of payments of US\$1.5 million and US\$3.5 million from the principal amount owed to Citibank N.A. under the Credit Agreement. On March 12, 2021, Vista Argentina prepaid US\$4,500,000 of principal that had been deferred in the Third Amendment.

On July 17, 2020, we, Vista Argentina, Vista Holding I and Vista Holding II entered into a syndicated loan agreement governed by Argentine law with Banco de Galicia y Buenos Aires S.A.U., Banco Santander Río S.A., La Sucursal de Citibank, N.A. establecida en la República Argentina and Banco Itaú Argentina S.A., as lenders, and Banco de Galicia y Buenos Aires S.A.U. as administrative agent (the “Peso Loan”). On July 20, 2020, the first tranche was disbursed in the amount of AR\$968,085,000. The second disbursement under this Peso Loan was made on January 20, 2021 in the amount of AR\$2,331,720,000. The loans disbursed on the first disbursement date are to be repaid in a single installment on January 20, 2022, while the loans disbursed on the second disbursement date are to be repaid on July 20, 2022 and the loans disbursed on the second disbursement date are to be repaid on January 20, 2023. Vista Oil & Gas, S.A.B. de C.V., Vista Holding I, and Vista Holding II granted a guarantee governed by Mexican law to guarantee the obligations of Vista Argentina. On March 12, 2021, the first two tranches were prepaid in the amount of AR\$968,085,000 and AR\$2,331,720,000, respectively. On January 19, 2021, the parties to this Peso Loan agreed to amend certain definitions and financial commitments, while incorporating an additional tranche for the equivalent amount in Argentine Pesos of US\$38,250,000, which disbursement is scheduled for July 20, 2021.

On January 19, 2021, we, Vista Argentina, Vista Holding I and Vista Holding II entered into a further amendment to the Credit Agreement (the “Amended and Restated Credit Agreement”) with the Lenders and with Itaú Unibanco S.A., Nassau Branch, as administrative agent. The Amended and Restated Credit Agreement amends, among others, certain provisions that allow us and the rest of the borrowers refinance indebtedness following certain restrictions imposed by Communication “A” 7123 of the Argentine Central Bank and covenant provisions permitting capitalization of subsidiaries (including Aluvional Logística S.A.).



On January 19, 2021, Vista Argentina entered into a bilateral loan agreement with Banco Santander International, for the amount of US\$11,700,000, secured by cash collateral under two Pledge Agreements entered into (i) between Vista Argentina and Banco Santander International; (ii) among us and Banco Santander International. The Agreement provides for amortization payments on June 27, 2021, January 20, 2022, and January 20, 2026.

On March 1, 2021, Aluvional Logistica S.A. (“Aluvional”) entered into the Credit Agreement as Guarantor, pursuant to a Guaranty Agreement between Aluvional and Itau Unibanco S.A., Nassau Branch, as administrative agent to the Credit Agreement. On the same date, a similar guaranty was executed by Aluvional under the Peso Loan.

On May 7, 2021, Vista Argentina, we, Vista Holding I and Vista Holding II entered into an amendment to the Amended and Restated Credit Agreement (the “Amendment No. 1 to Amended and Restated Credit Agreement”) with the Lenders and with Itau Unibanco S.A., Nassau Branch, as administrative agent. The Amendment No. 1 to Amended and Restated Credit Agreement provides for, among others, amendments to certain provisions to add an additional indebtedness basket of US\$30 million.

On June 29, 2021, Vista Argentina, we, Vista Holding I and Vista Holding II entered into a further amendment (the “Amendment No. 2 to Amended and Restated Credit Agreement”) to the Amended and Restated Credit Agreement with the Lenders and with Itau Unibanco S.A., Nassau Branch, as administrative agent. The Amendment No. 2 to Amended and Restated Credit Agreement provides for, among others, amendments to certain provisions on mandatory prepayments, permitted investments and permitted refinanced indebtedness and line of business.

On June 29, 2021, Vista Argentina entered into two bilateral loan agreements with Banco Santander International, for the amount of US\$13,500,000 and US\$30,000,000 respectively, each secured by cash collateral under two Pledge Agreements entered into (i) between Vista Argentina and Banco Santander International; (ii) among us and Banco Santander International. The Agreement provides for amortization payments on December 16, 2021 and July 2, 2026.

On December 28, 2021, Vista Argentina, we, Vista Holding I and Vista Holding II entered into a further amendment (the “Amendment No. 3 to Amended and Restated Credit Agreement”) to the Amended and Restated Credit Agreement with the Lenders and with Itau Unibanco S.A., Nassau Branch, as administrative agent. The Amendment No. 3 to Amended and Restated Credit Agreement provides for, among others, amendments to certain provisions on the benchmark replacement, use of unrestricted proceeds and permitted refinancing indebtedness.

On December 28, 2021, AFBN S.R.L. (“AFBN”) entered into the Amended and Restated Credit Agreement (as amended by Amendment No. 3 to Amended and Restated Credit Agreement) as guarantor, pursuant to a guaranty agreement between AFBN and Itau Unibanco S.A., Nassau Branch, as administrative agent to the Amended and Restated Credit Agreement (as amended by Amendment No. 3 to Amended and Restated Credit Agreement).

On December 28, 2021, Vista Argentina entered into a bilateral loan agreement with Banco Santander International, for the amount of US\$13,500,000 secured by cash collateral under two Pledge Agreements entered into (i) between Vista Argentina and Banco Santander International; (ii) among us and Banco Santander International. The Agreement provides for amortization payments on June 20, 2022 and January 4, 2027.

On May 7, 2019, the shareholders of Vista Argentina approved the creation of a program for the issuance of short-, medium- or long-term, subordinated or unsubordinated, secured or unsecured, simple non-convertible debt securities, (obligaciones negociables simples no convertibles en acciones), for up to an aggregate principal amount at any time outstanding of US\$800,000,000 or its equivalent in other currencies (the “Notes Program”). The Notes Program was approved by the Argentine Securities Commission (the Comisión Nacional de Valores, or the “CNV”). Accordingly, Vista Argentina may publicly offer and issue debt securities in Argentina.

On July 30, 2019, Vista Argentina entered into a loan agreement with Banco BBVA Argentina S.A. for an amount of US\$15,000,000, at an annual fixed rate in of 9.4% and for a 36-month term. On July 15, 2020, Vista Argentina and Banco BBVA Argentina S.A. agreed to refinance 75% of the principal installments under the loan



agreement which until such deferral were due between July 30, 2020 and June 30, 2021. On July 31, 2020, the first refinanced tranche was disbursed in the amount of AR\$120,423,795, for a term of 18 months with quarterly amortization starting on the twelfth month, and a variable annual interest rate of Badlar plus a margin of 8%. On October 30, 2020, the second refinanced tranche was disbursed in the amount of AR\$130,482,028, for a term of 18 months with quarterly amortization starting on the twelfth month, and a variable annual interest rate of Badlar plus a margin of 8%. On January 29, 2021, Vista Argentina received the disbursement of the third tranche in the amount of AR\$145,359,714, at an annual variable interest rate of Badlar plus an additional margin of 8%, maturing on July 31, 2022. On March 12, 2021, the first two tranches were prepaid in the amount of AR\$120,423,795 and AR\$130,482,028, respectively. On March 26, 2021 the third tranche was prepaid.

On July 31, 2019, Vista Argentina issued a 24-month bullet bond for US\$50 million at a flat interest rate of 7.88% per annum. In addition, on August 7, 2019, Vista Argentina issued a 36-month bullet bond for an additional US\$50 million at a flat interest rate of 8.50% per annum. In February 2020, Vista Argentina issued an additional 4-year bullet bond for US\$50 million at a flat interest rate of 3.50% per annum. On August 2, 2021 the 24-month bullet bond was paid.

On August 7, 2020, Vista Argentina issued notes for a nominal amount of Argentine Pesos 725,650,000, at a variable interest rate equivalent to Badlar plus an applicable margin of 1.37% annual nominal amount, which principal will be fully amortized in a single installment on the maturity date, on February 7, 2022, and issued notes for a nominal amount of US\$20,000,000, at a fixed annual nominal interest rate of 0%, the principal amount of which will be fully amortized in a single installment on the maturity date, on August 7, 2022. On February 7, 2022 the bond amounting to AR\$725,000,000 was paid.

On December 4, 2020, Vista Argentina issued notes for a nominal amount of US\$10,000,000 Dollar Linked, at a fixed annual interest rate of 0%, the principal amount of which will be fully amortized in a single installment on the maturity date, on August 7, 2022, and also issued notes for a nominal amount of US\$10,000,000, at a fixed annual nominal interest rate of 3.25%, whose principal will be fully amortized, in a single installment, on the maturity date, on December 4, 2024.

On March 10, 2021, Vista Argentina issued notes for a nominal amount of US\$42,371,396, at a fixed annual nominal interest rate of 4.25%, whose principal will be fully amortized in a single installment on the maturity date, on March 10, 2024; and also issued notes for a nominal amount of 9,323,430 UVA (acquisitive value units), at a fixed annual nominal interest rate of 2.73%, whose principal will be fully amortized in a single installment on the maturity date, on September 10, 2024. On March 26, 2021, Vista Argentina issued additional notes for a nominal amount of 33.966.570 UVA with the same terms of maturity and interest as the ones issued in UVA on March 10, 2021.

On June 18, 2021, Vista Argentina issued notes for a nominal amount of US\$38,787,069, at a fixed annual nominal interest rate of 4%, whose principal will be fully amortized in a single installment on the maturity date, on June 18, 2023; and also issued notes for a nominal amount of 39,093,997 UVA, at a fixed annual nominal interest rate of 4%, whose principal will be fully amortized in a single installment on the maturity date, on March 18, 2025.

On August 27, 2021, Vista Argentina issued notes for a nominal amount of US\$9,230,270, at a fixed annual nominal interest rate of 3.48%, whose principal will be fully amortized in a single installment on the maturity date, on August 27, 2025; and also issued notes for a nominal amount of US\$100,769,730, at a fixed annual nominal interest rate of 5.85%, whose principal will be amortized in fifteen semi-annual installments from August 27, 2024 until maturity date, on August 27, 2031.

On August 2, 2021, Vista Argentina entered into two bilateral loan agreements with Banco Santander Río S.A. and Banco Galicia y Buenos Aires S.A.U., for an amount of AR\$1,138,700,000 each with a 180-day term and a variable interest rate based on Badlar plus 4.50%. These loans were prepaid on August 30, 2021.

On September 16, 2021, Vista Argentina and Vista Oil & Gas, S.A.B. de C.V. entered into an agreement with ConocoPhillips whereby the lender offered the debtors a five-year line of credit of up to US\$25,000,000. On January 13, 2022, Vista Argentina requested a loan disbursement in an amount equal to US\$25 million under this line of credit.



On December 30, 2021, Vista Argentina entered into a loan agreement with BYMA for AR\$284 million, at an annualized interest rate of 33.25% and for a four-day period. As part of this transaction, U.S. treasury bonds were pledged as collateral. As of the date of this annual report, this loan agreement has been fully repaid.

On December 30, 2021, Vista Argentina entered into a loan agreement with BYMA for AR\$531 million, at an annual interest rate of 32.83% and for a four-day period. As part of this transaction, U.S. treasury bonds were pledged as collateral. As of the date of this annual report, this loan agreement has been fully repaid.

On December 30, 2021, Vista Argentina entered into a loan agreement with BYMA for AR\$224 million, at an annualized interest rate of 30% and for a four-day period. As part of this transaction, U.S. treasury bonds were pledged as collateral. As of the date of this annual report, this loan agreement has been fully repaid.

Other contractual obligations

As of December 31, 2021, the Company also have other commitments and contractual obligations as follows:

	Payments due by period		
	Total	Short Term	Long Term
		(Less than 1 year)	(More than 1 year)
	(in thousands of US\$)		
Employee Benefit Plan	11,812	1,204	10,608
Lease Agreements	44,722	10,460	34,262
Total	56,534	11,664	44,870

Capital Expenditures

The amount and allocation of future capital expenditures will depend upon a number of factors, including our cash flows from operating, investing and financing activities and our ability to execute our drilling program. We periodically review our capital expenditure budget to assess changes in current and projected cash flows, debt requirements and other factors. If we are unable to obtain funds when needed or on acceptable terms, we may not be able to finance the capital expenditures necessary to maintain our production or proved reserves. We intend to fund our capital expenditures with cash generated from our operations, cash on hand, and debt and equity financing.

Because we operate a high percentage of our acreage, capital expenditure amounts (in addition to our capital expenditures committed under our concessions) and timing are largely discretionary and within our control. We determine our capital expenditures depending on a variety of factors, including, but not limited to, existing commitments under the concessions, the success of our drilling activities, prevailing and anticipated prices for oil and natural gas, the availability of necessary equipment, infrastructure and capital, the receipt and timing of required regulatory permits and approvals, seasonal conditions, drilling and acquisition costs and the level of participation by other working interest owners. A deferral of planned capital expenditures, particularly with respect to drilling and completing new wells, could result in a reduction in anticipated production and cash flows. Moreover, we may be required to unbook some portion of our current proved undeveloped reserves if such deferral of planned capital expenditures implies that we will be unable to develop such reserves within five years of their initial booking.

During the year ended December 31, 2021, we made total capital expenditures of US\$324.1 million. During the year ended December 31, 2020, we made total capital expenditures of US\$225.9 million. During the year ended December 31, 2019, we made total capital expenditures of US\$244.6 million.

As part of the terms and conditions governing the concession agreements relating to our oil and gas properties in Argentina, we are committed to making capital investments for drilling and completing wells, performing well workovers and investing in facilities. We have estimated the amount of capital expenditures required to comply with our commitments under such concessions based on the historical costs of drilling and completing wells, performing well workovers and investing in facilities. According to our best estimates, we anticipate our capital expenditures required to comply with our commitments under the concessions in Argentina to be approximately US\$113.5 million from December 31, 2021, through December 31, 2022. We may elect to defer in whole or in part the capital investments in Argentina that we had originally scheduled for 2022, depending on how crude oil demand, international prices and domestic prices, among other factors, evolve during 2022. For more information on these investment commitments, see Note 30 to our Audited Financial Statements.

We have also committed to make certain capital investments in our block in Mexico. We have estimated that we will be required to make capital expenditures at our working interest for an estimated amount of US\$16.2 million. Capital commitments in the Mexican blocks should be completed in 24 months since the approval of each of the exploration periods by CNH. The CS-01 additional exploration period was approved by CNH to start on October 5, 2021. We may elect to defer in part the capital investments in Mexico that we had originally scheduled for 2022, depending on the timing of the approval of plans and permits. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry—We are exposed to contractions in demand of crude oil and natural gas and contractions in demand of any of their by-products.”



Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019
Cash flows provided by (used in)			
Operating activities	401,393	93,779	134,258
Investing activities	(295,456)	(156,099)	(235,009)
Financing activities	6,525	30,892	266,301
Net increase (decrease) in cash and cash equivalents	112,462	(31,428)	165,550

The ability of our Argentine entities to purchase non-Argentine currency in Argentina and to transfer any funds in the form of dividends, loans or advances to any non-Argentine entities (including affiliates) is subject to certain foreign exchange restrictions, as further described in “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Current Argentine exchange controls and the implementation of further exchange controls could adversely affect our results of operations” and “Exchange Controls – Payments of principal and interest of foreign financial indebtedness.”

Cash Flows Provided by Operating Activities

For the year ended December 31, 2021, net cash generated by operating activities was US\$401.4 million. This was mainly due to an increase in Adjusted EBITDA for 2021 of US\$380.1 million, compared to US\$95.6 million in 2020, primarily driven by higher production and realized prices.

For the year ended December 31, 2020, net cash generated by operating activities was US\$93.8 million, mainly due to loss for the period of US\$102.7 million adjusted for non-cash items (mainly relating to depreciation charges, net exchange differences, share-based payment expense, interest expense, impairment of long-lived assets, changes in the fair value of warrants and accrued income tax) and a US\$2.4 million inflow of accounts payable and other payables, which was partially offset by an outflow of income tax paid of US\$4.7 million.

For the year ended December 31, 2019, net cash generated by operating activities was US\$134.3 million, mainly due to the loss for the period of US\$32.7 million adjusted for non-cash items (mainly relating to depreciation charges, net exchange differences, share-based payment expense, interest expense and accrued income tax), which was partially offset by a decrease of US\$22.1 million in accounts payable and other payables and income tax payments of US\$26.3 million.

Cash Flows Used in Investing Activities

For the year ended December 31, 2021, net cash used in investing activities was US\$295.5 million, mainly due to payments of US\$321.3 million for the acquisition of property, plant and equipment, partially offset by US\$24.2 million from payments received from assets disposal and payments received from farmout agreement. The cash flow used in investing activities was mainly spent in the development of Vaca Muerta in Bajada del Palo Oeste.

For the year ended December 31, 2020, net cash used in investing activities was US\$156.1 million, mainly due to payments for acquisition of property, plant and equipment for US\$153.3 million. The cash flow used in Investing Activities was mainly spent in the development of Vaca Muerta in Bajada del Palo Oeste.

For the year December 31, 2019, net cash used in investing activities was US\$235.0 million, mainly attributable to payments for acquisition of property, plant and equipment for US\$240.3 million. The cash flow used in Investing Activities was mainly spent in the development of Vaca Muerta in Bajada del Palo Oeste.



Cash Flows Provided by (used in) Financing Activities

For the year ended December 31, 2021, cash provided by financing activities was US\$6.5 million. This was primarily generated by the proceeds from borrowings of US\$358.1 million, which was partially offset by the principal payment of US\$284.7 million for certain of our borrowings and interest payments of US\$54.6 million.

For the year ended December 31, 2020, cash provided by financing activities was US\$30.9 million, which were primarily generated by the proceeds from borrowings for US\$201.7 million, which was partially offset by the payment of US\$98.8 million in the principal amount of certain borrowings and interest payments of US\$43.8 million.

For the year ended December 31, 2019, cash provided by financing activities was US\$266.3 million, primarily generated by proceeds from capitalization of series A shares net of issue costs for US\$146.1 million and proceeds from borrowings for US\$234.7 million and partially offset by payments of borrowings' principal for US\$90.2 million and payments of borrowings' interest for US\$32.4 million.

ITEM 5C. RESEARCH AND DEVELOPMENTS, PATENTS AND LICENSES, ETC.

Non applicable.

ITEM 5D. TREND INFORMATION

See "Item 4—Information on the Company—Industry and Regulatory Overview."

In addition to the information set forth in this section, additional information about the trends affecting our business can be found in "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry" You should also read our discussion of the risks and uncertainties that affect our business in "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments" including matters related to potential risks and disruptions related to the COVID-19 pandemic.

ITEM 5E. CRITICAL ACCOUNTING ESTIMATES

Critical accounting policies are policies that require us to exercise judgment or involve a higher degree of complexity in the application of the accounting policies that currently affect our financial condition and results of operations. The accounting judgments and estimates we make in these contexts require us to calculate variables and make assumptions about matters that are highly uncertain. In each case, if we had made other estimates, or if changes in the estimates occur from period to period, our financial condition and results of operations could be materially affected.

See Note 3 to our audited financial statements for a summary of the critical accounting judgments and estimates applicable to us. There are many other areas in which we use estimates about uncertain matters, but we believe the reasonably likely effect of changes or differences within critical accounting judgments and estimates would not have a material impact on our financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Board of Directors

Under the Mexican Securities Market Law, public companies must have a board of directors comprised of no more than 21 members, of which at least 25% must be independent. Independent members must be selected based on their experience, ability and reputation at the issuer's shareholders' meeting; whether or not a director is independent must be determined by the issuer's shareholders and such determination may be challenged by the CNBV. The Mexican Securities Market Law permits then-acting members of the board of directors (as opposed to shareholders) to select, under certain circumstances and on a temporary basis, new members of the board of directors.



Boards of directors of public companies are required to meet at least four times during each calendar year and have the following principal duties:

- determine general strategies applicable to the issuer;
- approve guidelines for the use of corporate assets;
- approve, on an individual basis, transactions with related parties, subject to certain limited exceptions;
- approve unusual or exceptional transactions and any transactions that imply the acquisition or sale of assets with a value equal to or exceeding 5% of the issuer’s consolidated assets or that imply the provision of collateral or guarantees or the assumption of liabilities equal to or exceeding 5% of the issuer’s consolidated assets;
- approve the appointment or removal of the chief executive officer;
- approve waivers in respect of corporate opportunities;
- approve accounting and internal control policies;
- approve the chief executive officers’ annual report and corrective measures for irregularities; and
- approve policies for disclosure of information.

Directors have the general duty to act for the benefit of the issuer, without favoring a shareholder or group of shareholders.

Our board of directors is responsible for the oversight of our business and is comprised of six members, four of which are independent. Set forth below are the name, age, position and biographical description of each of our current directors.

Name	Position	Independent*	Age	Appointed	Term Expires on
Miguel Galuccio	Chairman	No	54	2017	No expiration date
Susan L. Segal	Director	Yes	69	2017	No expiration date
Mauricio Doehner Cobian	Director	Yes	47	2017	No expiration date
Pierre-Jean Sivignon	Director	Yes	65	2018	No expiration date
Gerard Martellozo**	Director	No	66	2022	No expiration date
Germán Losada**	Director	Yes	37	2022	No expiration date

* Independent under NYSE standards, applicable SEC rules and the CNBV Rules.

** Appointed in the Shareholders’ Meeting held on April 26, 2022.

Miguel Galuccio serves as our Chairman and Chief Executive Officer. Mr. Galuccio is currently an independent member of the board of directors of Schlumberger, a global oil services firm. Mr. Galuccio served as the Chairman and Chief Executive Officer of YPF, Argentina’s largest oil company, from May 2012 to April 2016, which under his leadership became the largest producer of hydrocarbons from shale formations globally outside North America. Prior to joining YPF, Mr. Galuccio was an employee of Schlumberger and held a number of international positions in North America, the Middle East, Asia, Europe, Latin America, Russia and China, his last being President of Schlumberger Production Management. Other senior roles held by Mr. Galuccio at Schlumberger include President of Integrated Project Management, General Manager for Mexico and Central America and Real Time Reservoir Manager. Prior to his employment at Schlumberger, he served in various executive positions at YPF and its subsidiaries, including YPF International, where he participated in its internationalization process as Manager within Maxus Energy. Mr. Galuccio is a founder and board member at GridX, a company that invests in next generation biotech start-ups. Mr. Galuccio holds a bachelor’s degree in petroleum engineering from the Instituto Tecnológico de Buenos Aires in Argentina.

Susan L. Segal serves as an independent member of our Board of Directors. Ms. Segal was appointed President and CEO of Americas Society / Council of the Americas in 2003, after working in the private sector in



Latin America and other emerging markets for more than 30 years. Prior to her current appointment, she was a Partner at Chase Capital Partners / JPMorgan Partners with a focus on private equity in Latin America and pioneering venture capital investments in the region. During her career as a banker, she focused in investment banking, founding a trading unit for emerging market bonds and, was actively involved in the Latin American debt crisis in the 1980s and 1990s, serving as President of the Board for the Advisory Committees of Chile and the Philippines. Ms. Segal is a member of the Board of Americas Society / Council of the Americas, the Tinker Foundation, Scotiabank, Mercado Libre and Ribbit Leap Ltd., as well as Chairman of the Board of Scotiabank USA, a wholly-owned private subsidiary of ScotiaBank. She is also a member of the Council on Foreign Relations. Ms. Segal graduated from Sarah Lawrence University and received a master's degree in business administration from Columbia University in the United States. In 1999, she was awarded the Orden Bernardo O'Higgins, Grado de Gran Oficial in Chile. In 2009, Colombia honored her with the Orden de San Carlos. In 2012, Mexico bestowed on her the Orden Mexicana del Águila Azteca. In 2013, the North American-Chilean Chamber of Commerce recognized her as the Honorary Chilean of the Year. In 2018, Susan was awarded Peru's Order of "Merit for Distinguished Services" in the rank of Grand Official.

Mauricio Doehner Cobian serves as an independent member of our Board of Directors. Mr. Doehner has been Executive Vice President of Corporate Communication, Public Affairs and Social Impact at CEMEX since May 2014 and is a member of its Executive Committee, reporting directly to the CEO. Mr. Doehner began work with CEMEX in 1996 and has held various executive positions in areas such as Strategic Planning, Institutional Relations and Communications and Business Risk Management for Europe, Asia, Middle East, South America, and Mexico. While acting in such capacities, he has led interactions and collaboration with several governments worldwide, as well as engaging in evaluation of tax structures, public policy initiatives, corporate social responsibility, communications, and crisis management. Further, he worked in Mexico's Presidential Administration in 2000, leading its relationship with Mexican NGO's, dealing with diverse issues such as government reforms and the national budget. Mr. Doehner also worked at Violy Byorum & Partners Investment Bank. Currently, he is the Vice President of the Mexican Employers' Confederation (COPARMEX), Vice-president of the Confederation of Industrial Chambers (CONCAMIN) and a member of the boards of the Trust for the Americas organization affiliated to the Organization of American States (OAS), the Center of Citizen Integration (CIC), the Industrials Club of Monterrey, the Museum of Modern Art of Monterrey (MARCO) and a member of the GAP Group within the Consejo Mexicano de Negocios (CMN). Mr. Doehner leads a seminar on economic, financial and political analysis at Tecnológico de Monterrey and is a Board Member of Tec Milenio. He is also a contributor to Expansión Magazine. Mr. Doehner holds a bachelor's degree in economics from Tecnológico de Monterrey, a master's degree in business administration from IESE/IPADE, a professional certificate in competitive intelligence from the FULD Academy of Competitive Intelligence in Boston, Massachusetts and, a Master in Public Administration from Harvard Kennedy School.

Pierre-Jean Sivignon serves as an independent member of our Board of Directors. Mr. Pierre-Jean Sivignon was an advisor to the Chairman and CEO of Carrefour Group in Paris until December 2018, where he previously held the positions of Deputy CEO, CFO and Member of the Executive Board as well as Chairman of the Board of their publicly traded subsidiary in Brazil. Prior experience includes positions as the Chief Financial Officer, Executive Vice President, Member of the Board of Management at both Royal Philips Electronics in Amsterdam and at Faurecia Group in Paris. He also held various high level financial and managerial positions with the Schlumberger Group in different locations, including New York and Paris. Mr. Sivignon is an independent director at the Supervisory Board of Imperial Brands plc, traded in the London Stock Exchange and, in the past, he was a member of the board of directors of Imerys and Technip FMC, both companies traded on the Paris Stock Exchange. Mr. Sivignon graduated from French baccalaureate with honors in France and received an MBA from ESSEC (Ecole Superieure des Sciences Economiques et Commerciales) also in France.

Gerard Martellozo developed his career at Schlumberger for over 40 years, retiring in 2019 as Vice President of Human Resources globally. Prior to assuming this position in 2014, he served as Senior Advisor to Schlumberger's chief executive officer, based in Houston, Texas, United States. Gérard joined Schlumberger in 1979 after completing a Master in Engineering at the Ecole Nationale Superieure de l'Aeronautique et de l'Espace (Sup'Aero), France. He began his oilfield career as a wireline field engineer, quickly progressing into operations management with assignments in Spain, Italy, France, Nigeria, Algeria and Venezuela. After his experience in industry operating matters, he transitioned into Human Resources ("HR"), and worked with most of the company's oilfield services business sectors over the next twenty years. From 2010 to 2012 he was HR Director of the company's drilling group and responsible for integrating the several major oilfield services companies purchased by Schlumberger including Cameron, Smith, M-I and Geoservices. Gérard Martellozo is currently the Chairman of the



Board for the Schlumberger Foundation. Before that, he joined the board of the Foundation in March 2014 to continue to lend his support to Schlumberger's long-term commitment to promoting women in technology in the world at large. He was also co-founder of Partnerjob.com, for which he served as treasurer from 2003 to its sale in 2017 to NetExpat.

Germán Losada, Managing Director at Riverstone, based in Mexico City, with more than 10 years of experience in private equity, focused on the energy sector in Europe, United States and Latin America. Mr. Losada leads Riverstone's decarbonization growth equity and infrastructure efforts in Latin America and has strong expertise in building new companies. We believe his expertise is demonstrated in examples like the recent launch of VEMO, the largest integrated clean mobility company in Mexico. Mr. Losada serves as Chairman of VEMO and is a member of the Boards of Directors of Energía Real, White River Renewables y A2 Renewables. He is also an Investment Committee member of Riverstone's renewables private equity fund in Mexico. Prior to joining Riverstone, Mr. Losada worked in the European private equity group of First Reserve and in the investment banking division of Goldman Sachs in its Global Natural Resources and Latin America groups. Mr. Losada graduated from the University of San Andrés in Argentina, where he earned a degree in Business Administration.

For a detailed description of the operation and authorities of our board of directors, see "Item 10—Additional Information—Memorandum and Articles of Association—Board of Directors."

Duties and Liabilities of Directors

The Mexican Securities Market Law also imposes duties of care and loyalty on directors.

The duty of care generally requires that directors obtain sufficient information and be sufficiently prepared to support their decisions and to act in the best interest of the issuer. The duty of care is discharged, principally, by requesting and obtaining from the issuer and its officers all the information required to participate in discussions, obtaining information from third parties, attending board meetings and disclosing material information in possession of the relevant director. Failure to act with care by one or more directors subjects the relevant directors to joint liability with the other directors involved in an action for damages and losses caused to the issuer and its subsidiaries, which may be limited (except in the instances of bad faith, or illegal acts or willful misconduct) under the company's bylaws or by resolution of a shareholders' meeting. Liability for a breach of the duty of care may also be covered by indemnification provisions and director and officer liability insurance policies.

The duty of loyalty primarily consists of a duty to maintain the confidentiality of information received in connection with the performance of a director's duties and to abstain from discussing or voting on matters where the director has a conflict of interest. In addition, the duty of loyalty is breached if a shareholder or group of shareholders is knowingly favored or if, without the express approval of the board of directors, a director takes advantage of a corporate opportunity. The duty of loyalty is also breached if a shareholder or group of shareholders is knowingly favored, if the director discloses false or misleading information or fails to register any transaction in the issuer's records that could affect its financial statements or causes material information not to be disclosed or to be modified. The duty of loyalty is also breached if the director uses corporate assets or approves the use of corporate assets in violation of an issuer's policies. The violation of the duty of loyalty subjects the offending director to joint liability for damages and losses caused to the issuer and its subsidiaries. Liability also arises if damages and losses result from benefits obtained by the directors or third parties, as a result of activities carried out by the directors. Liability for breach of the duty of loyalty may not be limited by the company's bylaws, by resolution of a shareholders' meeting or otherwise.

Claims for breach of the duty of care or the duty of loyalty may be brought solely for the benefit of the issuer (as a derivative suit) and may only be brought by the issuer or by shareholders representing at least 5% of any outstanding shares.

As a safe-harbor for directors, the liabilities specified above will not be applicable if the director acted in good faith and (i) complies with applicable law and the bylaws, (ii) acted based upon information provided by officers, external auditors or third-party experts, the capacity and credibility of which may not be the subject of reasonable doubt, (iii) selected the more adequate alternative in good faith or in a case where the negative effects of such decision may not have been foreseeable, based upon the then available information, and (iv) actions were taken in compliance with resolutions adopted at the shareholders' meeting.



Under the Mexican Securities Market Law, the issuer's chief executive officer and principal executives are also required to act for the benefit of the company and not of a shareholder or group of shareholders. Principally, these executives are required to submit to the board of directors for approval the principal strategies for the business, to submit to the audit committee proposals relating to internal control systems, to disclose all material information to the public and to maintain adequate accounting and registration systems and internal control mechanisms.

Board Committees

The Mexican Securities Market Law requires us to have an Audit and Corporate Governance Committee, which must be composed of at least three independent members under the Mexican Securities Market Law. We believe that all of the members of the Audit and Corporate Governance Committee are independent under the Mexican Securities Market Law and comply with the requirements of Rule 10A-3 of the Exchange Act. On May 10, 2018, the Board created a Compensation Committee.

Audit Committee

Members of our audit committee were appointed by the unanimous consent of our shareholders on July 28, 2017, except for Mr. Pierre-Jean Sivignon who was appointed as new member of the committee by the Board on May 10, 2018, to replace Mr. Anthony Lim, who resigned effective such date. Mr. Sivignon was also nominated by the Board to chair the Audit Committee. On November 2020, Mrs. Susan Segal left her seat at the Audit Committee.

The members of our audit committee are:

- Pierre-Jean Sivignon (chair);
- Mauricio Doehner Cobian; and
- Mark Bly*

* To be replaced by Germán Losada as newly appointed independent member of the Board.

There is no expiration date on the term of the appointment of the members of our audit committee. For a detailed description of the operation and authorities of our audit committee, see "Item 10—Additional Information—Shareholder's Meetings—Audit and Corporate Practices Committees."

Corporate Practices Committee

The members of our corporate practices committee are:

- Mauricio Doehner Cobian (chair);
- Pierre-Jean Sivignon;
- Susan L. Segal; and
- Mark Bly*

* To be replaced by Germán Losada as newly appointed independent member of the Board.

There is no expiration date on the term of the appointment of the members of our corporate practice committee. For a detailed description of the operation and authorities of our audit committee, see "Item 10—Additional Information—Memorandum and Articles of Association —Audit and Corporate Practices Committees."



Compensation Committee

On May 10, 2018, the Board created a Compensation Committee with the intention of (i) setting the compensation strategy for our executive officers and directors, (ii) setting compensation levels for the CEO, and (iii) approving compensation policies for C-suite executives upon CEO recommendation. The members of our compensation committee are:

- Susan L. Segal (chair);
- Pierre-Jean Sivignon;
- Mauricio Doehner Cobian; and
- Mark Bly

* Independent under NYSE standards, applicable SEC rules and the CNBV Rules

For a detailed description of the operation and authorities of our audit committee, see “Item 10—Additional Information—Memorandum and Articles of Association —Audit and Corporate Practices Committees.”

Agreements with Directors

There are no agreements between us and the members of our Board of Directors that provide for any benefits upon termination of their designation as directors. None of our directors maintains service contracts with us except as described in “Principal Shareholders” and “Related Party Transactions.”

Executive Team

The following table sets forth the members of our Executive Team as of the date of this annual report, which were designated on August 1, 2017.

Name	Position	Age
Miguel Galuccio	Chairman and Chief Executive Officer	54
Pablo Manuel Vera Pinto	Chief Financial Officer	44
Juan Garoby	Chief Operations Officer	51
Alejandro Cheriñacov	Strategic Planning and Investor Relations Officer	40

Miguel Galuccio. See “Item 6—Directors, Senior Management and Employees—Board of Directors—Miguel Galuccio.”

Pablo Manuel Vera Pinto has served as our Chief Financial Officer since August 1, 2017, and has been involved with us since our incorporation on March 22, 2017. Mr. Vera Pinto was previously the Head of Business Development at YPF Argentina from October 2012 to February 2017 and, prior to that, served as Director of Transformation at YPF from May 2012 until September 2012. Mr. Vera Pinto was a member of the board of directors of the fertilizer company Profertil (a joint venture between Agrium of Canada and YPF), power generation company Central Dock Sud S.A. (a joint venture between Enel of Italy, YPF and Pan American Energy) and gas distributor Metrogas S.A. (controlled by YPF, acquired from British Gas in 2012). Overall, Mr. Vera Pinto led the execution of



over 20 mergers and acquisitions transactions during his time at YPF. Previously, Mr. Vera Pinto worked with Leadgate Investment Corp., a private investment firm focused on restructuring acquired businesses where he had experience as Restructuring Manager, Chief Financial Officer and General Manager of the firm's controlled businesses. Mr. Vera Pinto also worked for management consultancy McKinsey & Company in Europe and investment banking firm Credit Suisse First Boston NA based in New York. Mr. Vera Pinto holds a bachelor's degree in economics from Universidad Torcuato Di Tella in Buenos Aires, Argentina and a master's degree in business administration from INSEAD in Fontainebleau, France.

Juan Garoby has served as our Chief Operations Officer since August 1, 2017, and has been involved with us since our incorporation on March 22, 2017. Mr. Garoby served as Interim Vice President of Exploration & Production of YPF from August 2016 to October 2016, Head of Drilling and Completions from April 2014 to August 2016 and Head of Unconventional from June 2012 to April 2014, (when he also served as President of YPF Servicios Petroleros S.A., a YPF-owned drilling contractor). Prior to his time at YPF, Mr. Garoby worked at Schlumberger as Operations Manager for Europe and Africa. Mr. Garoby has also held several positions at Baker Hughes, including Director of Baker Hughes do Brasil, Country Manager of Baker Hughes Centrilift Brazil and Country Manager of Baker Hughes Centrilift Ecuador & Peru, among others. Mr. Garoby holds a bachelor's degree in petroleum engineering from the Instituto Tecnológico de Buenos Aires in Argentina.

Alejandro Cherñacov has served as our Strategic Planning and Investor Relations Officer since August 1, 2017 and has been involved with us since our incorporation on March 22, 2017. Mr. Cherñacov served as Chief Financial Officer at Jagercor Energy Corp, a small-cap Canadian Securities Exchange-listed E&P company from January 2015 to February 2017. Previously, Mr. Cherñacov served as Investor Relations Officer of YPF, where he was responsible for repositioning the company in the local and international capital markets. Mr. Cherñacov previously held several positions in YPF's E&P department where his last role was being in charge of the upstream portfolio management process, which covered Argentina, Brazil and Bolivia. Mr. Cherñacov holds a bachelor's degree in economics from the Universidad de Buenos Aires, a master's degree in finance from the Universidad Torcuato Di Tella in Buenos Aires and a strategic decision and risk management professional certificate from Stanford University in Palo Alto, California.

Javier Rodríguez Galli has served as our General Counsel since August 1, 2017. Mr. Rodríguez Galli is a partner at the firm Bruchou, Fernández Madero & Lombardi – Abogados with offices in Buenos Aires, Argentina where he has led the Oil and Gas practice area since joining the firm in 2005. In recent years he has been legal counsel for various international oil companies that have invested in Argentina, attracted by the development of shale hydrocarbons. In December 2014, he advised PETRONAS, the national oil company of Malaysia, in its negotiations and agreements with YPF that led to the joint venture between these two companies in the La Amarga Chica area in Neuquén, to produce shale. Currently, he is a member of the board of Petronas E&P Argentina, S.A. Additionally, he has participated in multiple national and international negotiations related to oil and gas acquisitions, divestments, joint ventures and strategic alliances and has extensive experience in corporate matters. From 1999 until 2005, he was general counsel of Molinos Río de la Plata, an Argentine leader in food and commodities controlled by the Pérez Companc family. From 1993 to 1999, he was an in-house lawyer at YPF, S.A., the largest oil and gas company in Argentina, providing legal services to its international business development group. Mr. Rodríguez Galli graduated with honors from the Law School of Universidad de Buenos Aires in 1991, obtained a master's degree from the London School of Economics in 1993 and a diploma from the College of Petroleum and Energy Studies at Oxford University in 1996.

Actions by our Executive Team

Our Chief Executive Officer and the other relevant officers (including members of our Executive Team) are required under the Mexican Securities Market Law to focus their activities on maximizing shareholder value in our Company. Our Chief Executive Officer and senior management may be held liable for damages to us, our subsidiaries and others for the following: (i) favoring a single group of shareholders, (ii) approving transactions between us, or our subsidiaries, with related persons without complying with applicable legal requirements, (iii) taking advantage of our subsidiaries' assets for their own personal gain contrary to Company policy (or authorizing a third party to do so on their behalf), (iv) making inappropriate use of our, or our subsidiaries' non-public information or (v) knowingly disclosing or revealing false or misleading information.



Our Chief Executive Officer and the other relevant officers (including members of our Executive Team) are required under the Mexican Securities Market Law to act for the benefit of our Company and not that of a particular shareholder or group of shareholders. Our Chief Executive Officer is also required to (i) implement the instructions of our shareholders (as delivered during a shareholders' meeting) and our board of directors, (ii) submit to our board of directors for approval the principal strategies for the business, (iii) submit to the audit and corporate practices committees proposals for systems of internal control, (iv) disclose all material information to the public and (v) maintain adequate accounting and registration systems and mechanisms for internal control. Our Chief Executive Officer and the members of the other relevant officers (including members of our Executive Team) are also subject to the same fiduciary duty obligations as our directors.

Family Relationships

There are no family or kinship relationships among our directors and the members of our Executive Team.

Compensation

During the year ended December 31, 2021, the aggregate remuneration paid by the Issuer to Key Management Personnel for services in all capacities to the Issuer and its subsidiaries during 2021 was US\$20.5 million.

Long Term Incentive Plan

On March 22, 2018, a shareholders' meeting authorized our Long Term Incentive Plan (the "Plan"). The purpose of the plan is to provide the means for the Company and its subsidiaries to attract and retain talented people as officers, directors, employees and consultants which are key to the Company and its subsidiaries, enhancing the profitable growth of the Company and its subsidiaries. That same shareholders' meeting vested our Board of Directors with the authority to administer the Plan and approved the reservation of 8,750,000 series A shares issued by the Company on December 18, 2017, for the implementation of the Plan. Share purchase plans are classified as equity-settled transactions on the grant date. As of the date of this annual report, 5,401,319 Restricted Stock, 10,486,087 Stock Options, and 3,627,744 Performance Restricted Stock were granted under the Plan. The exercise prices and expiration dates of the Stock Options granted under the Plan are as follows (i) 1,267,014 Stock Options at an exercise price of US\$10.00 per series A share, expiring on April 4, 2023, (ii) 2,663,463 Stock Options at an exercise price of US\$6.70 per series A share, expiring on February 19, 2024, (iii) 1,711,307 Stock Options at an exercise price of US\$2.10 per series A share, expiring on April 29, 2030, (iv) 3,428,184 Stock Options at an exercise price of US\$2.85 per series A share, expiring on February 25, 2031, and (v) 1,416,119 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032.

The following paragraphs describe the principal terms and conditions of the Plan.

Type of Awards. The Plan permits different awards in the form of Stock Options, Restricted Stock or Performance Restricted Stock. Performance Restricted Stock vests based on the attainment of performance goals over a period of time to be determined by the Manager in consultation with the Board of Directors or the Compensation Committee and set forth in the corresponding award notice.

Plan Administration. The Plan is administered by our Board of Directors. The Board may delegate certain authority under the Plan to some individual or individuals among the officers of the Company. The administrator of the Plan has the power and authority to determine the persons who are eligible to receive awards, the number of awards, as well as other terms and conditions of awards.

Award Agreement. Any award granted under the Plan is evidenced by an award agreement or a certificate issued by the Company that sets forth terms, conditions and limitations for such award, which may include the number of Restricted Stock or Stock Options awarded, the exercise price, the provisions applicable in the event of the participant's employment or service terminates, among other provisions. The Board may amend the terms of the Plan and/or any particular award; provided that no such amendment shall impair the rights of any participant under the Plan.



Eligibility. We may grant awards to directors, officers, employees and consultants of our Company or any of our Subsidiaries.

Vesting Schedule. Except as otherwise set forth by the Plan regarding certain cases of termination (with or without cause) of employment or service, resignation, retirement, disability and/or death, Restricted Stock and Stock Options shall vest and become non-forfeitable in accordance with the following calendar: (i) 33% on the first anniversary, (ii) 33% on the second anniversary and (iii) 34% on the third anniversary of the date of grant. If a change of control event occurs, such participant's Restricted Stock and options will be immediately vested and exercisable.

Exercise of Stock Options. Vested options will become exercisable during five years since the date of grant. The exercise price per share under a Stock Option shall be the Fair Market Value per share on the date of grant. The number of Stock Options to be awarded to an Eligible Person shall be determined by the Manager at the time of grant following the Black-Scholes method.

Transfer Restrictions. Except under the laws of descent and distribution or otherwise permitted by the plan administrator, the participant will not be permitted to sell, transfer, pledge or assign any option.

Termination and amendment of the Plan. Our board of directors may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made if such amendment, alteration or discontinuation would impair the rights of a participant under any award.

Implementation of Plan; Trust. The Company will enter into a trust agreement with a Mexican financial institution in order to (i) implement and manage the terms of the Plan, and (ii) transfer the Shares underlying the awards, as and when required, in accordance with the terms of the Plan and subject to fulfillment of any requirements set forth in applicable law.

Business Address of the Members of our Board of Directors and Executive Team

The business address of the members of our Company's board of directors and the members of our Executive Team is: Pedregal No. 24, Floor 4, Colonia Molino del Rey, Alcaldía Miguel Hidalgo, Mexico City, Zip Code 11040, Mexico.

Share Ownership

As of the date of this annual report, Susan Segal, Mark Bly and Mauricio Doehner Cobian held series A shares of the Company, in each case representing less than 1% of our outstanding shares. As of the date of this annual report, our Chairman owned (i) 3,287,592 series A shares, (ii) 4,452,000 warrants convertible upon exercise into 1,484,000 series A shares, (iii) 3,202,956 vested Stock Options, (iv) 2,743,234 unvested Stock Options (of which 272,331 vest within 60 days), (v) 1,347,255 Restricted Stock (of which 186,194 vest within 60 days), and (vi) 1,638,298 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options granted to the Chairman are as follows (i) 810,810 Stock Options at an exercise price of US\$10.00 per share, expiring on April 4, 2023, (ii) 1,442,308 Stock Options at an exercise price of US\$6.70 per share, expiring on February 19, 2024, (iii) 816,993 Stock Options at an exercise price of US\$2.10 per series A share, expiring on April 29, 2030, (iv) 2,032,520 Stock Options at an exercise price of US\$2.85 per series A share, expiring on February 25, 2031, and (v) 843,558 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032.

As of the date of this annual report, our Chief Financial Officer owned (i) 798,713 series A shares, (ii) 1,113,000 warrants convertible upon exercise into 371,000 series A shares, (iii) 691,359 vested Stock Options, (iv) 663,424 unvested Stock Options (of which 89,869 vest within 60 days), (v) 337,360 Restricted Stock (of which 61,444 vest within 60 days), and (vi) 429,078 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options granted to our Chief Financial Officer are as follows (i) 135,130 Stock Options at an exercise price of US\$10.00 per share, expiring on April 4, 2023, (ii) 317,308 Stock Options at an exercise price of US\$6.70 per share, expiring on February 19, 2024, (iii) 269,608 Stock Options at an exercise price of US\$2.10 per series A share, expiring on April 29, 2030, (iv) 447,154 Stock Options at an exercise price of US\$2.85 per series A share, expiring on February 25, 2031, and (v) 185,583 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032.

As of the date of this annual report, our Chief Operating Officer owned (i) 795,464 series A shares, (ii) 1,113,000 warrants convertible upon exercise into 371,000 series A shares, (iii) 677,849 vested Stock Options, (iv) 663,424 unvested Stock Options (of which 89,869 vest within 60 days), (v) 337,360 Restricted Stock (of which 61,444 vest within 60 days), and (vi) 429,078 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options granted to our Chief Operating Officer are as follows (i) 121,620 Stock Options at an exercise price of US\$10.00 per share, expiring on April 4, 2023, (ii) 317,308 Stock Options at an exercise price of US\$6.70 per share, expiring on February 19, 2024, (iii) 269,608 Stock Options at an exercise price of US\$2.10 per series A share, expiring on April 29, 2030, (iv) 447,154 Stock Options at an exercise price of US\$2.85 per series A share, expiring on February 25, 2031, and (v) 185,583 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032.

As of the date of this annual report, our Strategic Planning and Investor Relations Officer owned (i) 558,228 series A shares, (ii) 742,000 warrants convertible upon exercise into 247,333 series A shares, (iii) 542,560 vested Stock Options, (iv) 603,113 unvested Stock Options (of which 81,699 vest within 60 days), (v) 306,689 Restricted Stock (of which 55,858 vest within 60 days), and (vi) 390,071 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options granted to our Strategic Planning and Investor Relations Officer are as follows (i) 94,590 Stock Options at an exercise price of US\$10.00 per share, expiring on April 4, 2023, (ii) 230,769 Stock Options at an exercise price of US\$6.70 per share, expiring on February 19, 2024, (iii) 245,098 Stock Options at an exercise price of US\$2.10 per series A share, expiring on April 29, 2030, (iv) 406,504 Stock



Options at an exercise price of US\$2.85 per series A share, expiring on February 25, 2031, and (v) 168,712 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032.

Except as set forth above, none of our directors or executive officers held Restricted Stock, Performance Restricted Stock, warrants or Stock Options, in each case and with respect to each such instrument, representing 1% or more of our outstanding shares as of the date of this annual report.



Employees

As of December 31, 2021, we had 411 employees, of which 394 were in Argentina and 17 in Mexico.

The following table shows the employee headcount for Vista for the periods presented:

Vista	As of		
	December 31, 2021	December 31, 2020	December 31, 2019
	411	382	304

As of December 31, 2021, December 31, 2020, and December 31, 2019, 59%, 34% and 23%, respectively, of our employees in Argentina were represented by one union and benefitted from a collective bargaining agreement between such union and our subsidiaries.

Since 2017, we have not experienced any material labor-related problems or major labor disturbances, and our relations with the unions are stable. However, we cannot guarantee that we will not experience any conflicts with our employees in the future, including with our unionized employees in the context of future negotiations of our collective bargaining agreements, which could result in events such as strikes or other disruptions that could have a negative impact on our operations. For further information on risk of labor disputes, see “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Company—We employ a highly unionized workforce and could be subject to labor actions such as strikes, which could have a material adverse effect on our business.”

As of December 31, 2021, there were also approximately 600 outsourced staff that access our operations on a daily basis to provide services. Although we have policies regarding compliance with labor and social security obligations for our contractors, we can provide no assurance that the contractors’ employees will not initiate legal actions against us seeking indemnification based upon a number of Argentine judicial labor court precedents that established that the ultimate beneficiary of employee services is joint and severally liable with the contractor, which is the employee’s formal employer. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Company—We face risks relating to certain legal proceedings.”

ITEM 7. MAJOR SHAREHOLDER AND RELATED PARTY TRANSACTIONS

ITEM 7A. MAJOR SHAREHOLDERS

Our outstanding capital stock consists of two series of shares: series A shares and series C shares, in each case registered with the RNV and listed on the Mexican Stock Exchange. As of the date of this annual report, our capital stock was represented by 89,197,406 series A shares, and two series C shares. Each series of shares grants the same rights and obligations to its holders, including corporate and economic rights.

The following table sets forth certain information known to us of our shareholders who are beneficial owners of more than 5% of our series A shares and series C shares as of the date of this annual report (except as set forth below), which is the most recent practicable date as to which we have information available. In computing the number of series A shares beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed to be outstanding all series A shares subject to stock options, warrants or restricted stock held by that person or entity that are currently exercisable or that will become exercisable or vested, as applicable, within 60 days of the date of this annual report. Series A shares issuable pursuant to stock options, warrants or restricted stock are deemed outstanding for computing the percentage ownership of the person or entity holding such options or warrants but are not outstanding for computing the percentage of any other person or entity.

Shareholders	Amount	% of class
Series A shares		
Kensington Investments B.V.(1)	15,833,000	17.11%
Miguel Galuccio(2)	8,433,073	8.94%



Shareholders	Amount	% of class
Series C shares		
Vista SH, LLC(3)	1	50.00%
Vista Sponsor Holdings, L.P. (3)	1	50.00%

- (1) Based on a Schedule 13G filed with the SEC on November 19, 2019. Kensington Investments B.V. is a wholly-owned subsidiary of the Abu Dhabi Investment Council Company P.J.S.C., a public joint stock company indirectly owned by the government of Emirate of Abu Dhabi in the United Arab Emirates. Kensington Investments B.V. held 12,500,000 series A shares (represented by ADSs) and 10 million warrants of the Company currently convertible upon exercise into 3,333,333 series A shares.
- (2) As of the date of this annual report, our Chairman holds (i) 3,287,592 series A shares, (ii) 4,452,000 warrants convertible upon exercise into 1,484,000 series A shares, (iii) 3,202,956 vested Stock Options, (iv) 2,743,234 unvested Stock Options (of which 272,331 vest within 60 days), (v) 1,347,255 Restricted Stock (of which 186,194 vest within 60 days), and (vi) 1,638,298 Performance Restricted Stock (which do not vest within 60 days of the date of this annual report).
- (3) Vista Sponsors Holdings, L.P. and Vista SH, LLC are each the holder of one Series C share. Riverstone Vista Holdings Limited is the sole member of Riverstone Vista Holdings GP, L.L.C., which is the general partner of Vista Sponsors Holdings, L.P., which is the managing member of Vista SH, LLC. Riverstone Vista Holdings Limited is managed by a three-person board, and no one director may act alone to direct the voting or disposition of the Series C shares held by each of Vista Sponsors Holdings, L.P. and Vista SH, LLC.

As of December 31, 2021, there were 64,652,446 ADSs outstanding (representing rights to 64,652,446 series A shares or 72% of outstanding series A shares). As of December 31, 2021, there were 3 registered holders of ADSs in the United States. It is not practicable for us to determine the number of our ADSs or series A shares beneficially owned in the United States. Likewise, we cannot readily ascertain the domicile of the final beneficial owners represented by ADS record holders in the United States or the domicile of the beneficial owners of our series A shares, either directly or indirectly.

On December 10, 2019, Vista Sponsor Holdings, L.P. distributed all of the series A shares and warrants of the Company then held by it in-kind to its members. At that time, affiliated entities and employees of Riverstone Equity Partners L.P. held 12,477,566 series A shares and 20,859,400 warrants of the Company currently convertible upon exercise into 6,953,133 series A shares.

ITEM 7B. RELATED PARTY TRANSACTIONS

We enter into transactions with our shareholders and with companies that are owned or controlled, directly or indirectly, by us in the normal course of our business. Any transactions with such related parties have been made consistent with normal business operations using terms and conditions available in the market and are in accordance with applicable law.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period/year.

Key Management Personnel Remuneration

	Consolidated for the year ended December 31, 2021
Short-term employee benefits	11,626
Termination benefits	—
Share-based payment transactions	8,875
Total	20,501



The amounts disclosed in the table are the amounts recognized as an expense during the reporting period/year related to key management personnel.

FPA Shares and the FPA Warrants

On February 12, 2019, we completed the sale to Kensington of 5.0 million series A shares and 5.0 million warrants for an amount of US\$50.0 million pursuant to the FPA and, additionally, 500,000 series A shares for an amount of US\$5.0 million pursuant to certain subscription commitments among Vista and Kensington. The FPA Warrants are subject to the same terms as the Sponsor Warrants. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

Also, see “Item 4—Information of the Company—Business Overview—Main Operating Subsidiaries—Aleph Midstream S.A.”

ITEM 7C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

See Item 18 for our Audited Financial Statements. For a description of events that have occurred since the date of the Company’s Financial Statements, see “Item 4—Information on the Company—History and Development of the Company—Recent Developments.”

LEGAL PROCEEDINGS

From time to time, we may be subject to various lawsuits, claims and proceedings that arise in the normal course of business, including employment, commercial, environmental, safety and health matters. For example, from time to time, we receive notice from regulatory authorities in connection with the fulfillment of certain environmental, health and/or safety matters. It is not presently possible to determine whether any such matters will have a material adverse effect on our consolidated financial position, results of operations or liquidity.

For more information on the legal proceedings see Notes 22.3 and 29 to the Audited Financial Statements.

DIVIDENDS

Under Mexican law, subject to the satisfaction of certain quorum requirements, only shareholders at a general meeting have the authority to declare a dividend. Although not required by law, such declarations typically follow the recommendation of the board of directors. Additionally, under Mexican law, we may only pay dividends from retained earnings included in financial statements that have been approved at a general shareholders’ meeting, after all losses from prior fiscal years have been satisfied and after at least 5% of net income (after profit sharing and other deductions required by Mexican law) has been allocated to legal reserves, up to an amount equal to 20% of our paid-in capital stock from time to time. We have paid no dividend since our incorporation.

Our Board of Directors is not currently considering the adoption of a dividend policy. Changes in our operating and financial results, including those derived from extraordinary events, and risks described in “Risk Factors” that affect our financial condition and liquidity, could limit any distribution of dividends and their amount. We cannot provide any assurances that we will pay dividends in the future or as to the amount of dividends, if any are paid.

The amount and payment of future dividends, if any, will be subject to applicable law and will depend upon a variety of factors that may be considered by our Board of Directors or our shareholders, including our future



operating results, financial condition, capital requirements, investments in potential acquisitions or other growth opportunities, legal restrictions, contractual restrictions in our current and future debt instruments and our ability to obtain funds from our subsidiaries. Such factors may limit or prevent the payment of any future dividends and may be considered by our Board of Directors in recommending, or by our shareholders in approving, the payment of any future dividends.

We are a holding company and our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend upon their operating results, financial condition, capital expenditures plans and other factors that their respective boards of directors deem relevant. Dividends may only be paid out of distributable reserves and our subsidiaries are required to allocate earnings to their respective legal reserve funds prior to paying dividends to us. In addition, covenants in loan agreements, if any, of our subsidiaries, may limit their ability to declare or pay cash dividends.

In the event we were to declare dividends they would be paid in Mexican Pesos through Indeval to each custodian, which would deduct any applicable withholding taxes. In the case of series A shares represented by ADSs, the depository will convert the cash dividends it receives in Mexican Pesos into U.S. Dollars at the prevailing rate of exchange, and thereafter it would distribute the amount so converted to the holders of ADSs, net of conversion expenses of the depository. Fluctuations in the Peso—U.S. Dollar exchange rate will affect the amount of dividends that ADS holders would receive.

Dividends paid from our distributable earnings that have not been subject to corporate income tax (i.e. that do not derive from our net after-tax profits account (*cuenta de utilidad fiscal neta* or “CUFIN”) are subject to a corporate-level tax payable by us. We are entitled to apply any such tax on the distribution of earnings as a credit against our Mexican corporate income tax corresponding to the fiscal year in which the dividend was paid or against the Mexican corporate income tax of the two fiscal years following the date in which the dividend was paid. Dividends paid from our distributable earnings that have been subject to corporate income tax (i.e. that derive from the company’s CUFIN balance) are not subject to this corporate-level dividend income tax.

On March 16, 2022, the Board of Directors of the Company called for an Ordinary and Extraordinary General Shareholders’ meeting, to propose, discuss, and, if applicable, approve a proposal permitting up to US\$23.84 million (namely the total net profits for the year 2021, including the retained profits (accumulated results) minus US\$1.26 million, that will be set aside to constitute the legal reserve) to be used for the purchase of the Company’s own shares during 2022. If the maximum amount of funds set aside for the purchase are not entirely used by December 31, 2022, the Company may use the remaining amount to repurchase its own shares during 2023. The amount of funds applicable to be used in 2023 may be increased or modified by any subsequent shareholders’ meeting. The proposal was subsequently approved by the Ordinary and Extraordinary General Shareholders’ meeting on April 26, 2022.

SIGNIFICANT CHANGES

There are no significant changes to the financial information included in the most recent audited financial statements contained in this annual report.

ITEM 9. THE OFFER AND LISTING

TRADING HISTORY

Our capital stock is comprised of common shares, no par value. Each share entitles the holder thereof to one vote at shareholders’ meetings. All outstanding shares are fully paid in and our common shares have been listed on the BMV since 2017. Since July 26, 2019, our ADSs have been listed on the NYSE. The ADSs have been issued by the Bank of New York as depository. Each ADS represents one common share.



MARKET INFORMATION

Market of Our Shares

Our ADSs are currently listed on the NYSE under the symbol “VIST.” Each ADS issued by the Depositary represents rights to one series A share. Our series A shares are listed on the Mexican Stock Exchange under the symbol “VISTA.” As of the date of this annual report, the variable portion of our outstanding capital stock was comprised by 89,197,406 series A shares, registered with the RNV and listed on the Mexican Stock Exchange. The variable portion of our capital stock is of unlimited amount pursuant to our bylaws and the applicable laws, whereas the fixed portion of our capital stock is divided into two series C shares, registered with the RNV and listed on the Mexican Stock Exchange.

As of the date of this annual report, we had 70,000,000 Warrants and 29,680,000 Sponsor Warrants outstanding (totaling 99,680,000 warrants outstanding) that are exercisable for 23,333,333 and 9,893,333 series A shares, respectively. Three warrants entitle the holder thereof to purchase one series A share at a price of US\$11.50 per series A share. The exercise of such warrants and the corresponding issuance of series A shares may also have a dilutive effect in our earnings per share. The warrants expire on April 4, 2023 or earlier if, after exercisability, the closing price for series A shares for any 20 trading days within an applicable 30-trading day period equals or exceeds the Mexican Peso equivalent of US\$18.00 and we decide to early terminate the exercise period thereof. In the event that we declare an early termination, we will have the right to declare that the exercise of the warrants be made on a “cashless basis.” If we elect the cashless exercise, holders of warrants electing to exercise such warrants shall do so by surrendering warrants and receiving a number of series A shares resulting from the formula set forth in the warrant indenture, which captures the average of the U.S. Dollar equivalent of the closing price of the series A shares during a 10-day period. The warrants are subject to certain additional adjustments, terms and conditions. See “Item 10—Additional Information—Memorandum and Articles of Association —Warrants.”

Trading on the Mexican Stock Exchange

The Mexican Stock Exchange, located in Mexico City, is one of two stock exchanges currently operating in Mexico. Operating continuously since 1907, the Mexican Stock Exchange is organized as a variable capital public stock corporation (*sociedad anónima bursátil de capital variable*). Securities trading on the Mexican Stock Exchange occurs each business day from 8:30 a.m. to 3:00 p.m. Mexico City time, subject to adjustments to operate uniformly with certain markets in the United States.

Since January 1999, all trading on the Mexican Stock Exchange has been effected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic suspension of trading in shares of a particular issuer, when price fluctuations exceed certain limits.

Settlement of transactions with equity securities on the Mexican Stock Exchange are effected three business days after a share transaction is agreed to. Deferred settlement is not permitted without the approval of the Mexican Stock Exchange, even where mutually agreed. Securities traded on the Mexican Stock Exchange are on deposit in book-entry form through the facilities of Indeval, a privately owned securities depositary that acts as a clearinghouse, depositary, and custodian, as well as a settlement, transfer, and registration agent for Mexican Stock Exchange transactions, eliminating the need for physical transfer of securities. Transactions must be settled in Mexican Pesos except under limited circumstances and in respect of limited transactions in which settlement in foreign currencies may be permitted.

Market Regulation

In 1924, the Mexican National Banking Commission (*Comisión Nacional Bancaria*) was established to regulate banking activity and in 1946, the Mexican Securities Commission (*Comisión Nacional de Valores*) was established to regulate securities market activity. In 1995, these two entities merged to form the CNBV.

Among other things, the CNBV regulates the public offering and trading of securities, public companies and participants in the Mexican securities market (including brokerage houses and the Mexican Stock Exchange), and imposes sanctions for the illegal use of insider information and other violations of the Mexican Securities Market Law. The CNBV regulates the Mexican securities market, the Mexican Stock Exchange, and brokerage firms, through its staff and a board of governors composed of thirteen members.



Mexican Securities Market Law

The current Mexican Securities Market Law was published in the Federal Official Gazette of Mexico on December 30, 2005, and became effective on June 28, 2006, and is referred to as the Mexican Securities Market Law. The Mexican Securities Market Law changed the then Mexican securities laws in various material respects to further align Mexican laws with the securities and corporate governance standards laws in effect in other jurisdictions that maintained more developed securities markets.

In particular, the Mexican Securities Market Law:

- includes private placement exemptions directed to Mexican institutional and qualified investors, and specifies the requirements that need to be satisfied for an issuer or underwriter to fall within the exemption;
- includes improved rules for tender offers, dividing them in either voluntary or mandatory;
- establishes standards for disclosure of holdings applicable to shareholders of public companies;
- expands and strengthens the role of the board of directors of public companies;
- defines the role of the chief executive officer and other relevant officers of public corporations;
- defines the standards applicable to the board of directors and the duties and potential liabilities and penalties applicable to each director, the chief executive officer and other executive officers and the audit and corporate governance committee (introducing concepts such as the duty of care, duty of loyalty and safe harbors for actions attributable to directors and officers);
- replaces the statutory auditor (*comisario*) with the audit and corporate governance committee and establishes the audit and corporate governance committee with clearly defined responsibilities;
- improves the rights of minority shareholders (including the right to initiate shareholders' derivative suits);
- defines applicable sanctions for violation of law;
- provides flexibility to allow regulated Mexican brokerage firms to engage in certain limited activities;
- regulates stock exchanges, clearinghouses, futures and derivatives markets, and rating agencies;
- establishes penalties (including incarceration), arising from violations of the Mexican Securities Market Law and regulations thereunder;
- establishes that public companies are considered a single economic unit with the entities they control for reporting accounting and other purposes;
- introduces concepts such as consortiums, groups of related persons or entities, control and decision-making power;
- defines rules relating to the types of securities that may be offered by public companies;
- sets forth information for share repurchases; and
- specifies requirements for implementing anti-takeover measures.

In March 2003, the CNBV issued certain general regulations applicable to issuers and other securities market participants, which regulations have since been amended, or the General Regulations, and in September 2004, the CNBV issued certain general regulations applicable to brokerage firms. The General Regulations, which repealed several previously enacted CNBV regulations, provide a consolidated set of rules governing public offerings, reporting requirements and issuer activity, among other things.

On January 10, 2014, a decree amending 34 financial laws, including the Mexican Securities Market Law, was published in the Mexican Federal Official Gazette (collectively, the "*Financial Reform*" (*reforma financiera*)). The amendments to the Mexican Securities Market Law became effective on January 13, 2014, with the exception of certain provisions regarding the use of insider information and other related policies that are required to be implemented by some entities. Furthermore, certain entities that are required to comply with these amendments, such as broker dealers and investment advisors, were granted grace periods of six months to one year to comply with the new requirements of the Financial Reform.



Issuance, Registration and Listing Standards

In order to offer securities to the public in Mexico, an issuer must meet specific qualitative and quantitative requirements. Only securities that have been registered with the RNV, pursuant to approval by the CNBV may be listed on the Mexican Stock Exchange.

The General Regulations require the Mexican Stock Exchange to adopt minimum requirements for issuers that seek to list their securities in Mexico. These requirements relate to operating history, financial and capital structure, and minimum public floats, among other things. The General Regulations also require the Mexican Stock Exchange to implement minimum requirements (including minimum public floats) for issuers to maintain their listing in Mexico. These requirements relate to the issuer's financial condition, capital structure and public float, among others. The CNBV may waive some of these requirements in certain circumstances. In addition, some of the requirements are applicable for each series of shares of the relevant issuer.

The CNBV's approval for registration with the RNV does not imply any kind of certification or assurance related to the investment quality of the securities, the solvency of the issuer, or the accuracy or completeness of any information delivered to the CNBV or included in any offering document.

The Mexican Stock Exchange may review compliance with the foregoing requirements and other requirements at any time, but will normally do so on an annual, semi-annual and quarterly basis. The Mexican Stock Exchange must inform the CNBV of the results of its review, and this information must, in turn, be disclosed to investors. If an issuer fails to comply with any of these minimum requirements, the Mexican Stock Exchange will request that the issuer propose a plan to cure the violation. If the issuer fails to propose a plan, if the plan is not satisfactory to the Mexican Stock Exchange, or if an issuer does not make substantial progress with respect to the implementation of the corrective plan, trading of the relevant series of shares on the Mexican Stock Exchange may be temporarily suspended. In addition, if an issuer fails to implement the plan in full, the CNBV may cancel the registration of the shares, in which case the majority shareholder or any controlling group will be required to carry out a tender offer to acquire all of the outstanding shares of the issuer in accordance with the tender offer provisions set forth in the Mexican Securities Market Law (under which all holders must be treated in the same manner).

Reporting Obligations

Issuers of listed shares such as the Company, are required to file unaudited quarterly financial statements and audited annual financial statements (together with an explanation thereof) and periodic reports, in particular reports dealing with material events, with the CNBV and the Mexican Stock Exchange. Mexican issuers must file the following reports:

- a comprehensive annual report prepared in accordance with the General Regulations, by no later than April 30 of each year, which must include (i) audited annual financial statements and (ii) reports on the activities carried out by the audit and corporate governance committee;
- quarterly reports, within 20 business days following the end of each of the first three quarters and 40 business days following the end of the fourth quarter;
- reports disclosing material information;
- reports and disclosure memoranda revealing corporate restructurings such as mergers, spin-offs or acquisitions or sales of assets, approved by shareholders' meeting or the board of directors;
- reports regarding the policies and guidelines with respect to the use of the company's (or its subsidiaries) assets by related persons; and
- details dealing with agreements among shareholders.

Pursuant to the General Regulations, the internal rules of the Mexican Stock Exchange were amended to implement an automated electronic information transfer system (*Sistema Electrónico de Envío y Difusión de Información*, or SEDI) called the *Sistema Electrónico de Comunicación con Emisoras de Valores*, or EMISNET, for information required to be filed with the Mexican Stock Exchange. Issuers of listed securities must prepare and disclose their financial and other information via EMISNET. Immediately upon receipt, the Mexican Stock Exchange makes this financial and other information available to the public.



The General Regulations and the rules of the Mexican Stock Exchange require issuers of listed securities to file through SEDI information that relates to any event or circumstance that could influence an issuer's share prices and investor decisions to acquire stock. If listed securities experience unusual price volatility, the Mexican Stock Exchange must immediately request that an issuer inform the public as to the causes of the volatility or, if the issuer is unaware of the causes, that it make a statement to the effect that it is unaware of the causes of such volatility. In addition, the Mexican Stock Exchange must immediately request that issuers disclose any information relating to material events when it deems the available public information to be insufficient, as well as instruct issuers to clarify information when necessary. The Mexican Stock Exchange may request that issuers confirm or deny any material event that has been disclosed to the public by third parties when it deems that the material event may affect or influence the price of the listed securities. The Mexican Stock Exchange must immediately inform the CNBV of any such request. In addition, the CNBV may also make any of these requests directly to issuers. An issuer may delay the disclosure of material events if:

- the information is related to transactions that have not been consummated;
- there is no public information in the mass media relating to the material event; and
- no unusual price or volume fluctuation occurs.

If an issuer elects to delay the disclosure of material, it must implement adequate confidentiality measures (including maintaining a log with the names of parties in possession of confidential information and the date when each such party became aware of the relevant information).

Similarly, if an issuer's securities are traded on both the Mexican Stock Exchange and a foreign securities exchange, the issuer must simultaneously file the information that it is required to file pursuant to the laws and regulations of the foreign jurisdiction with the CNBV and the Mexican Stock Exchange.

Suspension of Trading

In addition to the authority of the Mexican Stock Exchange under its internal regulations described above, the CNBV and the Mexican Stock Exchange may suspend trading in an issuer's securities:

- if the issuer does not disclose a material event;
- failure by the issuer to timely or adequately comply with its reporting obligations;
- significant exceptions or comments contained in the auditors' opinions of the issuer's financial statements, or determinations that such financial statements were not prepared in accordance with the applicable accounting procedures and policies; or
- upon price or volume volatility or changes in the trading of the relevant securities that are not consistent with the historic performance of the securities and cannot be explained solely through information made publicly available pursuant to the General Regulations.

The Mexican Stock Exchange must immediately inform the CNBV and the general public of any suspension. An issuer may request that the CNBV or the Mexican Stock Exchange permit trading to resume if it demonstrates that the causes triggering the suspension have been resolved and that it is in full compliance with periodic reporting requirements. If an issuer's request has been granted, the Mexican Stock Exchange will determine the appropriate mechanism to resume trading (which may include a bidding process to determine applicable prices). If trading in an issuer's securities is suspended for more than 20 business days and the issuer is authorized to resume trading without conducting a public offering, the issuer must disclose via SEDI, before trading may resume, a description of the causes that resulted in the suspension.

Under consent regulations, the Mexican Stock Exchange may consider the measures adopted by other non-Mexican exchanges to suspend and/or resume trading of an issuer's shares, in cases where the relevant securities are simultaneously traded on stock exchanges located outside of Mexico.



Insider Trading, Trading Restrictions and Tender Offers

The Mexican Securities Market Law contains specific regulations regarding insider trading, including the requirement that persons in possession of information deemed privileged abstain (i) from directly or indirectly, trading in the relevant issuer's securities, or derivatives with respect to such securities, the trading price of which may be affected by such information, (ii) from making recommendations or providing advice to third parties to trade in such securities, and (iii) disclosing or communicating such privileged information to third parties (except for persons to whom such information must be disclosed as a result of their positions or employment).

Pursuant to the Mexican Securities Market Law, the following persons must notify the CNBV of any transactions undertaken by them with respect to a listed issuer's securities, whether on a case-by-case basis or quarterly:

- members of a listed issuer's board of directors;
- shareholders directly or indirectly controlling 10% or more of a listed issuer's outstanding capital stock; and
- officers.

These persons must also inform the CNBV of the effect of the transactions within five days following their completion. In addition, insiders must abstain from purchasing or selling securities of the issuer within three months from the last sale or purchase, respectively.

Also, directors and relevant officers that are holders of 1% or more of the outstanding shares of a Mexican public company, must disclose their holdings and the relevant issuer.

Subject to certain exceptions, any acquisition of a public company's shares that results in the acquirer owning 10% or more, but less than 30%, of an issuer's outstanding capital stock, must be publicly disclosed to the CNBV and the Mexican Stock Exchange by no later than one business day following the acquisition.

Any acquisition or disposition by certain insiders that results in such insider increasing or decreasing in 5% or more such insider's holdings in shares of the public company to which it is related must also be publicly disclosed to the CNBV and the Mexican Stock Exchange no later than one business day following the acquisition or disposition. The Mexican Securities Market Law requires that convertible securities, warrants and derivatives to be settled in kind be considered in the calculation of share ownership percentages of public companies.

Tender Offers

The Mexican Securities Market Law contains provisions relating to public tender offers and certain other share acquisitions occurring in Mexico. Under the Mexican Securities Market Law, tender offers may be voluntary or mandatory. Both are subject to prior approval of the CNBV and must comply with general legal and regulatory requirements. Voluntary tender offers, or offers where there is no requirement that they be initiated or completed, are required to be made pro rata. Any intended acquisition of a public company's shares that results in the acquirer owning 30% or more requires the acquirer to make a mandatory tender offer for the greater of (i) the percentage of the capital stock intended to be acquired, or (ii) 10% of the company's outstanding capital stock, provided that if such acquisition is aimed at obtaining control, then the potential acquirer is required to launch a mandatory tender offer for 100% of the company's outstanding capital stock (however, under certain circumstances, the CNBV may permit an offer for less than 100%). The tender offer must be made at the same price to all shareholders and classes of shares. The board of directors, with the advice of the audit and corporate governance committee, must issue its opinion in respect of the fairness of the price applicable to any mandatory tender offer, which may be accompanied by an independent fairness opinion. Directors and the chief executive officer of a public company, in respect of which a tender offer has been made, must disclose whether or not each of them will tender his respective shares in the tender offer.

Under the Mexican Securities Market Law, all tender offers must be open for at least 20 business days and purchases thereunder are required to be made pro rata to all tendering shareholders. The Mexican Securities Market Law also permits the payment of certain amounts to a controlling shareholder over and above the offering price if



these amounts are fully disclosed, approved by the board of directors, and paid solely in connection with non-compete or similar obligations. The law also provides exceptions to the mandatory tender offer requirements and specifically sets forth remedies for non-compliance with these tender offer rules (e.g., suspension of voting rights, possible annulment of purchases, etc.) and other rights available to prior shareholders of the issuer.

Joint Trading of Common Shares and Limited or Non-Voting Shares

The Mexican Securities Market Law does not permit issuers to implement mechanisms for common shares and limited or non-voting shares to be jointly traded or offered to public investors, unless the limited or non-voting shares are convertible into common shares within a period of up to five years, or when, because of the nationality of the holder, the shares or the securities representing the shares limit the right to vote to comply with foreign investment laws. In addition, the aggregate amount of shares with limited or non-voting rights may not exceed 25% of the aggregate amount of publicly held shares. The CNBV may increase this 25% limit by an additional 25%, provided that the limited or non-voting shares exceeding 25% of the aggregate amount of publicly held shares are convertible into common shares within five years of their issuance.

Anti-Takeover Protections

The Mexican Securities Market Law provides that public companies may include anti-takeover provisions in their by-laws if such provisions (i) are approved by a majority of the shareholders, without shareholders representing 5% or more of the capital stock present at the meeting voting against such provision, (ii) do not exclude any shareholders or group of shareholders, (iii) do not restrict, in an absolute manner, a change of control, and (iv) do not contravene legal provisions related to tender offers or have the effect of disregarding the economic rights related to the shares held by the acquiring party.

ITEM 10. ADDITIONAL INFORMATION

MEMORANDUM AND ARTICLES OF ASSOCIATION

General

We were incorporated on March 22, 2017, with public deed number 79,311 and registered with the Mexican Public Registry of Commerce in Mexico City, under commercial folio number N-2017024493, as a capital stock corporation. A copy of our bylaws can be obtained from the CNBV or the Mexican Stock Exchange and is available for review at www.bmv.com.mx.

Pursuant to the shareholders resolutions that approved our initial public offering as documented by public deed number 80,566 on July 28, 2017 and registered with the Mexican Public Registry of Commerce in Mexico City, under commercial folio number N-2017024493, we became a publicly traded company of variable capital stock (*sociedad anónima bursátil de capital variable*) and approved amendments to our bylaws in order to comply with applicable provisions in the Mexican Securities Market Law.

You may obtain a copy of our current bylaws from us or from the Mexican Stock Exchange through the following website: www.bmv.com.mx and www.vistaenergy.com. An English translation of our current bylaws is available from us upon request via email at ir@vistaenergy.com.

Corporate Purpose

Pursuant to article three of our bylaws, the corporate purpose of Vista is to engage, among others, in the following activities:

- (i) acquire, by any legal means, any type of assets, stock, partnership interests, equity interests or interests in any kind of commercial or civil companies, associations, partnerships, trusts or any kind of entities within the energy sector, whether such entities are Mexican or foreign, at the time of their inception or at a later time as well as sell, assign, transfer, negotiate, encumber or otherwise dispose of or pledge such assets, stocks, equity interests or interests;



- (ii) participate as a partner, shareholder or investor in all businesses or entities, whether mercantile or civil, associations, trusts or any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of incorporated companies, as well as to exercise the corporate and economic rights derived from such participation and to buy, vote, sell, transfer, subscribe, hold, use, encumber, dispose, modify or auction under any title, such shares, equity interests or other kind of interests, as well as participations of all kind in entities subject to applicable law, as it is necessary or convenient;
- (iii) issue and place shares representative of its social capital, either through public or private offerings, in national or foreign stock exchange markets;
- (iv) issue or place warrants, either through public or private offerings, by shares representing their capital stock or any other type of securities, in domestic or foreign stock exchange markets; and
- (v) issue or place negotiable instruments, debt instruments or any other value, either through public or private offerings, in domestic or foreign stock exchange markets.

Annual report

Our annual report is variable. The amount of the fixed portion of our capital stock that is not subject to rights of withdrawal is Ps. 3,000, represented by two series C common, nominative shares no par value. The variable portion of our capital stock subject to rights of withdrawal is unlimited and represented by series A shares, which are ordinary, nominative, no par value and grant equal economic and corporate rights and obligations to their holders. As of the date of this annual report, the variable portion of our outstanding capital stock was comprised by 89,197,406 series A shares. Our series A shares may be subscribed to and paid for by Mexican or foreign individuals or corporations, as well as by any other foreign entities with or without legal entity. Our series B shares (which are ordinary, nominative, with no par value and grant the same economic and corporate rights and obligations to their holders) have been cancelled and at their time, were subscribed and paid by our “Strategic Partners” (as such term is defined in our bylaws and otherwise referred to herein as the Sponsor) and the independent directors of the Company, and were converted into series A shares as approved at an ordinary general shareholders’ meeting.

On August 1, 2017, prior to the closing of our initial public offering in Mexico, Vista and its strategic partners, Vista Sponsor Holdings, L.P. (an entity controlled by senior personnel from Riverstone Investment Group LLC) together with Miguel Galuccio, Pablo Vera Pinto, Juan Garoby and Alejandro Cheriñacov (collectively, the “Sponsor”), entered into a strategic partners agreement (“SPA”) in connection with the private placement of the Sponsor Warrants. Pursuant to the SPA, the parties agreed, among other things, (i) to purchase the Sponsor Warrants, (ii) that the Sponsor Warrants may be exercised without cash payment as described in “Item 10—Additional Information—Memorandum and Articles of Association—Warrants”; (iii) in the event that the warrants terminate early and the Sponsor Warrants expire without being exercised, the parties agreed to issue another security or instrument that permits them to purchase series A shares in the same manner as the expired Sponsor Warrants, and (iv) to certain lockup provisions, which have expired as of the date of this annual report.

On March 22, 2018, a shareholders’ meeting authorized the Plan. That same shareholders’ meeting approved the reservation of 8,750,000 series A shares issued by the Company on December 18, 2017, for the implementation of the Plan. As of the date of this annual report, 2,381,834 series A shares have been vested and are outstanding in connection with the Plan. See “Item 6—Directors, Senior Management and Employees—Board of Directors—Long Term Incentive Plan.”

At an ordinary general shareholders’ meeting, our shareholders may approve the issuance of other types of shares including those who have special rights or limited rights to holders and/or securities with respect to such shares.

Warrants

As of the date of this annual report, we had 70,000,000 Warrants and 29,680,000 Sponsor Warrants outstanding (totaling 99,680,000 warrants outstanding) that are exercisable for 23,333,333 and 9,893,333 series A shares, respectively. Three warrants entitle the holder thereof to purchase one series A share at a price of US\$11.50



per series A share. The exercise of such warrants and the corresponding issuance of series A shares may also have a dilutive effect in our earnings per share. The Warrants expire on April 4, 2023, or earlier if, after exercisability, the closing price for a series A share for any 20 trading days within an applicable 30-trading day period equals or exceeds the Mexican Peso equivalent of US\$18.00 and we decide to early terminate the exercise period thereof. In the event that we declare an early termination, we will have the right to declare that the exercise of the warrants be made on a “cashless basis.” If we elect the cashless exercise, holders of warrants electing to exercise such warrants shall do so by surrendering warrants and receiving a number of series A shares resulting from the formula set forth in the warrant indenture, which captures the average of the U.S. Dollar equivalent of the closing price of the series A shares during a 10-day period. The warrants are subject to certain additional adjustments, terms and conditions.

Vista Sponsor Holdings, L.P. and our Executive Team collectively hold 29,680,000 Sponsor Warrants. The Sponsor Warrants are identical to and fungible with the warrants, subject to certain differences relating to early termination and cashless exercise, as described herein. The Sponsor Warrants may be exercised for cash or on a cashless basis at the discretion of Vista Sponsor Holdings, L.P. and our Executive Team or their permitted transferees. If the Sponsor Warrants are held by other persons, then they will be exercisable by on the same basis as the other warrants. Similarly, in the event that we declare the early termination of the Warrants, we will continue to be obligated to deliver to Vista Sponsor Holdings, L.P. and our Executive Team or their permitted transferees securities, documents or instruments, or enter into a contractual arrangement, that continues to grant them the right to purchase a third of a series A share with respect to each of their Sponsor Warrants on the same terms and conditions as those that would have been provided in connection with the warrants had they not been terminated early. Finally, in the event that we agree with the warrant holders to amend the warrant indenture or the global warrant certificate without the consent of Vista Sponsor Holdings, L.P. and our Executive Team or their permitted transferees, we will continue to be obligated to deliver to such persons securities, documents or instruments, or enter into a contractual arrangement, that continues to grant them the same terms and conditions as those provided to their Sponsor Warrants as if such changes had not been agreed to.

On February 12, 2019, we completed the sale to Kensington of 5.0 million series A shares and 5.0 million warrants for an amount of US\$50.0 million pursuant to the FPA and, additionally, 500,000 series A shares for an amount of US\$5.0 million pursuant to certain subscription commitments among Vista and Kensington. The FPA Warrants are subject to the same terms as the Sponsor Warrants. These agreements received regulatory approvals from COFECE. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

Movements in Our Capital stock

Capital stock increases shall be made pursuant to resolutions adopted by our shareholders in general shareholders’ meetings.

Increases of our capital stock in its fixed portion are approved by resolutions taken by our shareholders in extraordinary shareholders’ meetings, with a corresponding amendment to our bylaws, while the modification of our capital stock in its variable portion is approved in ordinary shareholders’ meetings, which shall be formalized before a notary public, without it being necessary that the relevant public deed is recorded before the public registry of commerce of our corporate domicile.

Additionally, we may affect capital increases due to the capitalization of shareholders’ equity accounts, pursuant to Article 116 of Mexico’s General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, through payment in cash or in kind, capitalization of liabilities or by any other means allowed by applicable law. Regarding the increases by means of capitalization of shareholders’ equity accounts, all shares shall have the right to the proportional part that correspond to them in the increase, without it being necessary to issue new shares representing the increase.

Capital increases, except for those arising from our acquisition of our own securities, shall be recorded in a capital variation registry book, which we are required to maintain pursuant to Article 219 of Mexico’s General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law.

We may keep unsubscribed shares resulting from capital increase in treasury, or otherwise cancel such shares, in both cases a prior capital decrease shall be resolved by a shareholders’ meeting to the extent necessary.



Our capital stock may only be reduced upon approval of our shareholders through resolutions adopted by them in either ordinary or extraordinary shareholders' meetings, in accordance with the provisions set forth in Article 12 of our bylaws except for (i) the separation of shareholders as described in Article 206 of Mexico's General Law of Commercial Companies or any other provision replacing it from time to time, and other applicable law; and (ii) the acquisition of our own shares in accordance with our bylaws, the Mexican Securities Market Law and other applicable law.

We may only reduce the fixed portion of our capital stock upon approval of our shareholders through resolutions adopted by them at an extraordinary shareholders' meeting, the amendment of our bylaws and the formalizing of the relevant meeting minutes before a notary public. We may also reduce the variable portion of our capital stock upon approval by our shareholders through resolutions adopted by them at an ordinary shareholders' meeting, the minutes of which shall be formalized before a notary public, without it being necessary to record the relevant public deed before the public registry of commerce of our corporate domicile; provided that when the shareholders exercise their separation right or when the decreases are a result of the reacquisition of our own shares, no resolution from the shareholders' meeting will be needed.

We may reduce our capital stock to absorb losses in the event that any shareholder exercises its right of separation pursuant to Article 206 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, as well as a result of the reacquisition by the Company of our own shares pursuant to our bylaws, or in any other case allowed under applicable law.

Capital reductions to compensate losses will be carried out proportionally among all the shares representing our capital stock, without it being necessary to cancel shares since they do not have par value.

Holders of securities that are part of the variable portion of our capital stock may not exercise their right of withdrawal described in Article 220 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time, pursuant to Article 50 of the Mexican Securities Market Law, any other provision replacing it from time to time and other applicable law.

We shall register all capital reductions in our capital variations registry book, except for reductions resulting from repurchase of our own shares.

Voting Rights

Each series of our shares grants the same rights and obligations to holders thereof, including economic rights, since all holders of the shares participate equally, without any distinction, in any dividend, repayment, amortization or distribution of any nature on the terms further described herein.

Notwithstanding the above and with the prior authorization of the CNBV, we may issue shares with no voting rights, with limited corporate rights or with limited voting rights, as long as such shares do not exceed 25% of the aggregate amount of publicly held shares, as determined by the CNBV, on the date of the relevant public offering, in accordance with Article 54 of the Mexican Securities Market Law, any other provision replacing it from time to time and other applicable law. The CNBV may authorize an increase of this 25% limit, provided that the limited or non-voting shares exceeding 25% of the aggregate amount of the publicly held shares, as determined by the CNBV, are convertible into common shares within five years of their issuance.

Non-voting shares shall not count for determining the necessary quorum to call to order a general shareholders' meeting. Limited or restricted voting shares will count only in determining the necessary quorum to call to order shareholders' meetings in which their vote is needed or special meetings.

Resolutions adopted at any general shareholders' meeting in which the issuance of non-voting or restricted or limited voting shares is approved shall set forth the rights, limitations, restrictions and all other characteristics corresponding to such shares.



Shareholders' Meetings

A general shareholders' meeting acts as our supreme body and authority. General shareholders' meetings may be ordinary or extraordinary, as well as special, and shall always be held in our corporate domicile, except for cases of *force majeure* or acts of God.

Pursuant to Mexican law and our bylaws, general shareholders' meetings require 15 calendar days' advance notice to be legally convened upon first or subsequent calls. Extraordinary general shareholders' meetings are convened to approve any of the matters referred to in Article 182 of Mexico's General Law of Commercial Companies, Articles 48, 53 and 108 of the Mexican Securities Market Law, or any other provisions replacing them from time to time and other applicable law, as well as those provisions contained in Articles 9 and 19 of our bylaws. All other general shareholders' meetings shall be ordinary meetings, including those meetings which address increases and reductions to the variable portion of our capital stock.

Special shareholders' meetings shall convene to handle any matter that may affect the rights granted to the holders of a series of our shares and shall be subject to the applicable provisions in our bylaws that were established for extraordinary general shareholders' meetings, in respect to attendance and voting quorums, as well as formalization of minutes.

An ordinary general shareholders' meeting shall be held at least once each year within the first four months following the end of the previous fiscal year in order to approve the matters listed in the agenda for such meeting, the matters described in Article 181 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time, as well as to do any of the following:

- (i) discuss, approve or modify reports of the chairmen of both the audit committee and the corporate practices committee;
- (ii) discuss, approve or modify reports of our Chief Executive Officer, pursuant to Article 28, Section IV, and Article 44, Section XI, of the Mexican Securities Market Law, or any other provision replacing them from time to time and other applicable law;
- (iii) discuss, approve or modify reports of the board of directors, pursuant to sub-paragraph (b) of Article 172 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law;
- (iv) review the opinion of the board of directors regarding the content of the Chief Executive Officer's reports;
- (v) decide on the use of profits, if any;
- (vi) appoint members of our board of directors, the Secretary and Deputy Secretary and the members of committees, as well as their respective substitutes, as the case may be, and appoint or remove the chairmen of both the audit committee and the corporate practices committee;
- (vii) determine the independence of directors;
- (viii) determine the maximum amount of corporate funds that may be used for the repurchase of our own securities;
- (ix) approve transactions that we intend to carry out in the course of the fiscal year, when such transactions, or a series of transactions considered together on an aggregate basis based on certain shared characteristics (as determined by the Mexican Securities Market Law), represent an amount that is 20% or more of our consolidated assets, determined on the basis of the value of our consolidated assets at the end of the immediately preceding quarter (in such meetings, the shareholders with limited or restricted voting rights may vote); and/or
- (x) handle any other matter in accordance with applicable law and that is not specifically reserved by law to be taken up at an extraordinary general shareholders' meeting.



An extraordinary general shareholders' meeting shall handle any of the matters described in Article 182 of Mexico's General Law of Commercial Companies or any other provision replacing it from time to time. In addition, shareholders at such an extraordinary meeting may do any of the following:

- (i) amend our bylaws to prevent an acquisition of our securities that would provide an acquirer or acquirers control of our Company;
- (ii) increase our capital stock pursuant to the terms of Article 53 of the Mexican Securities Market Law, or any other provision replacing it from time to time;
- (iii) cancel the registration any of our capital stock or the certificates representing such securities with the RNV;
- (iv) generally amend our bylaws;
- (v) approve the cancellation of shares representing our capital stock with distributable profits and the issuance of dividend certificates or limited-voting, preferential or any other kind of shares different from ordinary shares; and/or
- (vi) handle any other matter in accordance with applicable law or our bylaws that expressly requires a special quorum or is specifically reserved by law to be taken up at an extraordinary general shareholders' meeting.

Any general shareholders' meeting may be called by our board of directors, the Chairman of the Board of Directors, our Secretary or either the Audit Committee or Corporate Practices Committee. The holders of shares with voting rights representing 10% or more of our capital stock may also request a general shareholders' meeting, individually or collectively, from the Chairman of the board of directors or to the relevant committee, notwithstanding the percentage set forth under Article 184 of Mexico's General Law of Commercial Companies.

A shareholder request for a general shareholders' meeting may be granted so long as such request meets the requirements set forth in Article 185 of Mexico's General Law of Commercial Companies, any other provision replacing it from time to time and other applicable law. If a call is not made within 15 calendar days following the request date, a civil or district court judge of the Company's domicile will make such a call at the request of any interested shareholder, who must prove the ownership of its shares for such purposes.

Calls for general shareholders' meetings shall be published in the electronic system established by the Mexican Ministry of Economy for such purposes and may be published in one of the newspapers of largest circulation in the corporate domicile of the Company within at least 15 calendar days prior to the date on which the relevant meeting is intended to take place, pursuant to applicable law.

From the date of notice of a general shareholders' meeting to the date on which the meeting is held, we will make available to the shareholders, in our offices, immediately and free of charge, all information that we may deem necessary to vote on matters at the meeting, including the forms described in Section III of Article 49 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law.

General shareholders' meetings may be held without prior notice (as described above) in the event that all the shares representing the capital stock with voting rights or the relevant series of shares (in the event of a special meeting) are present or represented at the time of the voting at a meeting.

Notwithstanding the foregoing and in accordance with the second paragraph of Article 178 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, shareholders may adopt resolutions by unanimous written consent without a meeting, which will have the same validity and effectiveness as if such resolutions had been approved in a general shareholders' meeting.

Shareholders may be represented at general shareholders' meetings by an attorney-in-fact that has a power-of-attorney granted pursuant to the forms described in Section III of Article 49 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law or pursuant to a power of attorney granted pursuant to applicable law.



To be admitted to a general shareholders' meeting, shareholders shall be duly registered in our stock registry book managed in accordance with Article 128 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, or they may present certificates issued by the Indeval or any other institution that acts as a depository of securities in accordance with the Mexican Securities Market Law.

To attend a special or general shareholders' meeting, the relevant shareholder must prove to the Secretary non-member of our board of directors that it does not require the prior approval by our board of directors pursuant to Article 9 of our bylaws.

Ordinary and extraordinary general shareholders' meetings shall be presided over by the Chairman of the board of directors or, in his or her absence, by such person as determined by the shareholders at the relevant meeting through a majority vote of shares present.

The Secretary non-member of the board of directors or the Deputy Secretary shall act as secretary of the general shareholders' meetings or, in his or her absence, by such person as determined by the shareholders at the relevant meeting through a majority vote of shares present.

The chairman of the general shareholders' meeting shall appoint one or more inspectors (*escrutadores*), from the shareholders, shareholders' representatives or invitees attending the relevant meeting, who shall determine the existence or absence of a quorum, and who shall count the votes cast upon request by the chairman of the meeting.

The secretary of the general shareholders' meeting shall prepare the minutes of such meeting, such minutes to be transcribed into our general shareholders' meetings' minutes registry and signed by both the chairman and the secretary of the relevant meeting as well as by the individuals who acted as inspectors. Any records regarding such meetings that were not able to transact matters because of a lack of quorum shall also be signed by the chairman, the secretary and the inspectors of the relevant meeting.

An ordinary general shareholders' meeting shall be duly convened if, after first call of those present, at least 50% of the outstanding shares representing our capital stock are represented at such meeting. Decisions of an ordinary general shareholders' meeting are approved by a simple majority of the shares with voting rights represented at such meeting. In the event of second or further calls, an ordinary general shareholders' meeting shall be deemed duly convened, regardless of the number of present or represented shares, and decisions shall be approved by the simple majority of the shares present with voting rights.

An extraordinary general shareholders' meeting shall be duly convened if, after the first call, at least 75% of the outstanding shares representing our capital stock are represented at such meeting. In the event of second or further calls, an extraordinary general shareholders' meeting shall be deemed duly convened if a majority of our common stock is represented.

The resolutions adopted by an extraordinary shareholders' meeting, irrespective of whether it was convened as the result of the first, second or subsequent call, will be valid if taken by a majority of the shares of our capital stock outstanding (and not held in treasury), except in the case of (i) cancellation of the registration with the RNV of the shares representing our capital stock or the warrants representing them, in which case the affirmative vote of 95% of the shares of our capital stock outstanding (and not held in treasury), will be required, and (ii) an amendment to our bylaws, in which case the affirmative vote of 65% of the shares of our capital stock outstanding (and not held in treasury), will be required.

Unanimous written consents adopted outside general shareholders' meeting shall be transcribed in our shareholders' meetings minutes registry book. Files containing copies of the minutes from each general shareholders' meeting and each unanimous written consent, along with attendance lists, proxies, call copies, if any, and documents submitted to discussion, such as board of directors' reports, our financial statements and other relevant documents, shall be formed and kept by us.



In the event that any minutes of a general shareholders' meeting or any unanimous written consent cannot be registered in our shareholders' meetings minutes registry book, we will formalize such minutes or unanimous written consent before a notary public in Mexico.

The minutes of general shareholders' meetings, as well as the records of such meetings that were not held due to lack of quorum, will be signed by Chairman and Secretary of such shareholders' meetings.

Profit distribution (dividends)

Generally, at an annual ordinary general shareholders' meeting, our Board of Directors presents the financial statements corresponding to the preceding fiscal year to the shareholders for their approval. Once the general shareholders' meeting approves those financial statements, all of the shares outstanding at the time of the declaration of a dividend or other distribution have the right to participate in that dividend or distribution.

Board of Directors

Composition

Our Board of Directors is responsible for the general oversight of our Company. The Board of Directors comprises a maximum of 21 directors, which number may be changed from time to time upon resolutions adopted at a general shareholders' meeting, and of which at least 25% shall be independent pursuant to Articles 24 and 26 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law.

An alternate director may be appointed in place of each director; provided, however, that alternates for independent directors shall have the same independence qualifications of the independent director on whose behalf they are acting.

Directors are considered independent when they meet the requirements for independence set forth in Article 26 of the Mexican Securities Market Law, or any other provision replacing it from time to time and any other guidance or regulation issued by the CNBV.

Director independence is determined by resolution adopted at an ordinary general shareholders' meeting. The CNBV prior right of hearing of the company and of the director, may reject the independence determination of any director within 30 Business Days' notice of the initial determination of said director's independence.

Directors may or may not be shareholders and shall serve on the Board of Directors until removed and a successor is appointed, provided that at all times they shall have legal capacity to perform their duties and shall not be prevented from executing business. At all times the provisions contained in the second paragraph of Article 24 of the Mexican Securities Market Law shall be complied with.

The Board of Directors may appoint provisional directors, without input from a shareholders' meeting, in the case of the death or disability of a director or expiration of his or her term. A general shareholders' meeting shall ratify such appointments or appoint the new directors in the meeting following such event.

Directors may only be removed by resolution adopted at an ordinary general shareholders' meeting.

Directors shall be appointed by a majority vote of shareholders at an ordinary general shareholders' meeting; provided that for each 10% of outstanding capital stock held, a minority holder has the right to appoint one director.

Each year, the Chairman of the Board of Directors shall be appointed either at a general shareholders' meeting or at a meeting of the Board of Directors. The chairman of the Board of Directors shall execute and carry out resolutions adopted at general shareholders' meetings and meetings of the Board of Directors without the need for a special resolution.



The Secretary non-member of the Board of Directors and the Deputy Secretary shall be appointed at either an ordinary general shareholders' meeting or at a meeting of the Board of Directors, as applicable. The Secretary shall not be a director but must carry out the obligations and duties prescribed by applicable law.

Temporary or permanent absences in the board of directors shall be covered by such directors' appointed alternates. The Chairman of the board of directors shall have a tie-breaking vote in all matters.

The Chairman of the board of directors may be of any nationality, will chair the meetings of the Board of Directors and, in his or her absence, such meetings will be chaired by one of the directors appointed by a majority vote of the other attending directors.

Meetings of the Board of Directors

A meeting of the Board of Directors may be called either by the chairman of the Board of Directors, the chairman of the audit committee, the chairman of the corporate practices committee, the Secretary non-member of the Board of Directors or 25% of the directors by means of written notice, including, but not limited to, fax or email, to all directors at least ten calendar days prior to the date set for such meeting. In the event that all directors are present, a meeting may be called to order without advance notice.

Our independent auditor may be called to attend any meeting of the Board of Directors with the right to speak but without voting rights; provided, however, that such auditor will never be present when matters which may raise a conflict of interest are discussed or that may compromise their independence.

Meetings of the Board of Directors shall be held at least 4 times during each fiscal year, in the corporate domicile of our Company, however, a meeting may be held outside of our corporate domicile or abroad if a majority of the directors approves it, and to allow meetings of the Board of Directors to be held by telephone or by video conference or by any other means that enables the effective and simultaneous participation of its members.

The minutes of meetings of the Board of Directors shall be transcribed into the Board of Directors' meetings minutes book and shall be signed by all persons in attendance or, if expressly authorized by agreement at the meeting, solely by the Chairman of the Board of Directors and the Secretary non-member of the Board of Directors. A record and copies of the minutes and/or unanimous written consents of each meeting of the Board of Directors, as well as transcripts of any calls and any relevant documents regarding meetings, shall be kept by us.

A meeting of the Board of Directors may be duly convened when a majority of directors are present. The Board of Directors shall make decisions through resolutions adopted by a majority vote of directors; in the event of a tie, the chairman of the Board of Directors shall cast the deciding vote.

Will be valid and legal all decisions made outside of meetings of the Board of Directors as long as taken by unanimous written consent of all directors and signed by all of the directors. The document in which the written confirmation is evidenced shall be sent to the Secretary of the Company, who will transcribe the relevant resolutions in the corresponding minutes book, and shall indicate that such resolutions were adopted pursuant to our bylaws.

Authority of the Board of Directors

The Board of Directors represents our Company in business and corporate matters and has general powers of attorney for lawsuits and legal proceedings and acts of administration and ownership, in accordance with the terms set forth in Article 2554 of the Civil Code for the Federal District (*Código Civil para el Distrito Federal*) and the correlative provisions of the civil codes for each of the states of Mexico and the Mexican Federal Civil Code (*Código Civil Federal*). The Board of Directors shall represent us before all types of administrative and judicial authorities, federal, state or municipal, before the Arbitration and Conciliation Board (*Junta de Conciliación y Arbitraje*) and other labor authorities and arbitrators. The aforementioned powers, include, but are not limited to, the following:

- performing all transactions and executing, amending and terminating agreements entered into pursuant to carrying out our corporate purposes;
- opening, managing and canceling bank accounts, including, but not limited to, the authority to appoint signatories who may draw funds from such account;



- withdrawing all types of deposits;
- appointing and removing the chief executive officer and setting his or her total compensation, as well as the establishing policies for the appointment and total compensation of other relevant directors;
- granting and revoking general and special powers of attorney;
- opening and closing branch offices, agencies and dependencies;
- executing all resolutions adopted at general shareholders' meetings;
- representing our Company where we may have an interest or other participation in other companies or entities, as well as buying or subscribing for shares or partnership interests therein, at the time of such entities' incorporation or at any other time;
- filing all types of claims and *amparo* proceedings, participating in arbitration, assigning and/or encumbering assets, receiving payments and discussing, negotiating, executing and reviewing collective or individual labor agreements;
- initiating criminal claims and complaints, and act as an adjudicant before the Argentine Public Prosecutor (*Ministerio Público Argentino*);
- accepting on our behalf mandates of legal entities or persons, either national or foreign;
- authorizing our Company or our subsidiaries to make real or personal guarantees, as well as any fiduciary involvement in order to secure our liabilities and become a joint obligor, guarantor, surety and an obligor in general in compliance with third party liabilities and establish the necessary guarantees in order to secure such compliance;
- approving information and communication policies for shareholders and the market;
- calling for ordinary and extraordinary general and special shareholders' meetings and executing the resolutions thereof;
- creating committees and appointing directors to serve as members on such committees (except for the appointment and ratification of chairmen of the audit committee and corporate practices committee, who shall be appointed by resolution at a general shareholders' meeting);
- establishing strategies to fulfill our corporate purposes;
- taking any action authorized by article 28 of the Mexican Securities Market Law or any other provision replacing it from time to time;
- approving the terms and conditions for the public offering and transfer of our treasury shares issued pursuant to Article 53 of the Mexican Securities Market Law;
- appointing the person or persons in charge of carrying out the acquisition or placement of shares authorized by a shareholders' meeting, pursuant to Article 56 of the Mexican Securities Market Law, as well as the terms and conditions of such acquisitions and placements, within the limits set forth by the Mexican Securities Market Law and the relevant shareholders' meeting, and inform the shareholders' meeting of the result, in any fiscal year, of the exercise of such authorities;
- appointing provisional directors, pursuant to the provisions of the Mexican Securities Market Law;
- approving the terms and conditions of settlements through which the liability of any director for breach of the duties of diligence or loyalty is resolved;
- general power of attorney for lawsuits and collections and acts of administration for labor matters, including, without limitation, as further detailed in our bylaws and power of attorney for lawsuits and collections and for acts of administration for labor matters so that the Board of Directors may act as our representative in all labor matters and have the authorities to execute all kinds of agreements and carry out all kinds of actions in such regard;
- granting, revoking and canceling general and special powers of attorney within the scope of its authority and granting their substitution and delegation authority, except for those authorities the exercise of which is limited to the Board of Directors pursuant to applicable law or our bylaws; and



- entering into any and all necessary or convenient legal acts, agreements and/or documents.

The Board of Directors, when applicable, shall additionally have, pursuant to the terms set forth in Article 9 of Mexico's General Law of Negotiable Instruments and Credit Transactions, a general power-of-attorney to issue, accept and endorse negotiable instruments, as well as to protest them and a general power-of-attorney to open and cancel bank accounts.

Committees

The general shareholders' meeting or the Board of Directors may constitute committees that consider necessary for their operation.

In addition, our Board of Directors will maintain an Audit Committee and a Corporate Practices Committee in accordance with the Mexican Securities Market Law, the members of such committees to be exclusively comprised of a minimum of three independent directors appointed by the Board of Directors, pursuant to the terms set forth in Article 25 of the Mexican Securities Market Law, any other provision replacing it from time to time and other applicable law.

The Audit Committee, the Corporate Practices Committee and other committees created pursuant to our bylaws, shall meet in the form and frequency established by each such committee in the first or last board meeting held during each year (in the latter case regarding the calendar of meetings to be held during the following fiscal year), without the need to call for the members for each meeting when such meetings have been previously scheduled in accordance with the meeting calendar approved by the relevant committee for such purposes; provided, however, that in order for such meetings to be duly convened, a majority of the members shall be present and resolutions shall be approved by a majority vote of the members of such committee.

In addition, each committee shall meet when decided by its chairman, the Secretary non-member of the Board of Directors or any of its members, upon prior notice given at least three Business Days in advance to all the members of the committee and the required alternates. The independent auditor of the Company may be invited to the meetings of the committees, as an invitee with the ability to speak but not to vote.

Decisions may be made outside of meetings of the committees and will have the same validity as if they had been approved in the session as long as they are approved by unanimous written consent of all committee members and signed by all of the members thereof. Likewise, the committees may meet at any moment, without prior notice, if all members are present.

Committees may not delegate their authorities as a whole to any person, but they may appoint deputies to implement their resolutions. The chairman of each committee will be entitled to individually implement such resolutions without needing express authorization. Each committee created pursuant to our bylaws shall inform the Board of Directors on an annual basis about the activities it performs or when it considers that facts or actions material for the Company have occurred. Minutes shall be prepared for each meeting of a committee, which shall be transcribed in a special minutes book. The minutes shall evidence the attendance of the members of the committee and the resolutions adopted, and they shall be signed by the individuals present and the Chairman and Secretary.

Meetings of the Committees may be held by telephone or by video conference or by any other means that enables the effective and simultaneous participation of its members.

For all that is not provided herein or in the Mexican Securities Market Law, committees shall operate pursuant to rules set by our Board of Directors, unless otherwise prescribed in our bylaws or in the Mexican Securities Market Law.

Committees shall keep the Board of Directors apprised of their activities at least once a year.

Duties of Directors

The Mexican Securities Market Law imposes a duty of diligence and loyalty on the members of the board of directors, the members of the board's committees, the chief executive officer and on the relevant officers from which the chief executive officer seeks assistance. Such duty of diligence requires them to obtain sufficient information and to be sufficiently prepared in order to act in the best interest of the Company. The duty of diligence is complied with, mainly, by searching for and obtaining all the information that may be necessary in order to make decisions



(including by means of hiring independent experts), attending sessions of the board of directors, of the committee in which they participate and disclosing to the board of directors relevant information in the possession of the relevant director or officer. Default of such duty of diligence by a board member subjects him or her to joint liability along with other board members that are liable in connection with the damages and lost profits caused to the Company or its subsidiaries.

The duty of loyalty mainly consists of a duty to act in the best interest of the Company and includes, primarily, the duty to maintain confidentiality of the information that the board members receive in connection with the performance of their duties, abstaining from voting in matters in respect to which they have a conflict of interest and abstaining from taking advantage of business opportunities of the Company. It is a violation of the duty of loyalty for a director to take actions that wrongfully benefit one or more shareholders, or for a director, without prior express consent of the disinterested members of the board of directors, to take a corporate opportunity that belongs to the Company or its subsidiaries.

It is also a violation of the duty of loyalty for a director to (i) use our assets, or consents to the use of our assets, in violation of any of our policies or (ii) disclose false or misleading information, order not to record, or prevent the recording of any transaction in our registries, which could affect our financial statements or cause important information to be improperly modified or not disclosed.

A director's failure to comply with the duty of diligence or the duty of loyalty shall make him or her jointly liable with other directors or officers who have also failed to comply therewith for any damages caused to our Company resulting therefrom in the cases in which they have acted in bad faith, willfully or illegally.

As a means of protection for our board members regarding breaches of the duty of diligence or the duty of loyalty, the Mexican Securities Market Law provides that directors will not be liable for the breach of such duties in the event that the board member acted in good faith and (a) in compliance with applicable law and our bylaws, (b) based on facts and information provided by our officers, independent auditors or experts whose credibility and reliability may not be reasonably questioned, and (c) elects the most suitable alternative in good faith or when the negative effects of such decision may not be reasonably foreseen based on the information available. Mexican courts have not interpreted the meaning of such provision and, therefore, its scope and meaning are uncertain.

Board members will be jointly liable with previous board members regarding irregularities caused by any prior board member if such irregularities are not reported to the audit committee and the corporate practices committee.

The members of the board of directors and the committees have no obligation to guarantee the performance of their positions.

The provisions regarding the duty of loyalty of the second and third paragraphs of Article 34 of the Securities Market Law must be observed.

The liability resulting from the breach of the duty of diligence or the duty of loyalty should be exclusive in favor of the Company, as the case may be, and may be exercised by the Company or by the shareholders who, individually or jointly, represent ownership of shares (including limited, restricted or non-voting shares) representing 5% or more of the share capital.

The members of the Board of Directors or the members of the committees should not be in default when they act in good faith or when any liability exclusion mentioned in Article 40 of the Mexican Securities Market Law, any other provision replacing it from time to time and other applicable law.

Audit and Corporate Practices Committees

The oversight of our management and conduct and execution of our business shall be vested in the board of directors through the Audit Committee and the Corporate Practices Committee, as well as our independent auditor.



The chairman of the audit committee and the chairman of the corporate practices committee shall be bound to provide an annual report pursuant to Article 43 of the Mexican Securities Market Law or any other provision replacing it from time to time.

Audit Committee

The audit committee shall be comprised of a minimum of three members, who shall be independent and shall be appointed at a general shareholders' meeting or a meeting of the board of directors upon a proposal by the Chairman of the board of directors, except for the chairman of the Audit Committee, who shall be appointed and/or removed from office exclusively by resolution adopted at a general shareholders' meeting. The chairman of the Audit Committee must also satisfy the requirements described in Article 43, Section II of the Mexican Securities Market Law to serve.

The audit committee shall perform the functions described in Article 42, Section II of the Mexican Securities Market Law, any other provision replacing it from time to time, guidance and/or regulation handed down by the CNBV and other applicable law. These functions include, but are not limited to giving an opinion to the board of directors about matters entrusted to the Audit Committee, discussing the financial statements of our Company with the persons responsible for preparing them, informing the board of directors about the state of affairs concerning the internal control and audit systems of our Company, preparing an opinion about accounting policies and criteria and, in general, overseeing the corporate conduct of our Company.

We shall have an independent auditor to perform audits in compliance with the Mexican Securities Market Law.

Corporate Practices Committee

The corporate practices shall be comprised of a minimum of three members, who shall be independent and shall be appointed at a general shareholders' meeting or a meeting of the Board of Directors upon a proposal by the Chairman of the board of directors, except for the chairman of the Corporate Practices Committee, who shall be appointed and/or removed from office exclusively by resolution adopted at a general shareholders' meeting. The chairman of the Corporate Practices Committee must also satisfy the requirements described in Article 43, Section I of the Mexican Securities Market Law to serve.

The corporate practices committee shall have the functions described in Article 42, Section I of the Mexican Securities Market Law, any other provision replacing it from time to time, guidance and/or regulation handed down by the CNBV and other applicable law. These functions include, among others derived from the Mexican Securities Market Law, issuing an opinion to the board of directors as requested about matters related to compliance with the Mexican Securities Market Law and our bylaws, requesting opinions from independent experts in connection with matters to be submitted for approval to the board of directors or in respect to which there is a conflict of interest, calling shareholders' meetings and supporting the board of directors in the preparation of reports.

Indemnification

Pursuant to our bylaws, we shall indemnify and hold harmless the members, alternates and officers of the Board of Directors, the Audit Committee, the Corporate Practices Committee, any other Committees created by us, the Secretary and the Deputy Secretary non-members of the Board of Directors, and the Chief Executive Officer and other relevant officers, in relation to the performance of their duties, such as any claim, demand, proceeding or investigation initiated in Mexico or in any of the countries in which our shares are registered or listed, other securities issued on the basis of such shares or other fixed or variable income securities issued by us, or in any jurisdiction where we, or the companies we control, operate, in which such persons may be parties as members of such bodies, owners or alternates, and officials, including the payment of any damages or losses that have been caused and the amounts necessary to arrive, if deemed appropriate, to a transaction, as well as the total fees and expenses of lawyers (reasonably and documented) and other advisors to be retained to ensure the interests of such persons in the



aforementioned cases, on the understanding that the Board of Directors shall be the body empowered to resolve, in the aforementioned cases, whether it considers convenient to retain the services of lawyers and other different advisors to those who are advising us in the relevant case. This indemnity shall not apply if such claims, demands, proceedings or investigations result from gross negligence, willful misconduct, bad faith or illegally pursuant to the applicable law of the indemnified party concerned. Furthermore, we may purchase, in favor of the members of the Board of Directors, the Audit Committee, the Corporate Practices Committee and any other committees formed by us, of the Chief Executive Officer or any other relevant officer, the insurance, bond or guarantee which covers the amount of the indemnity for the damages caused by his/her performance within our organization or entities controlled by us or in which we have significant influence, except in the event of acts of malice or bad faith, or illicit acts in accordance with the Mexican Securities Market Law or other applicable law.

Dissolution and Liquidation

The Company shall be dissolved upon occurrence of any of the events described in Article 229 of Mexico's General Law of Commercial Companies, any other provision replacing it from time to time and other applicable law. In each case, the registration with the RNV of the shares representing the capital stock of the Company and the warrants representing such shares shall be canceled.

Once the Company has been dissolved, it shall be placed in liquidation, which would be administered by one or more liquidators, who in such case shall act together as determined by resolution at a general shareholders' meeting. Such general shareholders' meeting will also set the termination date of the liquidator's employment with the Company and their compensation.

The liquidator or liquidators will proceed with the liquidation and the *pro rata* distribution of the value of the remaining assets of the Company, if any, to shareholders, in accordance with Mexico's General Law of Commercial Companies.

Preferred Subscription Rights

Except for the capital increases approved by the shareholders' meetings, shareholders shall have, in proportion to the number of shares they hold when the relevant increase is resolved, preemptive rights to subscribe for new stock issuances to maintain their current percentage of ownership. The foregoing preemptive right must be exercised within 15 calendar days following our approval of such new stock issuance, as published in the electronic system of Mexico's Ministry of Economy.

The preferred subscription right provided in Article 132 of Mexico's General Law of Commercial Companies shall not be applicable in the event of capital increases made (i) pursuant to Article 53 of the Mexican Securities Market Law, (ii) an issuance of convertible securities, (iii) in a conversion of a series of shares to another series upon resolution adopted at a general shareholders' meeting, (iv) as a result of the merger of our Company, whether as a continuing or disappearing company or (v) as a consequence of the placement of repurchased shares in terms of applicable law.

Redemption

We may redeem shares with distributable profits without need to reduce our capital stock; provided that, in addition to complying with Article 136 of Mexico's General Law of Commercial Companies, or any other provision replacing them from time to time and other applicable law, we comply with the following:

- if the redemption is intended to redeem all shares held by our shareholders, such redemption shall be made so that the shareholders shall continue to have the same proportion of shares they had before such redemption took place;
- if the redemption is intended to redeem shares that are listed on a stock exchange, such redemption will be made through the acquisition of our own shares on such said stock exchange in accordance with the terms and conditions approved by resolution at a general shareholders' meeting, which may delegate to the board of directors or special deputies the authority to determine the system, prices, terms and other conditions for that end and the relevant shareholders' resolutions shall be published in the electronic system of the Mexican Ministry of Economy; and



- the redeemed shares and the certificates representing them are canceled, with the corresponding capital decrease.

Minority Rights

The bylaws provide the following minority rights:

- pursuant to the provisions set forth in Article 50, Section III of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law, the holders of shares with voting rights (even limited or restricted) represented in an ordinary or extraordinary general shareholders' meeting, holding 10% or more of our outstanding capital stock either individual or jointly, may request to postpone a meeting for one time only, for three calendar days and without a new call needed with respect to the voting on any matter on which they consider themselves not to be sufficiently informed, notwithstanding the percentage provided in the article 199 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time or any other applicable provisions;
- the holders of shares with voting rights (even limited or restricted) that individually or jointly represent 20% or more of our outstanding capital stock, may oppose in court resolutions adopted at general shareholders' meetings regarding matters on which they have voting rights, notwithstanding the percentage referred to in Article 201 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time provided that certain requirements are fulfilled;
- shareholders that, individually or jointly, are holders of the shares with voting rights (even limited or restricted rights) representing 10% or more of our outstanding capital stock, shall have cause of action against any or all of our board members, directors, the Chief Executive Officer or any other relevant officer for failing to comply with his or her duty of diligence and duty of loyalty or against such legal entity that such person manages or over which he or she has a significant influence; and
- shareholders that, individually or jointly, hold shares with or without voting rights that represent 10% or more of our outstanding capital stock, shall have the right to appoint and/or remove from office, upon resolution adopted at a general shareholders' meeting, one director for each 10% of outstanding capital stock held such board member may only be removed from office if all the members of the board of directors are removed, in which case the board members who were removed shall not be appointed again during the 12 months following from the date of such removal.

Restrictions on the Transfer of Shares

Every direct or indirect acquisition or attempted acquisition of our capital stock of any nature and regardless of the name it is given, under any title or legal structure, with the intention of carrying-out, be it in one or several simultaneous or successive transactions or acts of any legal capacity, with no time limitation between them, in a private transaction or through a stock exchange, whether in Mexico or abroad, including structured transactions such as mergers, corporate restructures, spin-offs, consolidations, allocations or guaranties executions or other similar transactions or legal acts (any such operation, an "Acquisition"), by one or more persons, related persons (*grupo de personas* or "group") under the Mexican Securities Market Law, business group or consortium, will require approval through a written resolution adopted by our board of directors, each time that the number of shares to be acquired, when added to any shares already owned, results in the acquiring party 10% or more of our capital stock. Once a holder holds such percentage of our capital stock, the holder must notify the board of directors through notice provided to the Chairman or Secretary, in our corporate domicile, of any subsequent acquisition of 2% or more of our outstanding capital stock. For the avoidance of doubt, no additional authorization is required to carry-out such acquisitions or to execute a voting agreement until the ownership percentage in our outstanding capital stock is equal to or greater than 20%.



Shareholders must request a favorable opinion from the board of directors, in writing, for the execution of written or oral agreements, regardless of their name or title or classification, as a consequence of which voting associations, block voting or binding or joint voting mechanisms or covenants are formed or adopted or certain shares are combined or shared in any other manner, such agreement resulting in a change of control of our Company or an effective 20% ownership of our outstanding capital stock (each, a Voting Agreement and jointly, the Voting Agreements), except for temporary Voting Agreements that are executed in connection with a general shareholders' meeting, with the purpose of appointing minority members of the board of directors.

For such purposes, the person who individually, or jointly with related persons, group, business group or consortium that intends to carry out any Acquisition or execute any Voting Agreement, shall make a written authorization request to the board of directors and shall contain the following information:

- the number and class or series of shares held by the applicable person or persons and/or any related persons thereof, the group, business group or consortium (a) be it as an owner or co-owner, directly or through any person or related person, and/or (b) regarding shares subject to an executed Voting Agreement;
- the number and class or series of shares that it intends to acquire, whether directly or indirectly, by any means, through Acquisition or that is the subject of a Voting Agreement; as well as the minimum price to be paid for each share related with the corresponding acquisition.
- (a) the percentage which the shares referred to in subsection (i) above represents of the total of our issued and outstanding shares, and (b) the percentage that the sum of the shares referred to in subsections (i) and (ii) above represent of our issued and outstanding shares; provided that for (a) and (b) the total of our issued and outstanding shares may be determined by the total number of shares that we report as outstanding to the stock exchange on which they are listed;
- the identity and nationality of the person or persons, group, business group or consortium that intends to carry-out an Acquisition or execute a Voting Agreement; provided that if any of them is a corporate entity, the identity and nationality of each of the partners, shareholders, founders, beneficiaries or any equivalent thereto that ultimately has direct or indirect control of such entity in accordance with our bylaws;
- the reasons and objectives pursuant to which the person or persons, group of persons, business group or consortium that intends to carry-out an Acquisition or execute a Voting Agreement, in particular if they intend to acquire, directly or indirectly, (a) shares in addition to those referred in the authorization request, (b) 20% ownership of our capital stock, (c) control of our Company, or (d) significant influence in our Company, as well as the intended role with respect to the policies and management of our Company and any amendment they would like to propose with respect to the policies and management of our Company;
- if the person or persons, group, business group or consortium have direct or indirect ownership in the capital stock or in the management and operation of a competitor or any related person to a competitor, if they have any economic or business relationship with a competitor or with any related person to a competitor or if any related person of theirs is a competitor;
- if they have the authority to acquire shares or execute a Voting Agreement, in accordance with our bylaws and applicable law, or if they are in the process of obtaining any such authorization or consent from any person, and the terms and timing on which they expect to obtain it;
- the origin of the funds they intend to use to pay the price of the shares requested; provided that with respect to funds obtained from financing, the requesting party shall specify the identity and nationality of the person providing such funding and if such person is a competitor or a related person to a competitor, and any documentation evidencing the financing and the terms and conditions thereof. The board of directors may request from the person that sends such a request, if considered necessary to guarantee the payment of the corresponding Acquisition price and before granting authorization in



accordance with the above, additional evidence regarding the financing (including evidence that there are no prohibitive covenants pursuant to such financing) or, the formation or granting of a (a) bailment, (b) guarantee trust, (c) irrevocable letter of credit, (d) deposit or (e) any other type of guarantee, up to the equivalent amount of 100% of the price of the shares that are to be acquired or that are the subject matter of the corresponding transaction or agreement, naming the shareholders, directly or through our Company, as beneficiaries, with the purposes of securing the compensation of the losses and lost profits that our Company or its shareholders may suffer as a consequence of the incorrect information presented or of the request, or for any action or omission of the petitioner, directly or indirectly, or as a consequence of the impossibility to complete the relevant transaction, for any cause, related or not to the financing;

- the identity and nationality of the financial institution that would act as broker, in the event that the Acquisition in question is through a public offering;
- if, there is to be a public offering, a copy of the offering circular or similar document, to be used for the acquisition of the shares or regarding the corresponding transaction or agreement, and a representation stating if such document has been authorized by the competent regulatory authorities (including the CNBV); and
- a domicile in Mexico City, Mexico, to receive notices regarding the filed request.

In the event that the board of directors resolves, due to the impossibility of knowing certain information upon receiving the request, that such information may not yet be disclosed, the board of directors may, at its sole discretion, waive the compliance of one or more of the aforementioned requirements:

- within 15 business days following the date upon which the request referred to above has been received, the Chairman or Secretary shall call a meeting of the board of directors to discuss and resolve the matter of the requested authorization (notice for such meetings shall be made in writing and sent in accordance with our bylaws); and
- the board of directors may request from the person intending to carry-out the Acquisition or execute the corresponding Voting Agreement, additional documentation and clarifications as it sees fit to adequately analyze the request, to agree upon the authorization request as filed; provided that any request of such nature on behalf of the board of directors shall be made during the subsequent 20 calendar days following the receipt of the request, and provided that such request will not be considered as final and complete until the person who intends to carry-out the Acquisition or execute the Voting Agreement, files all the additional information and makes all the clarifications requested by the Board of Directors.

The board of directors shall resolve any authorization request it receives pursuant to the terms of our bylaws within 90 calendar days following the delivery of the request or on the date in which such request is finalized as discussed above.

The board of directors shall adopt a resolution approving or rejecting the request; provided that if the board of directors does not issue such resolution within the aforementioned 90-calendar days, the request shall be deemed as rejected. In all cases, the board of directors will act in accordance with the guidelines set forth in "Item 10—Additional Information—Memorandum and Articles of Association" below and shall justify their decision in writing.

- To consider a meeting of the board of directors duly convened, by first or subsequent call, to deal with any matter regarding an authorization request or agreement referred herein, the attendance of at least 66% of incumbent directors or their alternates is required. Such resolutions will be valid and adopted when approved by 66% of the members of the Board of Directors.
- In the event that the board of directors authorizes the requested Acquisition or the execution of a proposed Voting Agreement, and such Acquisition or agreement results or would be likely to result in (a) the acquisition of 30% or more of our capital stock or, but without involving a change of control, in addition to



any authorization requirement established in our bylaws, the person or group intending to carry out the Acquisition or enter into the Voting Agreement the acquisitions of shares or the conclusion of the respective Voting Agreement which is the object of the authorization, shall first execute a tender offer for the greater of (i) the percentage of the Company's capital stock equivalent to the proportion of Shares in circulation that is intended to be acquired or (ii) 10% of the Company's capital stock, under the authorized conditions resolved by the board of directors, or (b) a change of control, in addition to any authorization requirement established in our bylaws, the person or group, intending to carry out the Acquisition or execute the Voting Agreement, shall first execute a tender offer for 100% of our outstanding Shares, under the authorized conditions resolved by the board of directors. The tender offer referred to in the paragraph above shall be completed within 90 calendar days following the date on which the authorization was granted by the Board of Directors; provided that such term may be extended by an additional 60 calendar days in the event that any relevant governmental authorizations required for such purposes are pending.

The price to be paid for each of the shares will be the same, regardless of their class or series.

In the event that the board of directors receives, prior to or at the completion of the Acquisition or the execution of a Voting Agreement, an offer from a third party, stated in a request to carry out an acquisition of at least the same amount of shares, on better terms for the owners and shareholders of the Company (including type of compensation and price), the board of directors will have the authority to consider, after the submission of both requests, and to authorize such a second request, suspending the authorization previously granted; provided that any approval shall have no effects on the obligation of carrying out a tender offer in accordance with our bylaws and applicable law.

- Acquisitions that do not result in (i) the acquisition of 20% of our capital stock or (ii) a change of control or (iii) the acquisition of significant influence regarding the Company may be registered in our stock registry book after authorization by the board of directors and the completion of such transactions. Acquisitions or Voting Agreements that result in (i) or (ii) above, may be registered in our stock registry book upon the completion of a tender offer pursuant to the terms discussed above. Consequently, in such case it will not be possible to exercise the rights arising from the shares until such tender offer is concluded.
- The board of directors may deny authorization for a requested Acquisition or for the execution of a proposed Voting Agreement, in which case it will inform, in writing, the basis and reasons for such denial. The requesting party will have the right to request and hold a meeting with the board of directors, or with an ad-hoc committee appointed thereby, to explain, extend or clarify the terms of its request, as well as communicate its position in writing to the board of directors.

General Provisions

For the purposes herein, it is to be understood that shares belong to the same person, when such shares are (i) owned by any related person or (ii) owned by any entity, provided that such entity is owned by the aforementioned person. Likewise, a person or group that acted jointly or coordinated with others to acquire shares, regardless of the legality of such transaction, whether through simultaneous or successive transactions will be deemed as the same person for the purposes herein. The board of directors will determine if one or more persons that intend to acquire shares or execute Voting Agreements shall be considered as the same person for the purposes set forth herein.

In its assessments of authorization requests, the board of directors shall take into consideration the following factors and any other as deemed pertinent, acting in good faith and in the best interests of our Company and shareholders and in compliance with their duties of loyalty and diligence pursuant to the terms of the Mexican Securities Market Law and our bylaws: (i) the price offered by the potential buyer and the type of compensation planned as part of such offer; (ii) any other relevant terms or conditions included in such offer such as to the viability of the offer and the origin of the funds to be used for the acquisition; (iii) the credibility, solvency and reputation of the potential buyer; (iv) the effect of the proposed Acquisition or the proposed Voting Agreement on our business, including our financial and operational position as well as our business prospects; (v) potential conflicts of interest (including those where the person making the request is a competitor, or an affiliate of a competitor, as described in the paragraphs above) in the event that the Acquisition or Voting Agreement is not with regard to 100% of the shares; (vi) the reasons stated by the requestor to carry out the Acquisition or execute the Voting Agreement; and (vii) the quality, precision and truthfulness of the information provided in the request.



If the Acquisition or the execution of a Voting Agreement is to occur, without first receiving authorization in advance and in writing from the board of directors, the shares part of such Acquisition or in connection with such Voting Agreement will not be granted any rights to vote in any general shareholders' meeting and will be made at the buyer's, group of buyers' or parties' to the relevant contract, agreement or covenant own liability. The shares part of such Acquisition or Voting Agreement that has not been approved by the board of directors shall not be registered in our stock registry book, the entries made beforehand shall be canceled and we shall not acknowledge or give any value to the records or listings as described in Article 290 of the Mexican Securities Market Law, or any other provision which might replace it from time to time and other applicable law, and they shall not be considered as proof of ownership of shares or grant attendance rights for general shareholders' meetings and shall give no legitimacy for the exercise of any legal action, including those of a procedural nature.

The authorizations granted by the board of directors described above will have no effect if the information and documentation on which the authorization was based and granted is not true, complete and/or legal.

In the event of any failure to comply with what is set forth above, the board of directors may adopt, among others, the following measures: (i) the rescission of the transactions, with mutual restitution to the parties thereto, or (ii) the sale of the shares part of such Acquisition, to a third party approved by the board of directors at the minimum reference price as determined by the Board of Directors.

The above shall not be applicable to (i) share acquisitions through inheritance or legacy or to affiliates or vehicles wholly controlled by the person or entity carrying out the transfer, (ii) share acquisition or the execution of a Voting Agreement by us, or by a trust formed by us, (iii) share acquisition made by Strategic Partner or (iv) the transfer into a control trust or similar entity which the shareholders may form at the time of an initial public offering of our shares in Mexico.

The above applies in addition to the statutes and general rules regarding the acquisition of securities in the markets in which the shares, other securities related thereto or rights derived therefrom are listed. In the event that our bylaws run counter, in part or in whole, to any laws or general provisions thereof, then such laws shall prevail.

These provisions of our bylaws will be registered with the public registry of commerce of our domicile and shall be transcribed in the share certificates representing our capital stock in order to be opposable vis-à-vis third parties. The provisions included of our bylaws described above with respect to restrictions on transfers of shares may only be amended or removed from the bylaws by resolution upon approval of at least 95% of the Company's shares at the time of such resolution.

Delisting or Cancellation of the Registration of the Shares with the RNV

In the event that we decide to cancel the registration of our series A shares before Mexico's National Securities Registry by resolution adopted at an extraordinary general shareholders' meeting, upon approval of at least 95% of our capital stock or if our registration is canceled by resolution of the CNBV after this offering is completed, prior to such cancellation, we shall make a tender offer within a maximum period of 180 calendar days beginning at the time in which the demand or authorization from the CNBV, as the case may be, becomes effective, in accordance with Article 108 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law. That offer shall be extended solely to those persons who do not belong to the group of shareholders that exercises control over us. Shareholders exercising control (as defined in the Mexican Securities Market Law) will be collaterally liable to the Company for carrying out a tender offer of the outstanding Shares in the event of our liquidation or a cancellation request from the CNBV.

In accordance with Article 108 of the Mexican Securities Market Law and Article 101 of the Mexican Securities Market Law, our board of directors shall prepare, no later than the tenth Business Day after the beginning of the public tender offer, a hearing of the Audit and Corporate Practices Committee, and shall disclose to the investing public, its opinion with respect to the price of the public tender offer and the conflict of interests that, as the case may be, each of the members of the board of directors has in connection with the offering. Such opinion may be accompanied with another one issued by an independent expert. Likewise, the members of the board of directors and the Chief Executive Officer of the Company shall disclose to the public, along with the aforementioned opinion, the decision they will take with respect to the shares of the Company they own and the derivative securities of the Company they own.



Loss of Rights over the Shares

We are incorporated under the laws of Mexico. As required by Mexican law, any non-Mexican who, either at the time of our incorporation or at any time thereafter, acquires shares or any interest, formally undertakes, before the Ministry of Foreign Affairs, to be considered as a Mexican national with respect to its interests in the Company, as well as the property, rights, concessions, participation or interests held by the Company, and the rights and obligations deriving from the agreements to which the Company is a party, and further undertakes not to invoke the protection of its home government with respect to such interest. Upon the breach of such undertaking, such person is under penalty of forfeiting such shares or interests in favor of the Mexican government. Mexican law requires that such a provision be included in the bylaws of all Mexican corporations unless such bylaws or applicable law prohibit ownership of shares by non-Mexican persons.

Reductions of our capital stock may be resolved to absorb losses in the event that any shareholder exercises its right of separation in terms of Article 206 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law.

MATERIAL CONTRACTS

For information regarding our material contracts, see "Item 4—Information on the Company—Business Overview —Our Operations—Argentina—Concessions" and "Item 5B—Liquidity and Capital Resources—Indebtedness."

EXCHANGE CONTROLS

On September 1, 2019, after the market disruptions caused by the results of the primary elections, with the purpose of strengthening the normal functioning of the economy, fostering a prudent administration of the exchange market, reducing the volatility of financial variables and containing the impact of the variations of financial flows on the real economy, the Argentine government issued Decree No. 609/2019 whereby foreign exchange controls were temporarily reinstated. The decree: (i) reinstated, originally until December 31, 2019, the exporters' obligation to repatriate the proceeds from exports of goods and services in the terms and conditions set forth by the Argentine Central Bank's implementing regulations and settle for Pesos through the FX Market; and (ii) authorized the Argentine Central Bank to (a) regulate access to the FX Market for the purchase of foreign currency and outward remittances; and (b) set forth regulations to avoid practices and transactions aimed to circumvent, through the use of securities and other instruments, the measures adopted through the decree. On the same date, the Argentine Central Bank issued Communication "A" 6770, which was subsequently amended and supplemented by further Argentine Central Bank communications.

As of the date of this annual report, foreign exchange regulations have been consolidated in a single regulation, Communication "A" 6844, as subsequently amended and supplemented from time to time by Argentine Central Bank's communications (the "FX Regulations"). Below is a description of the main exchange control measures implemented by the FX Regulations:

Specific Provisions for Inward Remittances

Repatriation and settlement of the proceeds of exports of goods.

From September 2, 2019 and in accordance with Section 7.1 of the FX Regulations, exporters must repatriate, and settle the proceeds from exports of goods cleared through customs in Argentine Pesos. Notwithstanding the maximum terms for settlement as of obtaining the "shipping fulfillment" (*cumplido de embarque*) established in Section 7 of the FX Regulations, export proceeds must be entered and settled through the FX Market within five business days following payment thereof.

Although the FX Regulations maintain the obligation to repatriate export proceeds to Argentina through the FX Market, in accordance with Section 2.6, exporters are authorized to avoid the settlement in Argentine Pesos to the extent that: (a) the funds are credited to foreign-denominated accounts in the name of the exporter, opened at local banks; (b) the funds are brought to Argentina within the applicable period established; (c) the funds are simultaneously applied to conduct payments for which the regulations grant access to the FX Market, subject to any



applicable caps; (d) if the funds correspond to the proceeds of new external financial indebtedness and are applied to the prepayment of foreign currency-denominated loans with local banks, the new indebtedness must have a longer average life than the local indebtedness, and (e) the mechanism is tax-neutral.

Amounts collected in foreign currency for insurance claims related to the exported goods must also be repatriated and settled in Argentine Pesos in the FX Market, up to the amount of the insured exported goods.

Moreover, through Section 8 of the FX Regulations, the Argentine Central Bank reinstated the export proceeds monitoring system, setting forth rules governing such monitoring process and exceptions thereof. Exporters will need to appoint a financial entity in charge of monitoring compliance with the aforementioned obligations.

Application of exports proceeds

FX Regulations authorize the application of export proceeds to the repayment of: (i) pre-export financings and export financings granted or guaranteed by local financial entities; (ii) foreign pre-export financings and export advances settled in the FX Market, provided that the relevant transactions were entered into through public deeds or public registries; (iii) financial indebtedness under contracts executed prior to August 31, 2019 providing for cancellation thereof through the application abroad of export proceeds; (iv) other foreign financial indebtedness subject to certain requirements as established in Sections 7.9 and 7.10 of the FX Regulations. All other uses of export proceeds shall be subject to Argentine Central Bank prior approval.

Local collections for exports of on-board supplies to foreign flagged means of transport (*regimen de ranchos*)

Section 8.5.18 establishes that, regarding local collections for exports of on-board (*regimen de ranchos*) supplies to foreign flagged means of transport, it shall be considered that the follow-up of the shipment permit is totally or partially complied with, for an amount equivalent to the amount paid locally in Pesos and/or in foreign currency to the exporter by a local agent that owns the foreign flagged means of transport, as long as the following conditions are met:

- The documentation allows the agency to verify that the delivery of the exported merchandise has taken place in the country, that the local agent representing the company that owns the foreign-flagged means of transport made the payment to the exporter locally, and in which currency the payment was made.
- A financial entity shall issue a certificate stating that the company that owns the foreign flagged means of transport would have had access to the FX Market pursuant to Section 3.2.2. of the FX Regulations for the equivalent amount in foreign currency intended to be computed to the shipment permit. The financial entity which issued such certification has previously verified compliance with all the other requirements established in Section 3.2.2. of the FX Regulations, except for provisions of Section 3.16.13. Additionally, the local agent representing the company that owns the foreign flagged means of transport will have filed an affidavit stating that (a) it has not transferred funds abroad or (b) will transfer funds abroad for the proportional amount of the operations included in the certification.
- In the event that the funds have been received in Argentina in foreign currency, a certification that the settlement of the funds through the FX Market has been made is needed.

The local agent of the company that owns the foreign flagged means of transport shall not have used this mechanism for an amount greater than US\$250,000 in the calendar month.

Sale of non-financial non-produced assets

Pursuant to Section 2.3 of the FX Regulations, the proceeds in foreign currency of the sale of non-financial non-produced assets must be repatriated and settled in Pesos in the FX Market within five business days following either the perception of funds in the country or abroad, or their accreditation in foreign accounts.



Foreign financial indebtedness

Pursuant to Section 2.4 of the FX Regulations in order for resident debtors to have access to the FX Market to repay foreign financial indebtedness disbursed as of September 1, 2019, the loan proceeds must have been settled through the FX Market and the operation must have been declared under the Foreign Assets and Liabilities Reporting Regime. As a result, although settlement of the loan proceeds is not mandatory (i.e., the loan proceeds may be kept and applied directly abroad), failure to settle them shall preclude future access to the FX Market for repayment purposes.

Access to the FX Market to make such payments more than three days prior to the due date (e.g., due to voluntary or mandatory prepayment provisions) is, as a rule, subject to prior Central Bank's approval. Prepayments done with funds from new, duly settled, foreign loans or in connection with debt refinancing or liability management processes may be exempted from such prior Central Bank's approval to the extent they comply with several requirements as set forth in Section 3.5 of the FX Regulations.

Until December 31, 2022, prior approval by the Argentine Central Bank ("BCRA") is required in order for local residents to access the FX Market to make principal payments under cross-border financial indebtedness with related parties. This rule applies unless the loan proceeds were settled through the FX Market after October 1, 2020, and the loan has an average life of at least 2 years.

Exceptions to the repatriation and settlement requirement

Although the FX Regulations maintain the obligation to repatriate export proceeds to Argentina through the FX Market, in accordance with Section 2.6, exporters are authorized to avoid the settlement in Argentine Pesos to the extent that: (a) the funds are credited to foreign-denominated accounts in the name of the exporter, opened at local banks; (b) the funds are brought to Argentina within the applicable period established; (c) the funds are simultaneously applied to conduct payments for which the regulations grant access to the FX Market, subject to any applicable caps; (d) if the funds correspond to the proceeds of new external financial indebtedness and are applied to the prepayment of foreign currency-denominated loans with local banks, the new indebtedness must have a longer average life than the local indebtedness, and (e) the mechanism is tax-neutral.

Specific Provisions Regarding Access to the FX Market

General Requirements

As a general rule, and in addition to any rules regarding the specific purpose for access, certain general requirements must be met by a local company or individual to access the FX Market for the purchase of foreign currency or its transfer abroad (i.e., payments of imports and other purchases of goods abroad; payment of services rendered by non-residents; remittances of profits and dividends; payment of principal and interest on foreign indebtedness; payments of interest on debts for the import of goods and services, among others) without need of prior Central Bank of Argentina prior approval. These include the following:

- during the 90 days preceding the date of said access, the local company must not have:
 - sold securities in Argentina issued by residents for foreign currency, transferred such securities to a foreign depository, exchanged such securities for other foreign assets, or, as of October 29, 2021, purchased foreign securities issued by non-residents with Pesos in Argentina; or
 - delivered Pesos or other local liquid assets (e.g., Argentine sovereign bonds) to any individual or legal entity having a direct controlling interest in it, unless: (i) such delivery resulted from regular purchases of goods or services executed in its ordinary course of business, or (ii) it provides an affidavit from each such controlling individual or legal entity pursuant to which such persons declare they comply with the restrictions set forth in (i)(a) above, and undertake to comply with (ii)(d) below; and
- on the date of said access, the local company must:
 - not have any available foreign liquid assets in excess of US\$100,000, Central Bank Communication "A" 7030 contains a non-exhaustive list of assets that qualify as "foreign liquid assets" for purposes thereof, which include foreign currency bills and coins, gold bars, sight deposits with foreign banks and,



generally, any other investment that allows for immediate availability of foreign currency (e.g., foreign bonds and securities, investment accounts with foreign investment managers, crypto-assets, cash held with payment service providers, etc.).

- deposit all its local holdings of foreign currency in accounts held with local financial institutions,
- undertake to settle through the FX Market within five business days as from receipt thereof, any funds received abroad as a result of the repayment of loans, the release of term-deposits or the sale of any type of asset, to the extent the asset was originally acquired, the deposit made or the loan granted, as applicable, after May 28, 2020,
- undertake to, during the 90 days following said access to the FX Market, not sell in Argentina securities issued by residents for foreign currency, transfer such securities to foreign depositories, exchange such securities for other foreign assets, or purchase foreign securities with Pesos in Argentina, and
- not be included in the list of “issuers of fake invoices and similar documents” (base de facturas o documentos equivalentes calificados como apócrifos) kept by the Argentine Tax Authority (Administración Federal de Ingresos Públicos).

Payment of Imports

Residents are authorized to access the FX Market for the payment of import of goods in accordance with Section 10.1 of the FX Regulations. This regulation sets forth different requirements depending on whether it relates to the payment of imports of goods with customs clearance or the payments of import of goods pending customs clearance. Also, the imports and import payments monitoring system (SEPAIMPO) has been reinstated, setting forth rules governing such monitoring process and exceptions thereof.

Pursuant to the FX Regulations, the local importer must appoint a local financial entity to act as a monitoring bank, which will be responsible for verifying compliance with the applicable regulations, including, among others, the liquidation of import financing and the entry of imported goods.

Pursuant to Section 10.11.1 of the FX Regulations, for the purposes of accessing the FX Market to pay imports of goods or the principal amount of debts arising from the import of goods, Central Bank prior approval will be required until December 31, 2022, unless any of the conditions stated in Sections 10.11.1 to 10.11.11 are met. Some of these conditions are:

- the financial entity has received an affidavit from the client stating that the total amount of payments associated with its imports of goods processed through the FX Market as of 2020, including the payment for which approval is sought, does not exceed in more than US\$250,000 the amount by which the importer would have access to the exchange market when computing: (i) the imports of goods registered on behalf of the relevant in the system for tracking payments of imports of goods (SEPAIMPO) and that were registered between January 1, 2020 and the day prior to accessing the FX Market, (ii) plus the amount of payments made under other exceptions, (ii) minus the amount pending to be paid in Argentina, related to payments of imports with pending customs registration made between September 1, 2019 and December 31, 2019;
- in the case of a “deferred payment” of imports corresponding to goods that have been shipped as of July 1, 2020 or that, having been shipped previously, have not arrived in the country before that date;
- it is a payment associated with an operation not included in section b) above, to the extent that it is intended to be used towards the cancellation of a commercial debt for imports of goods with an export credit agency or a foreign financial entity or that was guaranteed by either of such entities;
- in the case of “demand payments” of imports of goods or for commercial debt arising from imports of goods that do not have custom registration evidencing entry of the goods into Argentina, provided that, among others:
 - the import corresponds to the importation of materials/supplies to be used for the production of goods in the country; and



- the payments made under this section do not exceed, in the current calendar month and for the financial entities as a whole, the amount obtained by considering the average of the total amount of imports of materials/supplies computed by the company in the formula stated in a) above in the last twelve months, minus the amount of imports of goods that do not have custom registration evidencing entry of the goods into Argentina in a situation of delay recorded by the importer.

Prior to authorizing payments for imports of goods, the intervening financial entity must, in addition to requesting the client's affidavit, verify that such statement is compatible with the existing data in the relevant online Central Bank of Argentina's databases.

As of January 3, 2022, among other requirements, if new financial indebtedness is settled through the FX Market and such indebtedness is entered into with a third party, has an average life of not less than two years, and has no principal maturities until at least three months from settlement, then access to the FX Market shall be granted to pay for imports of goods upon maturity. This mechanism can only be used for up to US\$10 million.

Payment of services provided by non-residents

Pursuant to Section 3.2 of the FX Regulations, residents may access the FX Market for payment of services rendered by non-residents (except intercompany services), as long as it is verified that the operation has been declared, if applicable, in the last overdue presentation of the Foreign Assets and Liabilities Reporting Regime. Access to the FX Market for payment of intercompany imports of services is, as a general rule, subject to prior Central Bank of Argentina approval.

As of January 3, 2022, among other requirements, if new financial indebtedness is settled through the FX Market and such indebtedness is entered into with a third party, has an average life of not less than two years, and has no principal maturities until at least three months from settlement, then access to the FX Market shall be granted to repay intercompany services upon maturity and for services rendered at least 180 calendar days prior to requiring access to the FX Market or arising from a contract executed 180 calendar days prior to requiring access. This mechanism can only be used for up to US\$10 million.

Access to the FX Market for the prepayment of debts for services requires prior authorization by the Central Bank of Argentina.

Foreign financial indebtedness

As mentioned above under "*—Specific Provisions for Inward Remittances—Foreign financial indebtedness*" in order for resident debtors to have access to the FX Market to repay foreign financial indebtedness disbursed as of September 1, 2019, the loan proceeds must have been settled through the FX Market and the operation must have been declared under the Foreign Assets and Liabilities Reporting Regime.

Until December 31, 2022, prior BCRA approval is required in order for local residents to access the FX Market to make principal payments under cross-border financial indebtedness with related parties (unless the loan proceeds were settled through the FX Market after October 1, 2020, and the loan has an average life of at least two years).

Section 3.17 of FX Regulations establishes that debtors with scheduled principal payments maturing between October 15, 2020 and December 31, 2022 relating to (i) foreign financial indebtedness of the non-financial private sector with a creditor who is not a counterparty related to the debtor; (ii) foreign financial indebtedness on account of transactions of the debtor and/or (iii) issuances of debt securities publicly registered in Argentina, denominated in foreign currency, of private sector customers or of the financial entities themselves, had to submit a refinancing plan to the BCRA in line with the following criteria (the "Refinancing Plan"):

- debtors were given access to the FX Market on the original maturity dates to make payments of net principal amounts not exceeding forty percent (40%) of the principal amounts due; and
- the balance of the principal amount shall have to be refinanced, at least, by means of a new foreign indebtedness with an average life of two (2) years.



Further, in addition to the refinancing granted by the original creditor, proceeds from new foreign financial indebtedness with other creditors shall also be computed, provided that the proceeds obtained therefrom be transferred and settled through the FX Market. In the case of issuances of debt securities publicly registered in Argentina and denominated in foreign currency, new issuances shall also be computed provided that certain conditions are met

The abovementioned provisions shall not apply to: (i) indebtedness with international organizations or associated agencies thereof or secured by them; (ii) indebtedness granted to the debtor by official credit agencies or secured by them; and (iii) when the amount for which access to the FX Market is requested for repayment of principal under such indebtedness does not exceed the equivalent of US\$2,000,000 (two million U.S. dollars) per calendar month, and (iv) indebtedness originated as from 01.01.2020 and whose funds have been deposited and settled in the foreign exchange market; (v) indebtedness originated on or after 01.01.2020 and which constitute refinancing of principal maturities subsequent to that date, to the extent that the refinancing has made it possible to reach the parameters set forth in said point; and (vi) the remaining portion of maturities already refinanced to the extent that the refinancing has made it possible to reach the parameters set forth in said item.

Foreign financial indebtedness principal and services prepayment:

- access to the FX Market up to 45 calendar days prior to the maturity date for the payment of principal and services of foreign financial debts or debt securities publicly registered in Argentina and denominated in foreign currency will be allowed if the prepayment is made by virtue of a debt refinancing process that complies with the provisions set forth in Section 3.17 mentioned above and, additionally, when all of the following conditions are met: (a) the amount of interest paid does not exceed the amount of interest accrued on the refinanced indebtedness up to the date the refinancing was settled, and (b) the accumulated amount of the principal maturities of the new debt does not exceed the amount that the principal maturities of the refinanced debt would have accumulated;
- access to the FX Market prior to the maturity date for payment of interest on foreign financial debts or debt securities publicly registered in Argentina and denominated in foreign currency will be allowed if the prepayment is consummated as part of a process for the exchange of debt securities issued by the customer and all of the following conditions are met: (a) the amount paid before maturity corresponds to interest accrued as at the closing date of the exchange; (b) the average life of the new debt securities is longer than the remaining average life of the exchanged security; and (c) the accumulated amount of the principal maturities of the new securities does not exceed at any time the amount that the principal maturities of the exchanged securities would have accumulated; and
- concerning scheduled principal repayments maturing between October 15, 2020 and December 31, 2022: (a) the Central Bank will consider the Refinancing Plan established therein completed when the debtor accesses the FX Market to pay off capital in an amount exceeding 40% of the principal amount that was then due, to the extent that the debtor settles currency on the FX Market as from October 9, 2020, in an amount equal to or greater than the excess over such 40%, on account of (i) foreign financial indebtedness, (ii) issuance of debt securities publicly registered abroad, (iii) issuance of debt securities publicly registered in Argentina and denominated in foreign currency that meet the conditions set forth in Section 3.6.1.3 of the FX Regulations, (b) in the case of debt securities publicly registered in Argentina or abroad, issued on or after October 9, 2020, with an average life of not less than two years, and the delivery of which to the creditors has allowed to reach the parameters provided in the proposed Refinancing Plan, the foreign currency settlement requirement was considered fulfilled for the purposes of being allowed access to the FX Market for the service of principal and interest thereon, and (c) the debtor has a certificate of increase of exports issued pursuant to Section 3.18 of the FX Regulations.

In line with the Argentine Central Bank, the CNV issued General Resolution No. 861 to facilitate the refinancing of debt through the capital markets. In this regard, the CNV provided that whenever the issuer intends to refinance debt through an exchange offer or new issues of debt securities, in both cases in exchange for or to be paid with debt securities previously issued by the company and placed privately and/or with preexisting credits against such company, the requirement of placement through public offering will be regarded as met if the new issue is underwritten in this way by the creditors of the company whose debt securities without public offering and/or preexisting credits represent a percentage that does not exceed thirty percent (30%) of the aggregate amount actually placed, and the remaining percentage is underwritten and paid in cash or in kind by tendering debt securities originally placed through public offering, or other debt securities publicly offered and listed and/or traded on markets



authorized by the CNV, issued by the same company, by persons who are domiciled in Argentina or in countries that are not included in the list of non-cooperative jurisdictions for tax purposes, listed in Section 24 of the Annex to Decree No. 862/2019 or anyone that may replace it in the future. Additionally, General Resolution No. 861 provided for mandatory compliance with certain conditions to consider that the public offering requirement has been met.

To the extent that the BCRA's prior approval requirement is in force for access to FX Market for the cancellation at maturity of principal and interest on foreign financial indebtedness, this requirement shall not apply to the extent that all of the following conditions are met:

- the funds have been used to finance projects within the framework of the Gas.Ar Plan;
- the funds have been repatriated and settled through the FX Market as from November 16, 2020; and
- the average life of the indebtedness is not less than two years.

Prepayment of financing denominated in foreign currency granted by local financial institutions

The Argentine Central Bank's prior approval shall be required to access the FX Market to prepay foreign currency financing granted by local financial institutions, unless they relate to payments of credit card purchases made in foreign currency.

Payments of local debt securities denominated in foreign currency among residents

Section 3.6 of the FX Regulations prohibits access to the FX Market for the payment of debts and other obligations in foreign currency between residents, entered into after September 1, 2019. However, it sets as exceptions the cancellation as from their maturity of principal and interest of:

- Financing in foreign currency granted by local financial entities (including payments for consumption in foreign currency through credit cards).
- Obligations in foreign currency between residents instrumented through public registries or deeds as of August 30, 2019.
- Issuances of debt securities made on or after September 1, 2019, for the purpose of refinancing foreign currency obligations between residents instrumented through public registers or deeds as of August 30, 2019, and that entail an increase in the average life of the obligations.
- Payment, at maturity, of principal and interest services under new issues of debt securities made as of November 29, 2019, with public registration in the country, denominated and payable in foreign currency in the country, to the extent that: (i) they are denominated and subscribed in foreign currency, (ii) the respective principal and interest services are payable in the country in foreign currency and (iii) the totality of the funds obtained with the issuance are settled through the foreign exchange market.
- The issues made as from October 9, 2020, of debt securities with public registration in the country, denominated in foreign currency and whose services are payable in foreign currency in the country, to the extent that their average life is not less than two years and their delivery to creditors has allowed reaching the refinancing parameters set forth in Section 3.17 of the FX Regulations.
- The issues made as from January 7, 2021 of debt securities with public registration in the country denominated in foreign currency and whose services are payable in foreign currency in the country, to the extent that they were delivered to creditors to refinance pre-existing debts with an extension of the average life, when it corresponds to the amount of capital refinanced, interest accrued up to the refinancing date and, to the extent that the new debt securities do not mature before 2023, the amount equivalent to the interest that would accrue until December 31, 2022 on the indebtedness that is refinanced early and/or on the deferral of the refinanced principal and/or on the interest that would accrue on the amounts so refinanced.



Payments of local debt securities denominated in foreign currency among residents

In accordance with Section 3.6 of the FX Regulations, access to the FX Market for the payment of foreign currency denominated obligations between Argentine residents as of September 1, 2019 is subject to prior approval from the BCRA. With regard to existing transactions as of such date, access shall be granted; provided that the relevant transactions were entered into through public deeds or public registries. These prohibitions does not apply to loans in foreign currency granted by local financial entities, including payments of credit cards.

Payments of principal under debts with related counterparties until December 31, 2022

The BCRA's prior approval is required to access the FX Market to make payments abroad of principal of financial debts when the creditor is a counterparty related to the debtor. This requirement is applicable until December 31, 2022, pursuant to Section 3.5.7 of the FX Regulations. Such requirement shall not apply to the local financial institutions' own transactions.

Section 3.5.4 of the FX Regulations establishes that, for as long as the requirement to obtain prior approval to access the FX Market to pay, at maturity, principal of foreign financial indebtedness of the non-financial private sector when the creditor is a counterparty related to the debtor continues to be in place, such requirement will not be applicable if the funds have been entered and settle through the FX Market as of October 2, 2020 and the average life of the indebtedness is not less than two years.

Access to the FX Market for the payment of new issuances of debt securities

Residents are authorized to access to the FX Market for the payment of principal and services of foreign-denominated debt securities publicly registered abroad when the debtor has settled through the FX Market an amount equivalent to the nominal value of the foreign indebtedness.

The amount required to be settled through the FX Market could take into account the debt securities publicly registered abroad issued to refinance pre-existing debt by extending its average life as of January 7, 2021, (i) for an amount equivalent to the refinanced principal, (ii) for the interest accrued up to the date of the refinancing; and (iii) provided that the new securities do not have principal maturities schedule within two years, the interest that would accrue during the first two years for the refinanced indebtedness and/or by the deferment of the refinanced principal and/or by the interest which would accrue on the amounts refinanced.

Duly registered securities that are denominated and payable in foreign currency in Argentina

In accordance with Section 2.5 of the FX Regulations, resident debt issuers shall be granted access to the FX Market for the payment at maturity of principal and interest under duly registered issuances of debt securities that are denominated and payable in foreign currency in Argentina, to the extent they (i) are fully subscribed in foreign currency, and (ii) provided that the proceeds from the issuance are previously settled through the FX Market. However, the settlement of the proceeds from the issuance shall not be required as a condition for the future access to the FX Market, provided that certain conditions are met (i.e., the proceeds are deposited in local foreign currency-denominated bank accounts within the period established for the settlement of the proceeds, and the proceeds are simultaneously applied to operations that for which access to the FX Market would be granted, and the mechanism is tax neutral, among others).

Access to the FX Market by non-residents

In accordance with Section 3.13 the FX Regulations, prior approval by the Argentine Central Bank will be required for access to the FX Market by non-residents for the purchase of foreign currency, except for the following operations: (a) international organizations and institutions that perform functions of official export credit agencies, (b) diplomatic representations and consular and diplomatic personnel accredited in the country for transfers made in the exercise of their functions, (c) representatives of courts, authorities or offices, special missions, commissions or bilateral bodies established by Treaties or International Agreements, in which the Argentine Republic is part, to the extent that transfers are made in the exercise of their functions, (d) foreign transfers in the name of individuals who are beneficiaries of retirement and/or pensions paid by the ANSES, for up to the amount paid by said agency in the calendar month and to the extent that the transfer is made to a bank account owned by the beneficiary in its registered country of residence, (e) purchase of foreign currency (in cash) by non-resident individuals for tourism and travel expenses, up to a maximum amount of US\$100, to the extent the financial entity can verify in the online



system implemented by the Argentina Central Bank that the client has settled an amount equal or higher than the sum to be purchased within 90 days prior to the operation; (f) transfers to offshore bank accounts by individuals that are beneficiaries of pensions granted by the National Government pursuant to Laws Nos. 24,043, 24,411 and 25,914, as supplemented; and (g) repatriations of direct investments of non-residents in companies that are not controlling companies of local financial entities, to the extent that the capital contribution has been entered and settled through the FX Market as of October 2, 2020 and the repatriation takes place at least two years after its entry.

Access to the FX Market for savings or investments purposes of individuals

Pursuant to Section 3.8 of the FX Regulations, Argentine residents may access the FX Market for the purposes of foreign assets' formation, family assistance or derivative operations (with some exceptions expressly set forth) for up to US\$200 (through debits to local bank accounts) or US\$100 (in cash) per person per month through all authorized exchange entities. If the access entails a transfer of the funds abroad, the destination account must be an account owned by the same person.

In all cases, general requirements detailed under section "*Specific Provisions Regarding Access to the FX Market—General Requirements*" apply.

Purchases in Pesos made abroad with a debit card and amounts in foreign currency acquired by individuals in the FX Market as of September 1, 2020, for the payment of obligations between residents under Section 3.6 of the FX Regulations, including payments for credit card purchases in foreign currency, will be deducted, as from the subsequent calendar month, from the US\$200 monthly quota. If the amount of such purchases exceeds the quota available for the following month or such quota has been already absorbed by other purchases made since September 1, 2020, such deduction will be made from the quotas of the following months until completing the amount of those purchases.

The relevant institution shall check the online system implemented by the Argentina Central Bank to verify whether the person has not reached the limits set for the applicable calendar month or has not exceeded them in the previous calendar month and is thus entitled to enter into the foreign exchange transaction, and shall request the customer to provide an affidavit stating that such person is not a beneficiary of any "Zero Interest-Rate Loans" contemplated in Section 9 of Decree No. 332/2020, as amended, "Subsidized Loans for Companies" and/or "Zero Interest-Rate Loans for Independent Workers Engaged in Cultural Activities."

Access to the FX Market by other residents -excluding entities- for the formation of foreign assets and for derivatives transactions

Section 3.10 of the FX Regulations sets forth that access to the FX Market for the constitution of foreign assets and for derivatives transactions by local governments, mutual funds, other universalities established in Argentina, requires prior authorization by the Argentine Central Bank.

Access to the FX Market by security trusts for principal and interest payments.

Pursuant to Section 3.7 of the FX Regulations, Argentine security trusts created to guarantee principal and interest payments by resident debtors may access the FX Market in order to make such payments at their scheduled maturity, to the extent that, pursuant to the current applicable regulations, the debtor would have had access to the FX Market to make such payments directly. Also, subject to certain conditions, a trustee may access the FX Market to guarantee certain capital payments and interest on financial debt abroad and anticipate access to it.

Derivatives transactions

Section 3.12 of the FX Regulations requires that as of September 11, 2019, settlement of futures transactions in regulated markets, forwards, options and any other type of derivatives, entered into in the country to be made in local currency (i.e., Pesos).

Likewise, access to the FX Market shall be granted for the payment of premiums, creation of guarantees and payments in connection with interest rate hedge agreements entered into by residents and foreign creditors that are reported and validated, as applicable, under the Foreign Assets and Liabilities Reporting Regime, provided that such



collateral does not cover higher risks than the external liabilities incurred by the debtor at the interest rate of the risk being hedged through such transaction. The customer who accesses the local market using this mechanism shall designate an institution authorized to deal in the FX Market which shall follow up the transaction and shall file an affidavit undertaking to repatriate and settle the funds payable to it as a result of such transaction or as a result of the release of the collateral money, within five business days following the date such payment or release occurs.

Payment of dividends and corporate profits

In accordance with Section 3.4 of the FX Regulations, access is granted to the FX Market to pay dividends to non-resident shareholders, subject to the following conditions:

- The dividend payment must result from closed and audited financial statements
- The total amount paid to non-resident shareholders shall not exceed the corresponding amount denominated in Pesos determined by the shareholders' meeting to be distributed as dividends.
- If applicable, the Foreign Assets and Liabilities Reporting Regime shall have been complied with.
- The company is in one of the following situations and meets all the conditions stipulated in each case:
 - a. It records direct investment contribution settled as of January 17, 2020. In this case, (i) the total amount of transfers made through the FX Market for payment of dividends to non-resident shareholders may not exceed the 30% of the total value of the capital contributions made in the relevant local company that entered and settled through the FX Market as of January 17, 2020; (ii) the access will only be granted after a period of not less than thirty (30) calendar days has elapsed as from the date of the settlement of the last capital contribution that is taken into account for determining the aforementioned 30% cap; and (iii) evidence of the definitive capitalization of capital contributions must be provided or, if not available, evidence of filing of the process of registration of the capital contribution before the Public Registry shall be provided. In this case, evidence of the definitive capitalization shall be provided within 365 calendar days from the date of the initial filing with the Public Registry.
 - b. Profits generated in project under the "Gas Plan." In this case, (i) profits generated by foreign direct investment contributions entered and settled through the FX Market as from November 16, 2020, destined to the financing of projects framed within the "Plan de promoción de la producción del gas natural argentino – Esquema de oferta y demanda 2020-2024" established in Section 2 of Decree No. 892/20; (ii) the access to the FX Market occurs no earlier than two years from the date of settlement in the FX Market of the contribution that allows the framing in this item 2; and (iii) the client must submit documentation supporting the definitive capitalization of the contribution.

Other Specific Provisions

Special regime for financings under Gas Plan IV

Section 3.5.5 provides that to the extent that the Argentine Central Bank prior approval requirement is in force for access to the FX Market for the cancellation at maturity of principal and interest of financial indebtedness abroad, this requirement shall not apply to the extent that all of the following conditions are met:

- the destination of the funds has been the financing of projects framed in the "Plan de Promoción de la Producción del Gas Natural Argentino–Esquema de Oferta y Demanda 2020-2024" established in Section 2 of Decree No. 892/20;
- the funds have been deposited and settled through the FX Market as from November 16, 2020; and
- the indebtedness has an average life of not less than two years.

Section 3.13.2 provides that entities may grant access to the FX Market, without the prior consent of the Argentine Central Bank, for the repatriation of direct investments made by non-residents up to the amount of direct investment contributions settled on the FX Market as of November 16, 2020 as long as all of the following conditions are met:



- the institution has documentation that proves the effective inflow of the direct investment in the resident company;
- access occurs not earlier than two years from the date of settlement on the FX Market of the transaction that qualifies for inclusion in this point;
- in case of a capital reduction and/or return of irrevocable contributions made by the local company, the institution has documentation that proves that the relevant legal mechanisms have been complied with and has verified that the external liability in pesos generated as from the date of the non-acceptance of the irrevocable contribution or the capital reduction, as applicable, has been disclosed in the last filing due under the External Assets and Liabilities Reporting Regime.

In all cases, the institution shall have documentation that allows it to verify the genuineness of the transaction to be processed, that the funds were used to finance projects falling under the scope of such plan and the fulfilment of the other requirements set forth in the FX Regulations.

Special regime under the investment promotion regime for exports set forth by Decree No. 234/21

On April 8, 2021, the Argentine Central Bank issued Communication “A” No. 7259, incorporated in the FX Regulations in Section 7.10, that states that proceeds of exports of goods under the investment promotion regime for exports set forth by Decree No. 234/21 (the “Promotion Regime”) might be applied, in the terms set by its regulators, to the following transactions: a) Payment of principal and interests of debts arising from import of goods and services as from the maturity date; b) Payment of principal and interests of debts connected to foreign financial debts as from the maturity date; c) Payment of profits and dividends corresponding to closed and audited balance sheets; and d) Repatriation of direct investments by non-residents in companies that are not controllers of local financial entities.

Such uses shall be admitted to the extent that the following conditions are met:

- The amount applied does not exceed 20% of the amount in foreign currency corresponding to the permit of export whose charges are applied.
- The amount does not exceed 25% of the gross amount of foreign currency settled through the FX Market for financing the project that generated the applied exports. This gross amount will be calculated based on the foreign currency settled through the FX Market as of April 7, 2021, as (i) foreign financial debts and (ii) foreign direct investments. The settlements through the FX Market can only be computed after a year has elapsed since such settlement was carried out.
- Exporters who opt for this mechanism must designate a local financial institution to monitor the project included in the Promotion Regime.

Furthermore, Section 7.10.3 provides that the eligible export products that cannot be applied simultaneously to the admitted uses may remain deposited until their application in foreign correspondent accounts of local financial entities and/or in local accounts in foreign currency of local financial entities. In the event that the application has not taken place at the time of the expiration of the term for the liquidation of the export products of the corresponding export permit, the exporter may request the control entity to extend the term until the date on which it considers that the application will take place.

As for Section 7.10.4, it states that the cases provided for in point 1) of Article 8° bis incorporated by Decree No. 836/21 to Decree No. 234/21, may apply for two consecutive calendar years for each calendar year in which the benefit was not used, up to 40% of the value of the permits shipped during the years in which the extended benefit is used, to the extent that the annual amount applied does not exceed the equivalent of 40% of the gross amount of foreign currency entered to finance the development of the project that generates the exports applied. This option will be available after the second calendar year has elapsed from the first foreign currency inflow that initiates the project. Such period may be computed as part of the period of non-utilization that gives rise to the use of the extended benefit. In addition to what is established in the first paragraph of point 7.10.3, the funds may also remain in bank accounts of foreign financial entities that are not incorporated in countries or territories where the recommendations of the Financial Action Task Force (*Grupo de Acción Financiera*) do not apply or are not sufficiently applied.



Finally, Section 7.10.5 establishes that the cases foreseen in point 2) of Section 8° bis incorporated by Decree N° 836/21 to Decree N° 234/21, may apply during two consecutive calendar years for each calendar year in which the benefit was not used, up to 60% of the value of the permits shipped during the years in which the extended benefit is used, to the extent that the annual amount applied does not exceed the equivalent to 60% of the gross amount of the foreign currency entered to finance the development of the project that generates the exports applied. This option will be available after the second calendar year has elapsed from the first foreign currency inflow that initiates the project. Said period may be computed as part of the period of non-utilization that gives rise to the use of the extended benefit. In addition to the provisions of the first paragraph of point 7.10.3., funds may also remain in bank accounts of foreign financial institutions that are not incorporated in countries or territories where the recommendations of the Financial Action Task Force are not applied or are insufficiently applied.

Swap, arbitrage and securities transactions

Financial institutions may perform currency swap and arbitration operations with their customers in the following cases:

- an individual transferring funds from their local accounts (which are already in foreign currency) to their own bank accounts outside Argentina.
- the transfer of foreign currency abroad by local common depositaries of securities in connection with income received in foreign currency on account of the servicing of principal and interest on Argentine Treasury bonds, when such transaction is part of the payment procedure at the request of foreign common depositaries;
- transfers of foreign currency abroad made by individuals from their local accounts denominated in foreign currency to offshore collection accounts up to an amount equivalent to US\$500 in any calendar month, provided that the individual files an affidavit stating that the transfer is made to assist in the maintenance of Argentine residents who were forced to remain abroad in compliance with the measures adopted in response to the COVID-19 pandemic;
- arbitrage transactions not originated in transfers from abroad may be made without any restrictions, to the extent that the funds are debited from an account in foreign currency held by the customer with a local financial institution. To the extent that the funds are not debited from an account denominated in foreign currency held by the customer, these transactions may be made by individuals, without the Argentine Central Bank's prior approval, up to the amount allowed for the use of cash under items 3.8. and 3.13 of the FX Regulations;
- swap and arbitrage transactions by non-residents individual may be made without restrictions to the extent that the funds be credited in a "Caja de ahorro para turistas" in accordance with the "Despositos de ahorro, cuenta sueldo y especiales" regulations;
- all other swap and arbitrage transactions may be made by customers without the Argentine Central Bank's prior approval to the extent that they would be allowed without need of such approval in accordance with other FX Regulations. This also applies to local common depositaries of securities with respect to the proceeds received in foreign currency as payments of principal of and interest on foreign currency securities paid in Argentina.

If the transfer is made in the same currency as that in which the account is denominated, the financial institution shall credit or debit the same amount as that received from or sent abroad. When the financial institution charges a commission or fee for these transactions, it shall be instrumented under a specifically designated item.

Export proceeds to guarantee new indebtedness

Foreign Exchange Regulations Section 7.9.5 allows proceeds from exports of goods and services held in local or foreign financial institutions to guarantee the payment of new indebtedness that have complied with the repatriation and liquidation obligation, beginning January 7, 2021. The funds in these accounts may not exceed at any



time 125% of the principal and interest payable in the current month and the following six calendar months, in accordance with the payment schedule agreed with the creditors. Funds in excess of such amount must be repatriated and settled through the foreign exchange market subject to applicable exchange rules.

In the event the financial agreement entered into requires the funds to be deposited for a period exceeding that which has been established for its mandatory settlement, the exporter may request this latter period be extended up until five business day after the former.

Securities-related Operations

Pursuant to General Resolution No. 895/2021 of the Argentine Securities Commission (CNV, per its acronym in Spanish), sales of securities with settlement in foreign currency and in a foreign jurisdiction may be carried out, provided that a minimum holding period of two business days is observed from the date such securities are credited with the relevant depository. With respect to sales of securities with settlement in foreign currency carried out locally, the minimum holding period will be one business day from the date on which such securities were credited with the relevant depository. These minimum holding periods shall not be applicable in the case of purchases of securities with settlement in foreign currency.

In addition, transfers of securities to foreign depositories purchased with Argentine Pesos shall comply with a minimum holding period of at least two business days beginning as from the date the deposit of such securities, unless such crediting results from a primary placement of securities issued by the National Treasury or refers to shares and/or Argentine deposit certificates (CEDEARs) traded on markets regulated by the CNV. Brokers and trading agents must verify compliance with the aforementioned minimum holding period of the securities.

As regards incoming transfers, the FX Regulations prevent securities deals executed outside Argentina from being settled in Pesos in Argentina.

With respect to incoming transfers, CNV General Resolution No. 895/2021 establishes that securities transferred by foreign depositories and credited with the Agente Depositario Central de Valores Negociables (ADCVN) may not be allocated to the settlement of transactions in foreign currency and in a foreign jurisdiction until two business days after such crediting into sub-account(s) in the local custodian. If such securities are allocated to the settlement of transactions in foreign currency and in local jurisdiction, the minimum holding period will be one business day after such crediting into sub-account(s) in the local custodian.

CNV General Resolution No. 911/2021 establishes that in the price-time order matching segment, at the close of each calendar week the amount of sales with settlement in foreign currency of securities denominated and payable in foreign currency issued by the Argentine Republic in accordance with local laws may not exceed fifty thousand (50,000) nominal amounts with respect to the amount of securities purchased with settlement in such currency.

In order to enter into transactions of securities with settlement in foreign currency not covered by the abovementioned provisions, or to transfer securities from or to foreign depository entities in the price-time priority order matching segment, one must not performed sales with settlement in foreign currency in the same segment, of securities denominated and payable in in foreign currency, issued by the Argentine Republic under local law, in the previous 30 days and to undertake not to do so in the 30 days subsequent to the settlement.

In addition, (i) any beneficiaries of refinancing under point 1.1.1. of the rules on “Financial services in the context of a health emergency Financial Services within the framework of the sanitary emergency provided by Decree No. 260/2020 Coronavirus (COVID-19)”, until their total cancellation; (ii) the beneficiaries of “Credits at Zero Rate”, “Credits at Zero Rate 2021”, “Credits at Zero Rate Culture” or “Credits at Subsidized Rate for Companies”, provided for in points 1.1.2. and 1.1.3. of the rules on “Financial Services within the framework of the sanitary emergency provided for by Decree No. 260/2020 Coronavirus (COVID-19)”, until their total cancellation; (iii) the beneficiaries of financing in Pesos within Section 2 of Communication “A” 6937, Sections 2 and 3 of Communication “A” 7006, as supplemented; until their total cancellation; (iv) the beneficiaries of Section 2 of Decree 319/2020 and complementary and regulatory norms, for the duration of the benefit with respect to the update of the value of the installment; and (v) those persons covered by the Joint Resolution of the President of the Honorable Senado de la Nación and the President of the Honorable Cámara de Diputados de la Nación No. 12/2020 of October 1, 2020, will be



prevented from selling securities issued by residents to be settled in foreign currency in Argentina or transferring such securities to foreign depositaries or swap securities issued by residents for foreign assets or the acquisition in the country with settlement in Pesos of securities issued by nonresidents.

Access to the FX Market for the constitution of guarantees

Residents with foreign financial indebtedness under Section 9.1 of the FX Regulations or local trusts created to guarantee principal and interest payments of such indebtedness may access the FX Market for the constitution of guarantees in connection to new indebtedness entered into as of January 7, 2021, in accordance with Section 7.9.6 of the FX Regulations. Such guarantees are to be held in local financial institutions or, in the event of foreign indebtedness, in foreign financial institutions, in an amount equal to that established in the agreement, pursuant to the following conditions:

- concurrently to such access, foreign currency-denominated funds are being repatriated and settled through the FX Market and/or funds credited to the correspondent account of a local financial institutions, and
- the guarantees shall not exceed at any time 125% of the principal and interest to be paid in the current month and the following six calendar months, in accordance with the scheduled of payments as agreed upon with the creditors.

Funds which are not applied to the payment of principal and interest or the conservation guarantee detailed herein must be settled through the FX Market within five business days from its maturity date.

Argentine Central Bank's Reporting Systems

Advance information on foreign exchange transactions

On December 28, 2017, the BCRA replaced the reporting regimes set forth on Communications "A" 3602 and "A" 4237 with Communication "A" 6401 (and supplemental Communication "A" 6795), a unified regime applicable from December 31, 2017 (the "Foreign Assets and Liabilities Reporting Regime"). Under such regime, Argentine residents (both legal entities and individuals) having foreign debt (both financial and otherwise) that is outstanding or that has been cancelled within a given calendar quarter, are required to report to the BCRA on a quarterly basis their foreign holdings of shares and other equity participations, non-negotiable and negotiable debt securities, financial derivatives, and real estate. If their balance of foreign assets and liabilities equals or exceeds US\$50 million at the end of the calendar year, they must also file an annual presentation. In all cases, such reports qualify as "sworn statements" for foreign exchange purposes.

Access to the FX Market for repayment of external financial indebtedness and other transactions are conditioned to the debtor's compliance with the Foreign Assets and Liabilities Reporting Regime. Please see "*Specific Provisions for Inward Remittances —Foreign financial indebtedness*" above.

Moreover, the institutions authorized to deal in foreign exchange shall provide the Argentine Central Bank, at the end of each business day and two business days in advance, with information on outflows transactions through the FX Market in daily amounts equal to or in excess to the equivalent of US\$50,000. Clients shall inform financial entities sufficiently in advance so that they can comply with the requirements under this reporting regime and, accordingly, to the extent any further requirements set forth in the exchange regulations are simultaneously satisfied, they may process the exchange transactions.

Foreign Exchange Criminal Regime

Foreign exchange regulations are characterized as "public policy" rules in Argentina. Failure to comply with such provisions could result in penalties pursuant to Foreign Exchange Criminal Law No. 19,359.

Notwithstanding the abovementioned measures adopted by the current administration, the Central Bank and the federal government may impose additional exchange controls in the future that may further impact our ability to transfer funds abroad and may prevent or delay payments that our Argentine subsidiaries are required to make outside Argentina



TAXATION

Mexican Tax Considerations

General

The following summary of the Mexican federal income tax consequences of the purchase, ownership and disposition of our series A shares or ADSs, is based upon the federal tax laws of Mexico as in effect on the date of this annual report, which are subject to change. Mexico has also entered into and is negotiating several tax treaties with other countries, that may have an impact on the tax treatment of the purchase, ownership and disposition of our series A shares or ADSs.

This summary is not a comprehensive discussion of all the tax considerations that may be relevant to a particular investor's decision to purchase, hold, or dispose of series A shares or ADSs. In particular, this summary is directed only to Non-Mexican Holders that acquired our series A shares or ADS in this offering and does not address tax consequences to Holders that are regarded as residents of Mexico for tax purposes, Holders who may be subject to special tax rules, such as tax exempt entities, entities or arrangements that are treated as disregarded for Mexican or other jurisdictions' income tax purposes, persons or related persons under the Mexican Securities Market Law that own or are treated as owning, either, 10% or more of our stock by vote or value, or the control of our Company, or persons owning our shares before they were originally registered in the RNV maintained by the CNBV. Moreover, this summary does not address the applicable tax treatment in Mexico for transactions not conducted through an authorized Mexican or international recognized stock markets, nor through registered or protected transactions.

For purposes of this summary, an "International Holder" is the holder of our series A shares or ADSs that is not regarded as resident of Mexico under current domestic tax laws.

You should consult your own tax advisors about the consequences of the acquisition, ownership, and disposition of the series A shares or ADSs, including the relevance to your particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

This description assumes that you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out about those procedures.

ADSs

In accordance with provisions of the current Tax Miscellaneous Resolution ADSs would be regarded as securities that exclusively represent our series A shares which are registered in the RNV maintained by the CNBV; therefore, should be treated as placed among the investing public at large ("*colocadas entre el gran público inversionista*").

Taxation of Dividends

Gross amount of any distribution of cash or property with respect to our series A shares or ADSs that is paid out of our current or accumulated earnings and profits are subject to a 10% withholding income tax which would be withheld by the Mexican custodian in INDEVAL. Withholding tax would be computed on the Peso denominated amount distributed as dividend.

Mexican custodians in INDEVAL are obliged to issue tax receipts for taxes withheld on dividend distributions which will be issued under the name of the depository in case of ADSs or brokers where International Holders maintain their global accounts to hold our series A shares.



The 10% withholding tax rate may be reduced under certain tax treaties entered by Mexico with other countries, if formal requirements are complied with and disclosure is made to the Mexican custodian by the depositary or the broker with respect to the effective beneficiary of the dividend income. A 5% withholding tax rate may apply for International Holders that are U.S. companies that are resident for tax purposes in the U.S. and that are entitled to access U.S.-Mexico Tax Treaty benefits, to the extent such International Holders own 10% or more of the voting shares of the Company.

Taxation of Dispositions of Series A Shares or ADSs

The sale or the disposition of series A shares carried out through a Mexican authorized stock exchange market (eg. *Bolsa Mexicana de Valores* or *Bolsa Institucional de Valores*) is exempt from Mexican income tax, as long as the International Holder furnishes an affidavit to its Mexican financial intermediary, stating, under oath, that it is a resident for tax purposes in a country with which Mexico has an income tax treaty in force and provides its tax identification number; otherwise, the Mexican financial intermediary will withhold 10% tax on the capital gain derived from the transaction.

The sale or disposition of ADSs will not be subject to Mexican income tax if the transaction is carried out through NYSE or other recognized markets as defined in the Mexican Federal Tax Code.

Deposits and withdrawals of series A shares by International Holders in exchange for ADSs and the surrender of ADRs to the depositary for exchanging ADRs for uncertificated ADSs will not result in the realization of gain or loss for Mexican income tax purposes.

In the event that the sale or the disposition of series A shares were to be carried out other than through a Mexican authorized stock exchange market (eg. *Bolsa Mexicana de Valores* or *Bolsa Institucional de Valores*) such disposition would be subject to a 25% Mexican income tax on the gross proceeds derived from the transaction which should be directly paid by the International Holder before the Mexican tax authorities within the subsequent 15-business days after the transaction is conducted. Alternatively, if formal requirements are complied with, International Holders could elect to compute its tax liability with the 35% income tax on the capital gain. International Holders that are residents of countries with which Mexico has a tax treaty in force may be entitled to benefits that would reduce or eliminate Mexican taxes imposed on the sale or disposition of series A shares if formal requirements are complied with.

Value Added Tax

Dividend distributions, the purchase and the sale or disposition of the series A shares or ADSs are exempt of Value Added Tax.

Tax impact of the Labor Reform

Mexican tax provisions prohibit the tax deduction of payments related to services companies under the concept of subcontracting or outsourcing, or specialized services from contractors that do not have the authorization from the Ministry of Labor and Social Welfare. Specialized services cannot (a) include activities equal or similar to the activities performed by the employees of the contracting party, or (b) cover the main economic activity of the contracting party.

Payments or consideration made for the subcontracting of personnel will not be considered strictly necessary expenses, therefore, they will not be deductible for income tax purposes, nor creditable for value added tax. In addition, the tax provisions disallow any tax effects to the specialized services paid when they are carried out by the provider's personnel that originally used to be employed by the beneficiary and were transferred by any legal means from the service provider to the beneficiary.

Note that pursuant to the labor reform, for Mexican entities to deduct payments for subcontracting specialized services, and credit the VAT related to such payments, the Mexican entity requires to receive certain documentation from the specialized service provider. Under the terms of the labor reform, the tax authorities may impose fines ranging from approximately US\$9,000 to US\$224,000 to the specialized service providers that fail to



deliver the documentation. Furthermore, the labor reform establishes that Mexican entities subcontracting personnel will be joint and severally liable with the contracting party for the employment-related taxes triggered by the employees associated to the services or works rendered.

It is important to note that using deceptive practices to conceal the provision of subcontracting personnel would constitute tax fraud.

Other Mexican Taxes

There are currently no Mexican estate, gift, stamp, registration or similar taxes payable with respect to the purchase, ownership or disposition of common shares or ADSs. The inheritance of our series A shares or ADSs received by a non-Mexican resident would be subject to income tax at the rate of 25% on the fair-market-value of the series A shares or ADSs inherited.

United States Federal Income Tax Considerations

The following is a summary of material U.S. federal income tax considerations that are likely to be relevant to the purchase, ownership and disposition of our series A shares or ADSs by a U.S. Holder (as defined below).

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial interpretations thereof, in force as of the date hereof, and the Convention Between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income dated September 18, 1992 (as amended by any subsequent protocols) (the “U.S.-Mexico Tax Treaty”). Those authorities may be changed at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor’s decision to purchase, hold, or dispose of series A shares or ADSs. In particular, this summary is directed only to U.S. Holders that hold series A shares or ADSs as capital assets and does not address tax consequences to U.S. Holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax exempt entities, entities or arrangements that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 10% or more of our stock by vote or value, persons holding series A shares or ADSs as part of a hedging or conversion transaction or a straddle, or persons whose functional currency is not the U.S. Dollar. Moreover, this summary does not address state, local or foreign taxes, the U.S. federal estate and gift taxes, or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, or alternative minimum tax consequences of acquiring, holding or disposing of series A shares or ADSs.

For purposes of this summary, a “U.S. Holder” is a beneficial owner of series A shares or ADSs that is (1) (a) a citizen or resident of the United States, (b) a U.S. domestic corporation or (c) otherwise subject to U.S. federal income taxation on a net income basis in respect of such series A shares or ADSs and (2) fully eligible for benefits under the U.S.-Mexico Tax Treaty.

You should consult your own tax advisors about the consequences of the acquisition, ownership, and disposition of the series A shares or ADSs, including the relevance to your particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

ADSs

In general, if you are a U.S. Holder of ADSs, you will be treated, for U.S. federal income tax purposes, as the beneficial owner of the underlying series A shares that are represented by those ADSs.



Taxation of Dividends

Subject to the discussion below under “—Passive Foreign Investment Company Status,” the gross amount of any distribution of cash or property with respect to our series A shares or ADSs (including any amount withheld in respect of Mexican withholding taxes) that is paid out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes) will generally be includible in your taxable income as ordinary dividend income on the day on which you receive the dividend, in the case of series A shares, or the date the depositary receives the dividends, in the case of ADSs, and will not be eligible for the dividends-received deduction allowed to corporations under the Code.

We do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

If you are a U.S. Holder, dividends paid in a currency other than U.S. Dollars generally will be includible in your income in a U.S. Dollar amount calculated by reference to the exchange rate in effect on the day you receive the dividends, in the case of series A shares, or the date the depositary receives the dividends, in the case of series A shares represented by ADSs. Any gain or loss on a subsequent sale, conversion or other disposition of such non-U.S. currency by such U.S. Holder generally will be treated as ordinary income or loss and generally will be income or loss from sources within the United States. A U.S. Holder should consult its own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received as a dividend on the series A shares.

Subject to certain exceptions for short-term positions, the U.S. Dollar amount of dividends received by an individual with respect to the series A shares or ADSs will be subject to taxation at a preferential rate if the dividends are “qualified dividends.” Dividends paid on the series A shares or ADSs will be treated as qualified dividends if:

- the series A shares or ADSs are readily tradable on an established securities market in the United States or we are eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program; and
- we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”).

The ADSs are listed on the NYSE, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. In addition, the U.S. Treasury has determined that the U.S.-Mexico Tax Treaty meets the requirements for reduced rates of taxation, and we believe we are eligible for the benefits of the U.S.-Mexico Tax Treaty. Based on our financial statements and relevant market and shareholder data, we believe that we were not treated as a PFIC for U.S. federal income tax purposes with respect to our 2020 or 2021 taxable years. In addition, based on our audited financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our income, and relevant market and shareholder data, we do not anticipate becoming a PFIC for our current taxable year or in the foreseeable future. Holders should consult their own tax advisers regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

Dividend distributions with respect to our series A shares or ADSs generally will be treated as “passive category” income from sources outside the United States for purposes of determining a U.S. Holder’s U.S. foreign tax credit limitation. Subject to the limitations and conditions provided in the Code and the applicable U.S. Treasury Regulations, a U.S. Holder may be able to claim a foreign tax credit against its U.S. federal income tax liability in respect of any Mexican income taxes withheld at the appropriate rate applicable to the U.S. Holder from a dividend paid to such U.S. Holder. Alternatively, the U.S. Holder may deduct such Mexican income taxes from its U.S. federal taxable income, provided that the U.S. Holder elects to deduct rather than credit all foreign income taxes for the relevant taxable year. The rules with respect to foreign tax credits are complex and involve the application of rules that depend on a U.S. Holder’s particular circumstances. Accordingly, U.S. Holders are urged to consult their tax advisers regarding the availability of the foreign tax credit under their particular circumstances.

U.S. Holders that receive distributions of additional series A shares or ADSs or rights to subscribe for series A shares or ADSs as part of a pro rata distribution to all our shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the any holder of our shares or ADSs has the right to receive cash or property instead, in which case the U.S. Holder will generally be treated as if it received cash equal to the fair market value of the distribution.



Taxation of Dispositions of Series A Shares or ADSs

Subject to the discussion below under “—Passive Foreign Investment Company Status,” upon a sale, exchange or other disposition of the series A shares or ADSs, U.S. holders will realize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. Dollar value of the amount realized on the disposition and the U.S. holder’s tax basis, determined in U.S. Dollars, in the series A shares or ADSs. Such gain or loss generally will be long-term capital gain or loss if the ADS or series A shares have been held for more than one year. Long-term capital gain realized by a U.S. Holder that is an individual generally is subject to taxation at a preferential rate. The deductibility of capital losses is subject to limitations.

Gain, if any, realized by a U.S. Holder on the sale or other disposition of the series A shares or ADSs generally will be treated as U.S. source income for U.S. foreign tax credit purposes. Consequently, if a Mexican or Argentine tax is imposed on the sale or disposition of the shares, a U.S. Holder that does not receive significant foreign source income from other sources may not be able to derive effective U.S. foreign tax credit benefits in respect of such Mexican or Argentine taxes. In addition, as a result of recent changes to the foreign tax credit rules, for taxable years beginning after December 28, 2021, any Argentine tax imposed on the sale or other disposition of the series A shares or ADSs by a U.S. Holder is unlikely to be treated as a creditable tax. Any Mexican tax imposed on the sale or other disposition of the series A shares or ADSs also is unlikely to be treated as creditable, for taxable years beginning after December 28, 2021, unless the U.S. Holder elects benefits under the U.S.-Mexico Tax Treaty. U.S. Holders should consult their own tax advisors regarding the creditability of any such Mexican or Argentine tax and, more generally, the application of the foreign tax credit rules to their investment in, and disposition of, the series A shares or ADSs.

If a U.S. Holder sells or otherwise disposes of our series A shares or ADSs in exchange for currency other than U.S. Dollars, the amount realized generally will be the U.S. Dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the shares are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. holders, the settlement date). An accrual basis U.S. Holder that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. Dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. A U.S. Holder will generally have a tax basis in the currency received equal to the U.S. Dollar value of the currency received at the spot rate on the settlement date. Any currency gain or loss realized on the settlement date or the subsequent sale, conversion, or other disposition of the non-U.S. currency received for a different U.S. Dollar amount generally will be U.S.-source ordinary income or loss, and will not be eligible for the reduced tax rate applicable to long-term capital gains. If an accrual basis U.S. Holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. Holder should consult its own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of the series A shares or ADSs.

Deposits and withdrawals of series A shares by U.S. Holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Passive Foreign Investment Company Status

Special U.S. tax rules apply to companies that are considered to be PFICs. We will be classified as a PFIC in a particular taxable year if, taking into account our proportionate share of the income and assets of our subsidiaries under applicable “look-through” rules, either

- 75 percent or more of our gross income for the taxable year is passive income; or
- the average percentage of the value of our assets that produce or are held for the production of passive income is at least 50 percent.



For this purpose, passive income generally includes dividends, interest, gains from certain commodities transactions, rents, royalties and the excess of gains over losses from the disposition of assets that produce passive income.

Although we do not believe that we were a PFIC in our 2021 taxable year and, based on our audited financial statements and our current expectations regarding the value and nature of our assets, the sources and nature of our revenue, and relevant market and shareholder data, do not anticipate becoming a PFIC in the foreseeable future, the determination whether we are a PFIC must be made annually based on the facts and circumstances at that time, some of which may be beyond our control, such as the valuation of our assets, including goodwill and other intangible assets, at the time. Accordingly, we cannot be certain that we will not be a PFIC in the current year or in future years. If we are classified as a PFIC, you will generally be subject to a special tax at ordinary income tax rates on “excess distributions” (generally, any distributions that you receive in a taxable year that are greater than 125 percent of the average annual distributions that you have received in the preceding three taxable years, or your holding period, if shorter), and gains that you recognize on the disposition of your series A shares or ADSs. Under these rules (a) the excess distributions or gains will be allocated ratably over your holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which we are a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Classification as a PFIC may also have other adverse tax consequences, including, in the case of individuals, the denial of a step-up in the basis of your series A shares or ADSs at death.

If you are a U.S. Holder that owns an equity interest in a PFIC, you generally must annually file IRS Form 8621, and may be required to file other IRS forms. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of your taxable years for which such form is required to be filed. As a result, the taxable years with respect to which you fail to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

You should consult your own tax advisor regarding the U.S. federal income tax considerations discussed above and the consequences to you if we are treated as a PFIC.

Foreign Financial Asset Reporting.

Certain U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of US\$50,000 on the last day of the taxable year or \$575,000 at any time during the taxable year are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. The understatement of income attributable to “specified foreign financial assets” in excess of US\$5,000 extends the statute of limitations with respect to the tax return to six years after the return was filed. U.S. Holders who fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Dividends paid on, and proceeds from the sale or other disposition of, the series A shares or ADSs to a U.S. Holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the U.S. Holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a refund or credit against the U.S. Holder’s U.S. federal income tax liability, provided the required information is furnished to the U.S. Internal Revenue Service in a timely manner.

A holder that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.



Argentine Tax Considerations

On December 27, 2017, the Argentine Congress approved a comprehensive tax reform. The tax reform was enacted through Law No. 27,430 which became effective as of January 1, 2018.

The tax reform imposes, among other things, a capital gains tax on the sale or transfer by non-Argentine residents of shares or other participations in foreign entities when the following two conditions are met: (i) 30% or more of the market value of the foreign entity is, at the moment of the sale or at any point in the 12 months prior to the sale, derived from assets located in Argentina, and (ii) the participation being transferred represents (at the moment of the sale or transfer or during the 12 prior months) 10% or more of the equity of the foreign entity (please note that Argentine regulations foresee that, in certain cases, shares sold by related persons must be aggregated for this purpose). The applicable tax rate would generally be 15% (calculated on the actual net gain or a presumed net gain equal to 90% of the sale price) of the proportional value that corresponds to the Argentine assets. This tax on indirect transfers only applies to participations in foreign entities acquired after the effective date of the tax reform.

Since our Argentine assets currently represent more than 30% of the value of our total assets on a consolidated basis, a holder that sells or transfers our common shares, acquired after January 1, 2018, could be subject to the Argentine capital gains tax to the extent the mentioned requisites are met.

Argentine holders are encouraged to consult a tax advisor as to the particular Argentine tax consequences derived from the holding of, and any transactions relating to, the ADSs and series A shares.

DOCUMENTS ON DISPLAY

The materials included in this annual report on Form 20-F, and exhibits therein, may be inspected and copied at the Securities and Exchange Commission's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Any SEC filings we make are also available to the public over the Internet at the SEC's website: www.sec.gov.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities are exposed to market risk, including the exchange rate risk, the interest rate risk and the price risk. Financial risks are those derived from financial instruments we are exposed to during or at the closing of each fiscal year. Risk management systems and policies are reviewed on a regular basis to reflect changes in market conditions and our activities, with a focus not placed on the individual risks of the business units' operations, but with a wider perspective focused on monitoring risks affecting the whole portfolio. Financial risk management is controlled by the Financial Department, which identifies, evaluates and covers financial risks. Our risk management strategy seeks to achieve a balance between profitability targets and risk exposure levels.

For further information on our market risks, please see Note 18.6.1.1 to our Audited Financial Statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

American Depositary Shares

The Bank of New York Mellon is the depository of the ADS program. Each ADS represents one series A share (or a right to receive one series A share) deposited with Banco S3 Caceis México, S.A., Institución de Banca Múltiple, as custodian for the depository in Mexico. The depository's office at which the ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.



Depository Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:

US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

US\$.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs

US\$.05 (or less) per ADS per calendar year

Registration or transfer fees

Expenses of the depository

Taxes and other governmental charges the depository or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depository or its agents for servicing the deposited securities

For:

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property

Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

Any cash distribution to ADS holders

Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depository to ADS holders

Depository services

Transfer and registration of shares on our share register to or from the name of the depository or its agent when you deposit or withdraw shares

Cable and facsimile transmissions (when expressly provided in the deposit agreement)

Converting foreign currency to U.S. Dollars

As necessary

As necessary

The depository collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect its annual fee for depository services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depository may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depository may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depository may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depository or share revenue from the fees collected from ADS holders. For the year ended December 31, 2021, the depository reimbursed to us a gross amount of US\$50,000 in connection with the ADS program.

In performing its duties under the deposit agreement, the depository may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depository and that may earn or share fees, spreads or commissions.

The depository may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depository or its affiliate receives when buying or selling foreign currency for



its own account. The depository makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depository's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. We, the depository bank and the custodian may withhold or deduct from any distribution the taxes and governmental charges payable by holders and the depository may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depository may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depository sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes. You are required to indemnify us, the depository and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We have evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to 13a-15(e) and 15d-15(e) of the Exchange Act, as of December 31, 2021.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, we, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that as of December 31, 2021, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer, and monitored by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with IFRS as issued by the IASB, and it includes those policies and procedures that: i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of our assets; ii) provide reasonable assurance that transactions are recorded as necessary to permit



preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorization of our management and directors; and iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, effective control over financial reporting cannot, and does not, provide absolute assurance of achieving our control objectives. Also, projection of any evaluation of the effectiveness of the internal controls to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

As of the year ended December 31, 2021, our management conducted an assessment of the effectiveness of our internal control over financial reporting in accordance with the criteria established in the publication “Internal Control – Integrated Framework (2013),” issued by the Committee of the Sponsoring Organizations of the Treadway Commission, as well as the rules set by the SEC in its Final Rule “Management’s Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports.”

Based on the assessment performed, management concluded that our internal control over financial reporting was effective as of the end of the period covered by this annual report.

Attestation report of the registered public accounting firm

Not applicable, in light of the Company’s status as an emerging growth company.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

During 2021, the Company completed the second year of implementation of specific standards for the Sarbanes-Oxley Act (“SOX”) and performed a management assessment over internal control.

ITEM 16. RESERVED

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors of Vista has determined that Pierre Jean Sivignon is the Audit Committee financial expert. We believe that Mr. Sivignon possesses the attributes of an Audit Committee financial expert set forth in the instructions to Item 16A of Form 20-F. Under Argentine law and Rule 10A-3 Mr. Sivignon is an independent director. See “Item 6—Directors, Senior Management and Employees—Board of Directors—Pierre-Jean Sivignon.”

ITEM 16B. CODE OF ETHICS

We have adopted a code of ethics and conduct (“Code of Ethics and Conduct”) that applies to all Vista’s officers and employees and third parties (contractors, suppliers, partners) which interact with Vista which is posted on our web site at: www.vistaenergy.com. We did not modify or amend our Code of Ethics and Conduct during the year ended December 31, 2021. In addition, we did not grant any waivers to our Code of Ethics and Conduct during the year ended December 31, 2021.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit and Non-Audit Fees

The following table summarizes the aggregate fees billed to us by Mancera, S.C. and other Ernst & Young practices (collectively, Ernst & Young) during the fiscal years ended December 31, 2021 and December 31, 2020:



	<u>2021</u>	<u>2020</u>
	<u>US\$</u>	<u>US\$</u>
	(in thousands)	
Audit fees	564	455
Audit- related fees	17	10
Tax fees	118	105
Total fees	699	570

Audit Fees. Audit fees in the above table are the aggregate fees billed by Ernst & Young in connection with the audit of our annual financial statements and the review of our quarterly financial information and statutory audits.

Audit-related Fees. Audit-related fees in the above table are the aggregate fees billed by Ernst & Young for assurance and other services related to the performance of the audit

Tax Fees. Tax fees in the above table are fees billed by Ernst & Young for allowed tax compliance, tax advice and tax planning.

Other services- Other services are fees billed by Ernst & Young for services other than tax and audit related fees, mainly associated to allowed advisory related services requested by the Company.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by Ernst & Young, including audit services, audit-related services, tax services and other services as described above, other than those for *de minimis* services which are approved by the audit committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 16G. CORPORATE GOVERNANCE

Corporate Governance Practices

Companies listed on the NYSE must comply with the corporate governance standards provided under Section 303A of the NYSE Listed Company Manual. As a foreign private issuer, we are permitted to follow home country practices in lieu of Section 303A, except that we are required to comply with Sections 303A.06, 303A.11 and 303A.12(b) and (c) of the NYSE Listed Company Manual. Under Section 303A.06, we must have an audit committee that meets the independence requirements of Rule 10A-3 under the Exchange Act. Under Section 303A.11, we must disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under NYSE listing standards. Finally, under Section 303A.12(b) and (c), we must promptly notify the NYSE in writing after becoming aware of any non-compliance with any applicable provisions of this Section 303A and must annually make a written affirmation to the NYSE.



The table below briefly describes the significant differences between our Mexican corporate governance rules and the NYSE corporate governance rules.

Section	NYSE Corporate Governance Rules	Mexican Corporate Governance Rules
303A.01	A listed company must have a majority of independent directors. "Controlled companies" are not required to comply with this requirement.	A listed company must have at least 25% of independent directors. All listed companies must comply with this requirement.
303A.02	No director qualifies as "independent" unless the board of directors affirmatively determines that the director has no material relationship with the listed company (whether directly or as a partner, shareholder, or officer of an organization that has a relationship with the company), and emphasizes that the concern is independence from management. The board is also required, on a case by case basis, to express an opinion with regard to the independence or lack of independence, of each individual director.	The shareholder's meeting of a listed company in which a director is appointed or ratified, or where such appointment or ratification is informed, must affirmatively determine whether such director qualifies as independent. Under the Mexican Securities Market Law (i) shareholders that individually or as a group control the listed company, (ii) officers, employees or examiners of the listed company or its affiliates; (iii) individuals with significant influence or command authority (as defined below) over the listed company or its affiliates, among other persons, cannot be appointed as independent directors. There is test with respect to independence from the management as such.
303A.03	The non-management directors of a listed company must meet at regularly scheduled executive sessions without management.	There is no such requirement.
303A.04	A listed company must have a nominating/corporate governance committee composed entirely of independent directors, with a written charter that covers certain minimum specified duties. "Controlled companies" are not required to comply with this requirement.	A listed company must have a corporate governance committee with at least three members appointed by the board of directors and which members must all be independent. The corporate governance committee of a listed company that is controlled by a person or group maintaining 50% or more of its outstanding capital stock may be formed by a majority of independent members.
303A.05	A listed company must have a compensation committee composed entirely of independent directors, with a written charter that covers certain minimum specified duties. "Controlled companies" are not required to comply with this requirement.	There is no such requirement.
303A.06	A listed company must have an audit committee with a minimum of three independent directors who satisfy the independence requirements of Rule 10A-3, with a written charter that covers certain minimum specified duties.	A listed company must have an audit committee with at least three members appointed by the board of directors and which members must all be independent. The minimum duties of this committee are set forth in the Mexican Securities Market Law, which include, among other things, supervising external auditors, discuss yearly financial statements and, when applicable, recommend their approval, informing the board of directors of existing internal controls and irregularities that it encounters, investigate breaches of operating policies internal control and internal audit systems and supervise the activities of the chief executive officer.
	As a foreign private issuer, we are required to comply with Section 303A.06, other than the requirement to have a minimum of three members on our audit committee.	
303A.08	Shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, with limited exemptions set forth in the NYSE rules.	Stock options plans for employees and pensions plans of a listed company and its affiliates, and similar structures, must be approved by the shareholders' meeting of the listed company. Such plan must provide for a general and equivalent treatment to all employees in similar situations.



Section	NYSE Corporate Governance Rules	Mexican Corporate Governance Rules
303A.09	A listed company must adopt and disclose corporate governance guidelines that cover certain minimum specified subjects.	The by-laws of a listed company must comply with the corporate governance provided for in the Mexican Securities Market Law.
303A.10	A listed company must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.	A company listed in the Mexican Stock Exchange must adopt the code of ethics issued by the board of directors of such exchange and represent its knowledge of the best corporate practices code.
303A.12	(a) Each listed company CEO must certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards.	There is no such requirement.
	(b) Each listed company CEO must promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any non-compliance with any applicable provisions of this Section 303A.	There is no such requirement.
	(c) Each listed company must submit an executed Written Affirmation annually to the NYSE. In addition, each listed company must submit an interim Written Affirmation as and when required by the interim Written Affirmation form specified by the NYSE.	The secretary of the board of directors of a company listed in the Mexican Stock Exchange must disclose, at least once a year, the obligations, liabilities and recommendations resulting from the code of ethics, the best corporate practices code and the rules issued by the Mexican Stock Exchange to the directors of a listed company.
As a foreign private issuer, we are required to comply with Section 303A.12.		

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.



ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

Our Audited Financial Statements are included in this annual report beginning on page F-1.

ITEM 19. EXHIBITS

Documents filed as exhibits to this annual report:

- 1.1 [English translation of bylaws \(as amended\) of the registrant.](#)
- 2.1 [Form of Deposit Agreement among Vista Oil & Gas, S.A.B. de C.V., The Bank of New York Mellon, as depositary, and the owners and holders from time to time of American Depositary Shares issued thereunder \(incorporated by reference to our registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 2.2 [Description of rights of each class of securities registered under Section 12 of the Securities Exchange Act of 1934.](#)
- 4.1 [Amended & Restated Credit Agreement, dated January 19, 2021, among Vista Oil & Gas Argentina S.A.U. \(formerly known as Vista Oil & Gas Argentina S.A. and the successor of APCO Argentina S.A. and APCO Oil & Gas S.A.U.\), as borrower, Vista Oil & Gas, S.A.B. de C.V., Vista Oil & Gas Holding I, S.A. de C.V., and Vista Oil & Gas Holding II, S.A. de C.V. and \(i\) Banco de Galicia y Buenos Aires S.A.U., Itaú Unibanco S.A.U., Nassau Branch, Banco Santander Rio S.A. and Citibank, N.A. \(acting through its International Banking Facilities\), as lenders, and \(ii\) Banco Itaú, as administrative agent \(the "Credit Agreement"\) \(included as Exhibit 4.1 of Vista's Form 20-F filed with the SEC on April 30, 2020 and incorporated by reference herein\).](#)
- 4.2 [Guaranty to the Credit Agreement, dated July 19, 2018, among Vista Oil & Gas, S.A.B. de C.V., APCO Argentina S.A., APCO Oil and Gas International, Inc. and Banco de Galicia y Buenos Aires S.A.U., Itaú Unibanco S.A.U., Nassau Branch \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.3 [Guaranty to the Credit Agreement, dated October 22, 2018, among Vista Oil & Gas Holding II, S.A. de C.V. and Itaú Unibanco S.A.U., Nassau Branch \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)



- 4.4 [English translation of Warrant Indenture, dated August 7, 2017, between Vista Oil & Gas, S.A.B. de C.V. and Monex Casa de Bolsa, S.A. de C.V. \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.5 [English translation of concession agreement regarding the Bajada del Palo Oeste and Bajada del Palo Este concessions, dated November 22, 2018, among Vista Oil & Gas Argentina S.A., APCO Oil & Gas S.A.U. and the Province of Neuquén \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.6 [English translation of concession agreement regarding the Entre Lomas concession in the Province of Neuquén, dated June 11, 2009, among Petrolera Entre Lomas S.A., APCO Argentina Inc. \(Sucursal Argentina\) and the Province of Neuquén \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.7 [English translation of concession agreement regarding the Entre Lomas concession in the Province of Río Negro, dated December 9, 2014, among Petrolera Entre Lomas S.A. and the Province of Río Negro \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.8 [English translation of concession agreement regarding the Jagüel de los Machos and 25 de Mayo–Medanito concessions in the Province of Río Negro, dated December 9, 2014, among Petrobras Argentina S.A. and the Province of Río \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.9 [Strategic Partners Agreement, dated August 1, 2017, among Vista Oil & Gas, S.A.B. de C.V., Vista Sponsor Holdings, L.P., Miguel Galuccio, Pablo Vera Pinto, Juan Garoby and Alejandro Cheriñacov \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.10 [Amended & Restated Forward Purchase Agreement, dated September 12, 2018, among Vista Oil & Gas, S.A.B de C.V. and Riverstone Vista Capital Partners, L.P. \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 8.1 [List of Subsidiaries.](#)
- 12.1 [Certification of Miguel Galuccio of Vista Energy, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)



- 12.2 [Certification of Pablo Manuel Vera Pinto of Vista Energy, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 13.1 [Certification of Miguel Galuccio and Pablo Manuel Vera Pinto pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 15.1 [Consent of DeGolyer and MacNaughton.](#)
- 15.2 [Consent of Netherland, Sewell & Associates, Inc.](#)
- 99.1 [Reserves Report, dated January 28, 2022, prepared by DeGolyer and MacNaughton.](#)
- 99.2 [Reserves Report, dated February 8, 2022, prepared by Netherland, Sewell & Associates, Inc.](#)
- 101.INS Inline XBRL Instance Document
- 101.SCH Inline XBRL Taxonomy Extension Schema
- 101.CAL Inline XBRL Taxonomy Extension Calculation Linkbase
- 101.DEF Inline XBRL Taxonomy Extension Definition Linkbase
- 101.LAB Inline XBRL Taxonomy Extension Label Linkbase
- 101.PRE Inline XBRL Taxonomy Extension Presentation Linkbase
- 104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).



SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Vista Energy, S.A.B. de C.V.

By: /s/ Miguel Galuccio
Name: Miguel Galuccio
Title: Chief Executive Officer

By: /s/ Pablo Manuel Vera Pinto
Name: Pablo Manuel Vera Pinto
Title: Chief Financial Officer

Date: April 26, 2022



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Auditor Data Elements	December 31, 2021, 2020 and 2019
Auditor Name	Mancera, S.C.
Auditor Location	Ciudad de México, México
Auditor Firm ID	01284



Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of Vista Energy, S.A.B.de C.V.

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Vista Energy, S.A.B.de C.V. (formerly known as Vista Oil & Gas, S.A.B. de C.V.), and subsidiaries (“ the Company”) as of December 31, 2021 and 2020, and the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the three years in the period ended December 31, 2021, and the related notes thereto (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2021 and 2020, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2021, in conformity with International Financial Reporting Standards, as issued by the International Accounting Standards Board.

Basis for Opinions

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express opinions on these consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Mexico according to the “Código de Ética Profesional del Instituto Mexicano de Contadores Públicos”, and in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. We are not required, nor were we engaged to perform an audit of their internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinions on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinions.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Mancera, S.C.

A member practice of

Ernst & Young Global Limited

/s/ MANCERA, S.C.

We have served as the Company’s auditor since 2017

Mexico City, Mexico April 26, 2022



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VISTA ENERGY, S.A.B. DE C.V.

Consolidated statements of profit or loss and other comprehensive income for the years ended December 31, 2021, 2020 and 2019

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31,2021	Year ended December 31,2020	Year ended December 31,2019
Revenue from contracts with customers	5	652,187	273,938	415,976
Cost of sales:				
Operating costs	6.1	(107,123)	(88,018)	(114,431)
Crude oil stock fluctuation	6.2	(905)	3,095	310
Depreciation, depletion and amortization	13/14/15	(191,313)	(147,674)	(153,001)
Royalties		(86,241)	(38,908)	(61,008)
Gross profit		266,605	2,433	87,846
Selling expenses	7	(42,748)	(24,023)	(27,138)
General and administrative expenses	8	(45,858)	(33,918)	(42,400)
Exploration expenses	9	(561)	(646)	(676)
Other operating income	10.1	23,285	5,573	3,165
Other operating expenses	10.2	(4,214)	(4,989)	(6,180)
Reversal / (Impairment) of long-lived assets	3.2.2	14,044	(14,438)	—
Operating profit / (loss)		210,553	(70,008)	14,617
Interest income	11.1	65	822	3,770
Interest expense	11.2	(50,660)	(47,923)	(34,163)
Other financial results	11.3	(7,194)	4,247	(715)
Financial results, net		(57,789)	(42,854)	(31,108)
Profit / (loss) before income tax		152,764	(112,862)	(16,491)
Current income tax (expense)	16	(62,419)	(184)	(1,886)
Deferred income tax (expense) / benefit	16	(39,695)	10,297	(14,346)
Income tax (expense) / benefit		(102,114)	10,113	(16,232)
Profit / (loss) for the year, net		50,650	(102,749)	(32,723)
Other comprehensive income				
<i>Other comprehensive income that shall not be reclassified to profit or loss in subsequent periods</i>				
- (Loss) / profit from actuarial remediation related to defined benefit plans	23	(4,513)	460	(1,577)
- Deferred income tax benefit / (expense)	16	2,048	(114)	394
Other comprehensive income that shall not be reclassified to profit or loss in subsequent years		(2,465)	346	(1,183)
Other comprehensive income for the year, net of income taxes		(2,465)	346	(1,183)
Total comprehensive profit / (loss) for the year		48,185	(102,403)	(33,906)
Earnings / (loss) per share				
Basic (in US dollars per share)	12	0.574	(1.175)	(0.409)
Diluted (in US dollars per share)	12	0.543	(1.175)	(0.409)

Notes 1 through 36 are an integral part of these consolidated financial statements.



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VISTA ENERGY, S.A.B. DE C.V.**Consolidated statements of financial position as of December 31, 2021, and 2020**

(Amounts expressed in thousands of US Dollars)

	Notes	As of December 31, 2021	As of December 31, 2020
Assets			
Noncurrent assets			
Property, plant and equipment	13	1,223,982	1,002,258
Goodwill	14	28,416	28,484
Other intangible assets	14	3,878	21,081
Right-of-use-assets	15	26,454	22,578
Investments in associates		2,977	—
Trade and other receivables	17	20,210	29,810
Deferred income tax assets	16	2,771	565
Total noncurrent assets		1,308,688	1,104,776
Current assets			
Inventories	19	13,961	13,870
Trade and other receivables	17	46,096	51,019
Cash, bank balances and other short-term investments	20	315,013	202,947
Total current assets		375,070	267,836
Total assets		1,683,758	1,372,612
Equity and liabilities			
Equity			
Capital stock	21.1	586,706	659,400
Share-based payments		31,601	23,046
Other accumulated comprehensive losses		(5,976)	(3,511)
Accumulated losses		(47,072)	(170,417)
Total equity		565,259	508,518
Liabilities			
Noncurrent liabilities			
Deferred income tax liabilities	16	175,420	135,567
Lease liabilities	15	19,408	17,498
Provisions	22	29,657	23,909
Borrowings	18.1	447,751	349,559
Warrants	18.3	2,544	362
Employee benefits	23	7,822	3,461
Trade and other payables	26	50,159	—
Total noncurrent liabilities		732,761	530,356
Current liabilities			
Provisions	22	2,880	2,084
Lease liabilities	15	7,666	6,183
Borrowings	18.1	163,222	190,227
Salaries and payroll taxes	24	17,491	11,508
Income tax liability	16	44,625	—
Other taxes and royalties	25	11,372	5,117
Trade and other payables	26	138,482	118,619
Total current liabilities		385,738	333,738
Total liabilities		1,118,499	864,094
Total equity and liabilities		1,683,758	1,372,612

Notes 1 through 36 are an integral part of these consolidated financial statements.



VISTA ENERGY, S.A.B. DE C.V.

Consolidated statements of changes in equity for the years ended December 31, 2021, 2020 and 2019
 (Amounts expressed in thousands of US Dollars)

	Capital stock	Share-based payments	Other accumulated comprehensive losses	Accumulated loss	Total equity
Amounts as of December 31, 2018	513,255	4,021	(2,674)	(34,945)	479,657
Loss for the year	—	—	—	(32,723)	(32,723)
Other comprehensive income for the year	—	—	(1,183)	—	(1,183)
Total comprehensive (loss)	—	—	(1,183)	(32,723)	(33,906)
Proceeds from Series A shares net of issuance costs (see Note 21.1)	146,144	—	—	—	146,144
Share-based payments ⁽¹⁾	—	11,821	—	—	11,821
Amounts as of December 31, 2019	659,399	15,842	(3,857)	(67,668)	603,716
Loss for the year	—	—	—	(102,749)	(102,749)
Other comprehensive income for the year	—	—	346	—	346
Total comprehensive (loss)	—	—	346	(102,749)	(102,403)
Share-based payments ⁽¹⁾	1	7,204	—	—	7,205
Amounts as of December 31, 2020	659,400	23,046	(3,511)	(170,417)	508,518
Profit for the year	—	—	—	50,650	50,650
Other comprehensive income for the year	—	—	(2,465)	—	(2,465)
Total comprehensive income	—	—	(2,465)	50,650	48,185
Share-based payments ⁽¹⁾	1	8,555	—	—	8,556
Reduction of share capital adopted at the Ordinary General Shareholders' meeting on December 14, 2021 (see Note 21.1)	(72,695)	—	—	72,695	—
Amounts as of December 31, 2021	586,706	31,601	(5,976)	(47,072)	565,259

⁽¹⁾ Including 10,592, 10,494 and 10,655 of share-based payment expenses for the years ended December 31, 2021, 2020 and 2019, respectively, net of tax charges (see Note 8).

Notes 1 through 36 are an integral part of these consolidated financial statements.



VISTA ENERGY, S.A.B. DE C.V.

Consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Cash flows from operating activities				
Profit / (loss) for the year, net		50,650	(102,749)	(32,723)
Adjustments to reconcile net cash flows				
Items related to operating activities:				
Allowance / (Reversal) of the expected credit loss	7/17	406	(22)	(118)
Net changes in foreign exchange rate	11.3	(14,328)	(3,068)	2,991
Discount for well plugging and abandonment	11.3	2,546	2,584	1,723
Net increase in provisions	10.2	1,930	103	2,210
Interest expense on lease liabilities	11.3	1,079	1,641	1,561
Discount of assets and liabilities at present value	11.3	2,300	3,432	10
Share-based payments	8	10,592	10,494	10,655
Employee benefits	23	247	250	220
Income tax expense / (benefit)	16	102,114	(10,113)	16,232
Items related to investing activities:				
Depreciation and depletion	13/15	187,858	145,106	151,483
Amortization of intangible assets	14	3,455	2,568	1,518
(Reversal) / Impairment of long-lived assets	3.2.2	(14,044)	14,438	—
Interest income	11.1	(65)	(822)	(3,770)
Gain from farmout agreement	10.1	(9,050)	—	—
Changes in the fair value of financial assets	11.3	(5,061)	645	(873)
Gain from assets disposal	10.1	(9,999)	—	—
Bargain purchase on business combination	10.1/32	—	(1,383)	—
Items related to financing activities:				
Interest expense	11.2	50,660	47,923	34,163
Changes in the fair value of warrants	11.3	2,182	(16,498)	(6,840)
Amortized cost	11.3	4,164	2,811	2,076
Impairment of financial assets	11.3	—	4,839	—
Remeasurements of borrowings	11.3	19,163	—	—
Changes in working capital:				
Trade and other receivables		7,472	3,915	(2,073)
Inventories		908	(2,861)	(609)
Trade and other payables		16,209	2,397	(22,105)
Payments of employee benefits	23	(399)	(798)	(630)
Salaries and payroll taxes		3,929	(2,570)	5,405
Other taxes and royalties		(7,311)	(2,080)	2,377
Provisions		(1,918)	(1,672)	(2,298)
Income tax payment ⁽¹⁾		(4,296)	(4,731)	(26,327)
Net cash flows provided by operating activities		401,393	93,779	134,258



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VISTA ENERGY, S.A.B. DE C.V.

Consolidated statements of cash flows for the years ended December 31, 2021, 2020 and 2019

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Cash flows from investing activities				
Payments for acquisitions of property, plant and equipment		(321,286)	(153,257)	(240,315)
Payments for acquisitions of other intangible assets	14	(1,611)	(3,664)	(4,225)
Payments for acquisitions of investments in associates		(2,977)	—	—
Payments received from assets disposal ⁽²⁾	1.3/1.4	14,150	—	—
Cash from the acquisition of AFBN assets	1.5	6,203	—	—
Payments received from farmout agreement	1.2	10,000	—	—
Proceeds from other financial assets		—	—	5,761
Interest received	11.1	65	822	3,770
Net cash flows (used in) investing activities		(295,456)	(156,099)	(235,009)
Cash flows from financing activities				
Proceeds from capitalization of Serie A shares net of issue costs	21.1	—	—	146,144
Proceeds from borrowings	18.2	358,093	201,728	234,728
Payment of borrowings costs	18.2	(3,326)	(2,259)	(1,274)
Payment of borrowings principal	18.2	(284,695)	(98,761)	(90,233)
Payment of borrowings interest	18.2	(54,636)	(43,756)	(32,438)
Payment of leases	15	(8,911)	(9,067)	(7,619)
Payment of / Proceeds from other financial liabilities, net of restricted cash and cash equivalents	28	—	(16,993)	16,993
Net cash flows provided by financing activities		6,525	30,892	266,301
Net increase / (decrease) in cash and cash equivalents		112,462	(31,428)	165,550
Cash and cash equivalents at beginning of year	20	201,314	234,230	66,047
Effect of exposure to changes in the foreign currency rate of cash and cash equivalents		(2,559)	(1,488)	2,633
Net increase / (decrease) in cash and cash equivalents		112,462	(31,428)	165,550
Cash and cash equivalents at end of year	20	311,217	201,314	234,230
Significant transactions that generated no cash flows				
Acquisition of property, plant and equipment through increase in trade and other payables		80,321	82,298	23,943
Acquisition of AFBN assets	1.5	69,693	—	—
Acquisition of Mexico's exploration assets	1.4	6,174	—	—
Disposal of Mexico's exploration assets	1.4	(5,126)	—	—
Changes in well plugging and abandonment with an impact in property, plant and equipment	13/22.1	2,112	(366)	4,141

⁽¹⁾ Year ended December 31, 2019, includes 13,087 related to income tax expense for the year ended December 31, 2018.

⁽²⁾ Including 15,000 received for the transfer of working interests in Coirón Amargo Sur Oeste ("CASO") concession net of 850 from payments related to the transfer of Mexico's exploration assets.

Notes 1 through 36 are an integral part of these consolidated financial statements.



VISTA ENERGY, S.A.B. DE C.V.

Notes to the consolidated financial statements
(Amounts expressed in thousands of US Dollars)

Note 1. Group information

1.1 Company general information

Vista Energy, S.A.B. de C.V. (“VISTA”, the “Company” or the “Group”) formerly known as Vista Oil & Gas, S.A.B. de C.V., was organized as variable-capital stock company on March 22, 2017, under the laws of the United Mexican States (“Mexico”). The Company adopted the public corporation or “Sociedad Anónima Bursátil” (“SAB”), on July 28, 2017.

The Company made an initial public offering in the New York Stock Exchange (“NYSE”) on July 25, 2019, and started operating under ticker symbol “VIST” as from the following day. It issued additional Series A shares in the Mexican Stock Exchange (“BMV by Spanish acronym) on the same date under ticker symbol “VISTA” (See Note 21.1).

On April 26, 2022, Vista Oil & Gas, S.A.B. de C.V., change the Company’s corporate name to “Vista Energy S.A.B. de CV”.

The Company’s corporate purpose is:

- (i) Acquiring, by any legal means, all kinds of assets, shares, interests in companies, equity interests or interests in all types of companies, either profit-making or nonprofit entities, associations, business corporations, trusts or other entities operating in the energy sector, in Mexico or in another country, or in any other industry;
- (ii) Participating as a partner, shareholder or investor in all types of businesses or profit-making or nonprofit entities, associations, trusts, in Mexico or in another country, or of any other nature;
- (iii) Issuing and placing shares representing its capital stock, either through public or private offerings, in domestic or foreign securities markets;
- (iv) Issuing and placing warrants, either through public or private offerings, in relation to shares representing their capital stock or other types of securities, in domestic or foreign securities markets, and
- (v) Issuing or placing negotiable instruments, debt instruments or other guarantees, either through public or private offerings, in domestic or foreign securities markets.

From its foundation through April 4, 2018, all Company activities were related to its incorporation, the initial public offering (“IPO”) in BMV, and the efforts to detect and conduct the initial business combination. As from that date, the Company mainly engages in oil and gas exploration and production (upstream segment) through its subsidiaries.

The Company’s upstream operations are as follows:

In Argentina

In the Neuquén basin:

- (i) 100% in 25 de Mayo-Medanito SE; Jagüel de los Machos; Entre Lomas Neuquén; Entre Lomas Río Negro; and Jarilla Quemada and Charco del Palenque (in Agua Amarga area) conventional operating concessions (operated);
- (ii) 100% in Bajada del Palo Oeste and Bajada del Palo Este unconventional operating concessions (operated) (see Note 30.3.2);
- (iii) 84.62% in Coirón Amargo Norte operating concession (operated) (see Note 30.3.4);
- (iv) 90% in Águila Mora unconventional operating concession (operated);
- (v) 50% in Aguada Federal unconventional operating concession (not operated) (see Note 30.3.10 and Note 35);
- (vi) 50% in Bandurria Norte unconventional operating concession (not operated) (see Note 30.3.11 and Note 35).

In the Northwest basin:

- (i) 1.5% in Acambuco operating concession (not operated).

In Mexico

- (i) 100% in CS-01 area (operated) (see Note 30.3.12)



VISTA ENERGY, S.A.B. DE C.V.

Notes to the Consolidated Financial Statements
(Amounts expressed in thousands of US Dollars)

Its main office is located in the City of Mexico, Mexico, at Pedregal 24, floor 4, Colonia Molino del Rey, Alcaldía Miguel Hidalgo, zip code 11040.

1.2 Joint investment agreement (“farmout agreement”) signed with Trafigura Argentina S.A. (“Trafigura”) in Bajada del Palo Oeste area

On June 28, 2021, the Company, through its subsidiary Vista Energy Argentina S.A.U., formerly known as Vista Oil & Gas Argentina S.A.U. (“Vista Argentina”) entered into a farmout agreement with Trafigura, whereby it undertook to develop, initially, 5 (five) pads made up of 4 (four) wells each in Bajada del Palo Oeste area.

By virtue of the farmout agreement, a joint venture was established and Trafigura was entitled to contractual rights for 20% of hydrocarbon output in the pads under the agreement and bear 20% of investment costs, as well as royalties, direct taxes, and remainder operating and midstream costs.

As part of the farmout agreement, Trafigura agreed to pay to Vista Argentina 25,000 as follows: a 5,000 down payment and then 4 (four) payments of 5,000 for each pad, which should be paid upon commencement of hydrocarbon production in pads 2 (two), 3 (three), 4 (four) and 5 (five) included in the farmout agreement, which should be validated by Trafigura.

Vista Argentina maintains the operation in Bajada del Palo Oeste and 100% of the ownership. It also maintains its rights over 80% of hydrocarbon output in relation to the pads included in the farmout agreement, and bear 80% of investment costs, as well as royalties, direct taxes, and remainder operating and midstream costs.

Moreover, Trafigura may hold interests in up to 2 (two) additional pads under the same terms and conditions.

As of December 31, 2021, Vista Argentina received two payments of 5,000 each; and recognized a gain of 9,050 in “Other operating income” under “Gain from farmout agreement” (see Note 10.1); and disposals of 882 and 68 in “Property, plant and equipment” and “Goodwill”, respectively (see Note 13 and 14).

Subsequent gains related to the development of pads 3 (three), 4 (four) and 5 (five) will be recognized according to the aforementioned terms and conditions.

1.3 Sale of working interests in CASO concession (“transfer of interest in CASO”)

The Company, through its subsidiary Vista Argentina, signed an assignment of rights agreement with Shell Argentina S.A., a subsidiary of Royal Dutch Shell plc. (“Shell”) to transfer 10% of its working interest in CASO concession (the “venture agreement”) for 21,500 payable as follows: (i) 15,000 in cash, and (ii) 6,500 as carry aimed at extending infrastructure works to secure water supply, which is operated by Shell and supplies Vista’s operations.

On June 24, 2021, the Province of Neuquén, through Decree No. 1,027/2021, approved the amendment of the venture agreement, to disclose the new interests. With the publication of the decree all agreed-upon conditions were met; therefore, Vista and Shell set July 2, 2021, as the transaction closing date.

As of December 31, 2021, the Company received 15,000; and recognized a gain of 9,788 in “Other operating income” under “Gain from assets disposal” (see Note 10.1); and a disposal of 11,784 in “Property, plant and equipment” (see Note 13).

For further information on these concessions, see note 30.3.4.



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1.4 Transfer of assets in Mexico to increase working interest to 100% in the CS-01 operated area (“transfer of Mexico’s exploration assets”)

On August 23, 2021, the Company through its subsidiary Vista Oil & Gas Holding II, S.A. de C.V. (“Vista Holding II”) completed an assets transfer to Jaguar Exploración y Producción 2.3., S.A.P.I. de C.V. (“Jaguar”) and Pantera Exploración y Producción 2.2., S.A.P.I. de C.V. (“Pantera”), as follow: (i) the acquisition of a 50% working interest in CS-01 (operated) area in addition to its 50% working interest, and (ii) the sale of its 50% working interest in TM-01 and A-10 (non-operating) area. This transaction was agreed based on the cumulative costs incurred in each area.

As a result of this transaction the Company agreed to offset its accounts receivable from and payable to Jaguar and Pantera by 5,501; and recognized a disposal of 5,126 in “Property, plant and equipment”; and a net addition of 673 in “Other intangible assets” (see Notes 13 and 14). These transactions did not generate cash flows.

The Company also paid consideration of 850, and it recognized a gain of 198 in “Other operating income” under “Gain from assets disposal” mainly arising from reimbursements of operational expenses (see Note 10.1).

For further information on these concessions, see note 30.3.12.

1.5 Acquisition of 50% of non-operating working interest in the unconventional concessions of Aguada Federal and Bandurria Norte in Vaca Muerta (“acquisition of AFBN assets”).

On September 16, 2021, the Company through its subsidiary Vista Oil & Gas Holding I, S.A. de C.V. (“Vista Holding I”), acquired from ConocoPhillips Petroleum Holdings B.V. (“ConocoPhillips BV”): (i) 100% of the capital stock of ConocoPhillips Argentina Holding S.ár.l. (hereinafter “Vista Holding VII S.ár.l.”), a company organized in Luxembourg that owns 95% of the equity of ConocoPhillips Argentina Ventures S.R.L. (currently known as “AFBN S.R.L” or “AFBN”), and (ii) 5% of the capital stock of AFBN, thus acquiring 100% of AFBN’s shares.

AFBN owns 50% of non-operating working interests in concessions Aguada Federal and Bandurria Norte, which expire in 2050. These concessions are located in the Neuquén basin, Province of Neuquén, Argentina, with a surface of 50,462 acres, in Vaca Muerta. The assets have no pending investment commitments and; as the date of the transaction, were operated by Wintershall Dea Argentina S.A. (“Wintershall”), which owned the remainder 50%.

Under the transaction terms, Vista made no advance payments, but assumed the cost of carry for nominal value of 77,000 related to 50% of all investments to develop the acquired areas, which were related to Wintershall’s interests and that expire on December 31, 2023. AFBN carried about 6,203 cash on hand and cash in banks as of the date of this transaction.

As of December 31, 2021, pursuant to Company accounting policies including in Note 3.1.3, this transaction was recognized as an asset acquisition, recording an oil and gas property for 69,693, mainly related to unconventional assets. These assets were booked at the cost of liabilities assumed under the carry agreement.

Moreover, on January 17, 2022, the Company, through its subsidiary Vista Argentina, acquired the rest of a 50% operated working interest in the Aguada Federal and Bandurria Norte concessions, from Wintershall (see Note 35).

For further information on these concessions, see notes 30.3.10 and 30.3.11.



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Note 2. Basis of preparation and significant accounting policies

2.1 Basis of preparation and presentation

The accompanying consolidated financial statements as of December 31, 2021, and 2020, and for the years ended December 31, 2021, 2020 and 2019, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

They were prepared on a historical cost basis, except for certain financial assets and liabilities that were measured at fair value. The figures contained herein are stated in US dollars (“US”) and are rounded to the nearest thousand, unless otherwise stated.

These consolidated financial statements were approved for issuance by the Shareholders’ meeting on April 26, 2022, and the subsequent events through up that date are considered.

2.2 New accounting standards, amendments and interpretations issued by the IASB adopted by the Company

The Company did not opt for the early adoption of any standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest rate benchmark reform

The amendments provide temporary reliefs that address the financial reporting effects when an Interbank Offered Rate (“IBOR”) is replaced by an alternative risk-free (“RFR”) rate.

The amendments include the following alternative treatments:

- (i) A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest;
- (ii) Allow the changes required by IBOR reform to be made as hedge designations; and
- (iii) Provide companies with a temporary relief from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

On December 28, 2021, the Company has agreed with financial entities, that in case of a replacement of a LIBOR, the interest rate to be applied will be replaced by the market rate to be published by relevant governmental body, plus a spread adjustment to be opportunely determined.

As of the date of these consolidated financial statements there has not been any changes to the LIBOR, nevertheless the Company will continue to monitor any potential impact.

2.2.1 Standards issued not yet effective

Amendments to IAS 1: Classification of liabilities as current or noncurrent

In January 2020, the IASB issued amendments to certain paragraphs of IAS 1 to specify the requirements for classifying liabilities as current or noncurrent. The amendments clarify

- (i) What is meant by a right to defer settlement;
- (ii) That a right to defer must exist at the end of the reporting period;
- (iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right and;
- (iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.



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The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively.

The amendments are not expected to have a material impact on the Company as the current accounting policies are aligned to the amendments.

Amendments to IAS 16: Property, Plant and Equipment, proceeds before Intended Use

In May 2020, the IASB issued Property, Plant and Equipment - Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

The amendments are not expected to have a material impact on the Company as the current accounting policies are aligned to the amendments.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

2.3.1 Subsidiaries

Subsidiaries are all entities over which the Company has control, which occurs if and only if the Company has all the following:

- Power over the entity;
- Exposure or rights to variable returns from its involvement with the entity; and
- The ability use its power over the entity to affect the amount of the investor's returns.

The Company reassesses whether it controls a subsidiary if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Company has less than a majority of the voting rights of an investee, it has power over the latter when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally.

The Company assesses all facts and circumstances to determine whether voting rights are sufficient to give it power over an entity, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

Relevant activities are those that most significantly affect the subsidiary's performance, such as the ability to approve a subsidiary's operating and capital budget and the power to appoint Management personnel. These decisions show that the Company has rights to direct a subsidiary's relevant activities.



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Subsidiaries are consolidated from the date the Company obtains control over them and ceases when such control ends. Specifically, profit and expenses of a subsidiary acquired or disposed of during the year are included in the statements of profit or loss and other comprehensive income as from the date in which the Company obtains control until it assigns or loses such control.

The acquisition accounting method is that used by the Company to account for business combinations (see Note 2.3.4).

Intercompany transactions, balances and unrealized income are deleted. Unrealized losses are also deleted unless the transaction provides evidence of an impairment of transferred assets, and the subsidiaries' financial statements are adjusted when needed to align their accounting policies to the Company's accounting policies.

Below are the Company's subsidiaries:

Subsidiary name	Equity interest			Place of business	Main activity
	December 31, 2021	December 31, 2020	December 31, 2019		
Vista Holding I	100%	100%	100%	Mexico	Holding company
Vista Holding II	100%	100%	100%	Mexico	Exploration and production ⁽¹⁾
Vista Oil & Gas Holding III, S.A. de C.V.	100%	100%	100%	Mexico	Services
Vista Oil & Gas Holding IV, S.A. de C.V.	100%	100%	100%	Mexico	Services
Vista Oil & Gas Holding V B.V.	100%	100%	— %	Holland	Holding company
Vista Complemento S.A. de C.V.	100%	100%	100%	Mexico	Services
Vista Holding VII S.á.r.l. ⁽²⁾	100%	— %	— %	Luxembourg	Holding company
Vista Argentina	100%	100%	100%	Argentina	Exploration and production ⁽¹⁾
Aleph Midstream S.A. ⁽³⁾	100%	100%	0,27%	Argentina	Services ⁽⁴⁾
Aluvional S.A.	100%	100%	100%	Argentina	Mining and industry
AFBN S.R.L. ⁽²⁾	100%	— %	— %	Argentina	Exploration and production ⁽¹⁾
VX Ventures Asociación en Participación	100%	— %	— %	Mexico	Holding company

⁽¹⁾ It refers to the exploration and production of gas and oil.

⁽²⁾ See Note 1.5.

⁽³⁾ See Note 28.

⁽⁴⁾ Including operations related to the capture, treatment, transport and distribution of hydrocarbons and derivatives.

The Company's shares in the subsidiaries' voting rights are the same as its interest in capital.

2.3.2. Changes in interests

Changes in the Company's working interests in the subsidiaries that do not result in a change in control of the subsidiary are accounted for as equity transactions. The carrying amount of the Company's interests and noncontrolling interest is adjusted to reflect the changes in interests in the subsidiaries. Any difference between the amount by which the noncontrolling interest is adjusted and the fair value of the consideration paid or received is recognized in equity and attributed to the Company's equity holders.



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When the Company ceases to consolidate or book a subsidiary's capital for loss of control, joint control or significant influence, any retained working interest in the entity is remeasured at fair value with the change in the carrying amount recognized in the statements of profit or loss and other comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently booking retained interest as the associate, joint venture or financial asset. In addition, any amount previously recognized in other comprehensive income in relation to such entity is booked as if the Company had directly disposed of the related assets or liabilities. This may mean that the amounts previously recognized in other comprehensive income are reclassified to the consolidated statements of profit or loss and other comprehensive income.

If the working interest in a joint venture or associate is reduced, but the entity retains the joint control or significant influence, only a proportion of the previously recognized amounts in other comprehensive income is reclassified to the statement of profit or loss.

The changes in the Company's working interests in its subsidiaries that do not result in loss of control are booked as equity transactions.

2.3.3. Joint arrangements

According to IFRS 11 Joint Arrangements, investments are classified as joint operations or joint venture, depending on contractual rights and obligations. The Company has joint operations but has no joint venture.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control exists only when decisions about the relevant business activities require the unanimous consent of the parties that collectively control the arrangement.

When the Company carries out activities under joint operations, it is required, as a joint operator, to recognize in proportion to its interest in the joint arrangement:

- Its assets and liabilities held jointly;
- Its revenue from the sale of its share of the output of the joint operation;
- Its revenue from the sale of its share of the output of the joint operation; and
- Its expenses, including its share of any expenses incurred jointly.

The Company books its assets, liabilities, revenues and expenses related to its interest in a joint operation according to the IFRS applicable to specific assets, liabilities, revenues and expenses. They were included in the consolidated financial statements in the related accounts. Interest in joint operations and other arrangements were calculated based on the latest financial statements or financial information available as of every year-end considering significant subsequent events and transactions, and management information available. The financial statements or financial information are adjusted, if needed, so that the accounting policies are consistent with the Company's accounting policies.

When the Company conducts transactions in a joint operation in which the Company is a joint operator (such as a sale or contribution of assets), it is considered that the Company is performing the transaction with the other parties of the joint operation, and the resulting profit and losses from the transactions are recognized in the Company's consolidated financial statements for the attention of the other parties' interests in the joint operation. When a Group company conducts transactions with a joint operation in which the Company is a joint operator (such as a purchase of assets), the Company recognizes its portion of profit and losses once these assets are resold to a third party.

See Notes 1 and 30 for further information on the Company's joint operations.



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2.3.4 Business combination

The acquisition method is used to book business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for these acquisitions comprises:

- (i) The fair value of transferred assets;
- (ii) The liabilities incurred to former owners of the acquired business;
- (iii) The equity interests issued by the Company;
- (iv) The fair value of any asset or liability from a contingent consideration arrangement; and
- (v) The fair value of any previously held equity interest in the subsidiary.

Identifiable assets acquired and contingent liabilities assumed in a business combination are initially measured at fair values at the date of purchase. The Company recognizes noncontrolling interests in the acquiree on an acquisition basis either at fair value or at the proportionate share of noncontrolling interests of the acquiree's net identifiable assets.

The costs related to the acquisition are booked as incurred expenses. Goodwill is an excess of:

- (i) The consideration transferred;
- (ii) The amount of any noncontrolling interest in the acquiree; and
- (iii) The acquisition-date fair value of previously held equity interest in the acquiree over the fair value of net identifiable assets acquired is booked as goodwill.

If the fair value of the acquiree's net identifiable assets exceeds these amounts, before recognizing profit, the Company reassesses whether it has correctly identified all assets acquired and liabilities assumed, reviewing the procedures employed to measure the amounts to be recognized at the acquisition date. If the assessment still results in excess of the fair value of net assets acquired in relation to the total consideration transferred, gain from a bargain purchase is recognized directly in the consolidated statements of profit or loss and other comprehensive income.

When the settlement of any cash consideration is deferred, the future amounts payable is discounted at their present value at the exchange date. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained under comparable terms and conditions.

Contingent consideration will be recognized at its fair value at the acquisition date. Contingent consideration is classified as equity or as a financial liability. The amounts classified as a financial liability are remeasured at fair value with changes in fair value through the consolidated statements of profit or loss and other comprehensive income. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

When the Company acquires a business, it assesses the financial assets acquired and liabilities incurred in relation to its adequate classification and designation according to contractual terms, economic circumstances and relevant conditions as of the acquisition date.

Oil reserves and resources acquired that may be measured reliably are recognized separately at fair value upon the acquisition. Other potential reserves, resources and rights, which fair values cannot be measured reliability, are not recognized separately but are considered part of goodwill.

If the business combination is performed in stages, the previously held equity interest in the acquiree is measured at acquisition-date fair value. Profit or loss from such remeasurement is recognized in the consolidated statements of profit or loss and other comprehensive income.

The Company has a maximum period of 12 months from the date of acquisition to finalize the acquisition accounting. When it is incomplete as of the end of the year in which the business combination takes place, the Company reports provisional amounts.

As detailed in Note 30.3.4 and 32, during the year ended December 31, 2020, the Company acquired an additional participation in the Coirón Amargo Norte Joint operating concession, which was accounted for as a business combination.



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2.4 Summary of significant accounting policies

2.4.1 Segment information

The operating segments are reported in a consistent manner with the internal reports provided by the Executive Management Committee (the “Committee” that is considerate the “Chief Operating Decision Maker” or “CODM”)

The CODM is the highest decision-making authority, in charge of allocating resources and establishing the performance of the entity’s operating segments and was identified as the body executing the Company’s strategic decisions.

2.4.2 Property, plant and equipment and intangible assets

Property, plant and equipment

Property, plant and equipment is measured using the cost model, after initial recognition, the asset is valued at cost less depreciation and any subsequent accumulated impairment loss.

Subsequent costs are included in the carrying amount of the asset or are recognized as a separate asset, as the case may be, only when it is probable that future economic benefits may flow to the Company and the cost of the asset may be measured reliably. Remainder repairs and maintenance costs are charged to profit or loss during the reporting period in which they are incurred.

The cost of works in progress which construction will be extended over time includes, if applicable, borrowings costs.

Works in progress are measured based on the level of progress and are booked at cost less any impairment loss, of applicable.

Profit and loss from the sale of property, plant and equipment is calculated by comparing the consideration received with the carrying amount.

2.4.2.1 Depreciation methods and useful lives

Estimated useful lives, residual values and the depreciation method are reviewed at every period-end, and changes are recognized prospectively. A carrying amount of the asset is reduced immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable value.

The Company amortizes drilling costs applicable to productive and dry wells in development, productive wells, machinery and facilities in oil and gas production areas according to the unit of production method, applying the proportion of oil and gas produced to prove and develop oil and gas reserves, as the case may be. The cost of acquisition of oil and gas properties is amortized applying the proportion of produced oil and gas to total estimated oil and gas proved reserves.

The costs of acquiring properties with unproved reserves and unconventional resources are valued at cost, and their recoverability is assessed regularly based on geological and engineering estimates of the reserves and resources expected to be proved during the life of each concession and are not depreciated.

Capitalized costs related to the acquisition of properties and the extension of concessions with proved reserves were depreciated per field based on a production unit by applying the proportion of produced oil and gas to estimated proved oil and gas reserves.

Production facilities (including significant identifiable components) are depreciated using the unit of production method considering the proved development of reserves.



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The Company’s remainder items of property, plant and equipment (including significant identifiable components) are depreciated using the straight-line method based on their estimated useful lives, as detailed below:

Buildings	50 years
Vehicles	5 years
Machinery and installations	10 years
Computer equipment	3 years
Equipment and furniture	10 years

Land does not depreciate.

2.4.2.2 Assets for oil and gas exploration

The Company adopts the successful effort method to account for its oil and gas exploration and production activities.

This method implies the capitalization of: (i) the cost of acquiring properties in oil and gas exploration and production areas; (ii) the cost of drilling and equipping exploration wells arising from the discovery of commercially recoverable reserves; (iii) the cost of drilling and equipping development wells, and (iv) estimated well plugging and abandonment obligations.

Exploration and evaluation involve the search for hydrocarbon resources, the assessment of its technical viability and the assessment of the commercial feasibility of an identified resource.

According to the successful effort method, exploration costs such as geological and geophysical (“G&G”) costs, excluding the costs of exploration wells and 3D seismic testing in operating concessions, are expensed during the period in which they are incurred.

Once legal exploration rights are obtained, the costs directly related to an exploration well are capitalized as intangible exploration and evaluation assets until the well is completed and results are assessed. These costs include compensation to directly attributable employees, materials used, drilling costs and payments to contractors.

The drilling and completion costs of exploration wells are capitalized until it is established that there are proved reserves and the commercial development is justified. If no reserves are found, these drilling costs are charged as expenses in an unproductive well. An exploration well may occasionally determine the existence of oil and gas reserves but cannot be classified as proved when the drilling is completed, subject to further evaluation (for example, drilling of additional wells), but it is probable that that they may be developed commercially. In these cases, costs continue to be capitalized provided that the well has found a sufficient quantity of reserves to justify its completion as a producing well and the Company is making sufficient progress assessing the reserves and the economic and operating viability of the project.

These capitalized costs are subject to technical, commercial and administrative review, and a review of impairment indicators at least once a year. When there is sufficient management information indicating impairment, the Company conducts an impairment test according to the policies described in Note 3.2.2.

When oil and gas reserves are identified as proved and Management approves the start-up, the related capitalized expense is first assessed in terms of impairment and (if needed) an impairment loss is recognized, and the remaining balance is transferred to oil and gas properties. Except for license fees, amortization is not charged to profit or loss during the exploration and evaluation stage.

Estimated well plugging and abandonment obligations in hydrocarbon areas, discounted at a risk-adjusted rate, are capitalized in the cost of assets and are amortized using the unit of production method. A liability for the estimated value of discounted amounts payable is also recognized. Changes in the measurement of these obligations as a consequence of changes in the estimated term, the cost or discount rate are added to or deducted from the cost of the related asset.

Asset swaps that only involve exploration and evaluation assets are booked at the carrying amount of the asset delivered and no profit or loss is recognized.



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2.4.2.3 Rights and Concessions

Rights and concessions are booked as part of property, plant and equipment and are depleted on the unit of production basis over the total proved reserves of the relevant area. The calculation of the units of production rate for the depreciation/amortization of development costs considers expenses incurred to date and authorized future development expenses.

Intangible assets

2.4.2.4 Goodwill

Goodwill arises during a business acquisition and represents the excess of acquisition cost over the fair value of net assets acquired. After initial recognition, goodwill is measured at cost less cumulative impairment losses. There is no subsequent reversal of impairment in goodwill.

To conduct impairment tests, goodwill is allocated as from acquisition date to each cash-generating unit (“CGU”), which represents the lowest level within the Company at which the goodwill is monitored for internal management purposes.

When goodwill is allocated to a CGU and part of the transaction within such unit is eliminated, goodwill related to such eliminated transaction is included in the carrying amount of the transaction to determine gain or loss on sale.

2.4.2.5 Other intangible assets

Other intangible assets acquired separately are measured using the cost model; after initial recognition, the asset is valued at cost less amortization and any subsequent accumulated impairment loss.

Intangible assets are amortized using the straight-line method; software licenses are amortized over their estimated 3-year useful life. The amortization of these assets is recognized in the statements of profit or loss and other comprehensive income.

The estimated useful life, residual value and amortization method are reviewed at every period-end, and changes are recognized prospectively. A carrying amount of the asset is reduced immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable value.

2.4.3 Leases

The Company has lease contracts for various items of buildings, and plant and machinery, which are recognizes under IFRS 16.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., on the date when the underlying asset is available for use). Right-of-use assets are measured at cost, net of the accumulated depreciation and impairment losses and are adjusted by the remeasurement of lease liabilities. The cost of right-of-use assets includes the amount for recognized lease liabilities, direct costs initially incurred, and lease payments made until the commencement date less the lease incentives received. Unless the Company is reasonably certain that it will obtain the ownership of the leased asset at the end of the lease term, recognized right-of-use assets are depreciated under the straight-line method during the shortest of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. See note 3.2.2 for further detail on the accounting policy to assess nonfinancial asset impairment.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made during the lease term. Lease payments include fixed payments (including in-substance fixed payments) less lease incentives receivable, variable lease payments dependent on an index or rate, and the amounts expected to be paid for residual value guarantees.



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Lease payments also include a purchase option exercise price if the Company is reasonably certain about exercising such option, as well as penalty payments from lease termination, if the lease term reflects the Company's termination option exercise. Variable lease payments that do not depend on an index or rate are recognized as expenses in the period of occurrence of the event or condition that gives rise to the payment. To calculate the present value of lease payments, if the imputed interest rate in the lease cannot be easily assessed, the Company uses the incremental borrowing rate at the lease commencement date. After the commencement date, lease liabilities will be increased to reflect the accretion of interest and will be reduced by the lease payments made. In addition, the carrying amount of lease liabilities are remeasured if there is an amendment, a change in the lease term, a change in the fixed or in-substance fixed payments or a change in the assessment to buy the underlying asset.

The Company applies the exemption to recognize short-term leases of machinery and equipment (i.e., those leases for a term under 12 months as from the commencement date with no call option). The low-value asset exemption also applies to low-value office equipment items. The lease payments of low-value assets are recognized as expenses under the straight-line method during the lease term.

The Company determines the lease term as the noncancellable lease term, together with any period covered by an option to extend the agreement if it is reasonably certain that it will exercise that option, or any period covered by an option to terminate the agreement, if it is reasonably certain that it will not exercise such option. The Company applies its judgment upon assessing whether it is reasonably certain that it will exercise the option to renew the agreement. In other words, it considers the relevant factors that create an economic incentive to renew the agreement. After the commencement date, the Company reassesses the lease term if there is a significant event or change in the circumstances under its control that affects its capacity to exercise (or not) the option to renew the agreement (for example, a change in the business strategy).

2.4.4 Impairment of nonfinancial assets

Other nonfinancial assets with a definite useful life undergo impairment tests whenever events or changes in circumstances have indicated that their carrying value may not be recoverable. When the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized for the value of the asset. An asset's recoverable amount is the higher of (i) the fair value of an asset less costs of disposal and (ii) its value in use.

Assets are tested for impairment at the lowest level in which there are separately identifiable cash flows largely independent of the cash flows of other groups of assets or CGUs. Amortized nonfinancial assets are reviewed for potential reversal of impairment at the end of each reporting period.

2.4.5 Foreign currency translation

2.4.5.1 Functional and presentation currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic context in which each entity operates. The functional and presentation currency of all entities is the US dollar. To determine the functional currency, the Company makes judgments to identify the primary economic context and reconsiders the functional currency in the event of a change in conditions that may determine the primary economic context.

2.4.5.2 Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are accounted for at the exchange rate as of each transaction date. Foreign exchange gains and losses from the settlement of transactions and the translation at the closing exchange rate of monetary assets and liabilities denominated in foreign currency are recognized in the consolidated statements of profit or loss and other comprehensive income unless they are capitalized.

Monetary balances in foreign currency are converted at each country's official exchange rate as of every year-end.



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2.4.6 Financial instruments

2.4.6.1 Other financial assets

2.4.6.1.1 Classification

2.4.6.1.1.1 Financial assets at amortized cost

Financial assets are classified and measured at amortized cost provided that they meet the following criteria:

- (i) the purpose of the Company's business model is to maintain the asset to collect the contractual cash flows;
- (ii) contractual conditions, on specific dates, give rise to cash flows only consisting in payments of principal and interest on the outstanding principal.

2.4.6.1.1.2 Financial assets at fair value

If any of the aforementioned criteria is not met, the financial asset is classified and measured at fair value through the consolidated statements of profit or loss and other comprehensive income.

All investments in equity instruments are measured at fair value. The Company has no capital investments as of December 31, 2021, and 2020.

2.4.6.1.2 Recognition and measurement

Upon initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset that is not measured at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset.

Profit or loss in a debt investment that is subsequently measured at fair value and is not part of a hedge relationship is recognized in the consolidated statements of profit or loss and other comprehensive income. Profit or loss in a debt investment that is subsequently measured at amortized cost and does not comprise a hedge relationship is recognized in the consolidated statements of profit or loss and other comprehensive income when the financial asset is derecognized or impaired and through the amortization process using the effective interest rate method.

The Company reclassifies financial assets when and only when it changes its business model for managing these assets.

Accounts receivable for services rendered or hydrocarbons delivered but not invoiced, and other accounts receivable are measured at amortized cost using the effective interest method less the allowance for expected credit losses, if applicable.

2.4.6.1.3 Impairment of financial assets

The Company recognizes an allowance for Expected Credit Losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between contractual cash flows owed and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade and other receivables, the Company applies a simplified approach in calculation of ECL. Therefore, the Company does not monitor changes in credit risk but rather calculates an allowance for ECL at each reporting date.

Expected credit losses in trade and other receivables are estimated on a case-by-case basis according to the debtor's history of noncompliance and an analysis of the debtor's financial position, adjusted by the general economic conditions of the industry, its current assessment and a Management forecast of conditions as of the reporting date.

The Company recognizes the impairment of a financial asset when contractual payments are more than 90 days past due or when the internal or external information shows that it is unlikely that the pending contractual amounts be received. A financial asset is derecognized when there is no fair expectation to recover contractual cash flows.



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2.4.6.1.4 Offsetting of financial instruments

Financial assets and liabilities are disclosed separately in the consolidated statement of financial position unless the following criteria are met: (i) the Company has a legally enforceable right to set off the recognized amounts, and (ii) the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. A right to set off is that available to the Company to settle a payable to a creditor by applying against it a receivable from the same counterparty.

Jurisdiction and laws applicable to relations between parties are considered upon assessing whether there is such a legally enforceable right.

2.4.6.2 Financial liabilities and equity instruments

2.4.6.2.1 Classification as liabilities or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity according to the substance of the agreement and the definition of financial liabilities and equity instruments.

To issue a variable number of shares, a contractual agreement is classified as a financial liability and is measured at fair value. The changes in fair value are recognized in the consolidated statements of profit or loss and other comprehensive income.

2.4.6.2.2 Equity instruments

An equity instrument is any agreement that evidences an interest in the Company's net assets and is recognized in proceeds, net of direct issuance costs.

2.4.6.2.3 Compound financial instruments

The component parts of a compound instrument (negotiable obligations) issued by the Company are classified separately as financial liabilities and equity instruments according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is a conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of Company own equity instruments.

The fair value of the liability component, if any, is estimated using the prevailing market interest rate for similar nonconvertible instruments. This amount is recorded as a liability at amortized cost using the effective interest method until extinguished upon conversion or at the instrument redemption date.

A conversion option classified as equity is determined by deducting the liability component amount from the fair value of the compound instrument as a whole. It is recognized and included in equity, net of income tax effects, and it not subsequently remeasured. Moreover, the conversion option classified as an equity instrument remains in equity until the conversion option is exercised, in which case, the balance recognized in equity is transferred to another equity account. When the conversion option is not exercised at the redemption date of negotiable obligations, the balance recognized in equity is transferred to retained earnings. No profit or loss is recognized in the statement of profit or loss after the conversion or redemption of the conversion option.

Transaction costs related to the issuance of negotiable obligations are allocated to liability and equity components in proportion to the allocation of gross proceeds. Transaction costs related to the equity component are recognized directly in equity. Transaction costs related to the liability component are included in the carrying amount of liability component and are amortized throughout the life of negotiable obligations using the effective interest method.

2.4.6.2.4 Financial liabilities

All financial liabilities are initially recognized at fair value and after that, at their amortized cost using the effective interest method or at Fair Value Through Profit or Loss ("FVTPL"). Borrowings are recognized initially at fair value, net of transaction costs incurred.



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Financial liabilities related to purchasing value units (“UVA” by Spanish acronym) are adjusted by the benchmark stabilization coefficient (“CER” by Spanish acronym) at each closing date, recognizing the effects on “Other Financial Results”.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination; (ii) held-for trading; or (iii) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is used in the calculation of the amortized cost of a financial liability and in the allocation of interest expense during the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) throughout the expected life of the financial liability, or (when appropriate) a shorter period, at the amortized cost of a financial liability.

Borrowings are classified as current or noncurrent according to the period for settling obligations according to contractual agreements. Borrowings are current when they are settled within 12 months after the reporting period.

2.4.6.2.5 Derecognition of financial liabilities

The Company derecognizes financial liabilities when obligations are discharged, cancelled or expired. The difference between the carrying amount of such financial liability and the consideration paid is recognized in the statements of profit or loss and other comprehensive income.

When an existing financial liability is replaced by another one in terms that are substantially different from the original term or the terms of an existing liability change substantially, it results in the derecognition of the original liability and recognition of a new liability. The difference in the related accounting values is recognized in the statements of profit or loss and other comprehensive income.

2.4.7 Recognition of revenue from contracts with customers and other income

2.4.7.1 Revenue from contracts with customers

Revenue from contracts with customers related to the sale of crude oil, natural gas and Liquefied Petroleum Gas (“LPG”) is recognized when control of the assets is transferred to the customer upon delivery of inventory. It is recognized for an amount of consideration to which the Company expects to be entitled in exchange for these assets. The normal credit term is 15 days for crude oil sales and 50 days for natural gas and LPG sales. The Company has reached the conclusion that it acts as principal in its revenue agreements because it regularly controls assets before transferring them to the customer.

Revenue from the production of crude oil and natural gas in joint arrangements in which the Company participates is recognized when sales are made to customers and production costs are accrued or deferred to reflect the differences between volumes taken and sold to customers, and the resulting contractual interest from such arrangement.

Based on the revenue analysis conducted by Company Management, Note 5.1 was broken down by (i) product type and (ii) distribution channels. All Company revenue is recognized at a point in time.

2.4.7.2 Contract balances

Contract assets

A contract asset is defined as the right to obtain a consideration in exchange for the goods or services transferred to the customer. Should goods or services be transferred before receiving the agreed-upon payment or consideration, a contract asset is recognized for the consideration received. The Company has no contract assets as of December 31, 2021 and 2020.

Trade and other receivables

A receivable represents the Company’s right to receive a consideration that is unconditional; that is to say, it only requires the passage of time before the payment of consideration falls due.



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Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If the customer pays consideration before the Company transfers the goods or services, it recognizes a contract liability. When the Company fulfills its obligations according to the agreement, liabilities are recognized as revenue. The Company has no contract liabilities as of December 31, 2021, 2020, and 2019.

Other operating income

Other operating income is mainly related to the provision of services to third parties that are not directly related to the main activity. The Company recognizes revenue over time using an input method to measure progress toward service completion because the customer simultaneously receives and consumes the benefits provided by the Company.

2.4.8 Inventories

Inventories are made up of crude oil, materials and spare parts.

They are measured at the lower of cost and net realizable value. The cost of inventories includes production expenses and other costs incurred in bringing the inventories to their present location and condition. The cost of materials and spare parts is determined using the weighted average cost method.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated direct costs necessary to make the sale.

The recoverable amount of these assets is assessed at each reporting date, and the resulting loss is recognized in the consolidated statements of profit or loss and other comprehensive income when inventories are overstated.

Materials and spare parts and permanent maintenance equipment that the Company expects to use for more than one period and those that can only be used in relation to a property, plant and equipment item are included in "Property, plant and equipment".

2.4.9 Cash and cash equivalents

For the presentation of the consolidated statement of cash flows, cash and cash equivalents include cash on hand, demand deposits in financial institutions and other short-term highly liquid investments originally maturing in three or less months, readily convertible into known cash amounts and subject to insignificant risk of changes in value.

Overdrafts in checking accounts, if any, are disclosed within current borrowings in the consolidated statement of financial position. They are not disclosed in the consolidated statement of cash flows as they do not comprise the Company's cash and cash equivalents.

2.4.10 Equity

Changes in equity were accounted for according to Company decisions and legal or regulatory standards.

a. Capital stock

Capital stock represents capital made up of shareholder contributions. It is represented by outstanding shares at nominal value. Ordinary shares are classified as equity.



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b. Statutory reserve

Under Mexican Business Associations Law, the Company is required to allocate 5% of net profit for the year to increase the statutory reserve until it is equal to 20% of capital based on the Company's individual financial statements. As of December 31, 2021, and 2020, the Company has not booked this reserve.

c. Accumulated results

Accumulated profits or losses comprise retained earnings (accumulated losses) with no specific allocation. They may be distributed as dividends by Company decision, provided that they are not subject to legal restrictions.

Retained earnings (accumulated losses) comprise prior-year profit that was not distributed, or losses, the amounts transferred from other comprehensive income and prior-year adjustments.

Similarly, for capital reduction purposes, these distributions will be subject to income tax assessment according to the applicable rate, except for remeasured contributed capital stock or distributions from the net taxable profit account ("CUFIN, by Spanish acronym).

d. Other comprehensive income

Other comprehensive income comprises actuarial gains and losses for defined benefit plans and the related tax effect.

e. Dividend distribution

Dividend distribution to Company shareholders is recognized as a liability in the financial statements upon approval of the distribution by the Shareholders' Meeting. Dividends are distributed based on the Company's individual financial statements.

The Company can pay dividends after compliance with the restrictions included in the credit agreement as mentioned in Note 18.1.

2.4.11 Employee benefits

2.4.11.1 Short-term obligations

Salaries and payroll tax expected to be settled within 12 months after period-end are recognized for the amounts expected to be paid upon settlement and are disclosed in "Salaries and payroll taxes" current in the consolidated statement of financial position.

Costs related to compensated absences, such as vacation, are recognized as they are accrued.

In Mexico, the employees' share in profit ("PTU, by Spanish acronym") is paid to qualifying employees; PTU is calculated using the income tax base, except for the following:

- (i) The employees' share in Company profit paid during the year or prior-year tax losses pending application.
- (ii) Payments that are also exempt for employees.

2.4.11.2 Defined benefit plans

The Company operates a defined benefit plan described in Note 23. Defined benefit plans are related to a series of pension benefits that an employee will receive at retirement, depending on one or more factors, such as age, years of service and compensation. According to the conditions established in each plan, the benefit may consist of a single payment or payments supplementary to pension system payments.

The cost of defined benefit plans is recognized periodically according to the contributions made by the Company.

Labor cost liabilities are accumulated in the periods in which employees render the services that give rise to the consideration.



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The defined benefit obligation liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation, net of the fair value of plan assets. The defined benefit obligation is calculated at least as of every year-end by independent actuaries through the projected unit credit method. The present value of the defined benefit obligation is assessed discounting estimated future cash outflows using future actuarial assumptions on the demographic and financial variables that affect the assessment of such amounts.

Actuarial profit and losses derived from changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise, and the costs of past services are recognized immediately in the consolidated statements of profit or loss and other comprehensive income.

2.4.12 Borrowings costs

General or specific borrowings costs directly attributable to the acquisition, construction or production of assets that necessarily require a substantial period of time to be ready for their intended use or sale are added to the cost of these assets until they are ready for their intended use or sale.

Income earned on the temporary investment of specific borrowings is deducted from borrowings costs eligible for capitalization. Other borrowings costs are accounted for in the period in which they are incurred.

For the years ended December 31, 2021, 2020, and 2019, the Company has not capitalized borrowings costs because it had no qualifying assets, except for interest on lease liabilities disclosed in Note 15.

2.4.13 Provisions and contingent liabilities

The Company recognizes provisions when the following conditions are met: (i) it has a present or future obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate can be made. No provisions for operating future losses are recognized.

In the case of provisions in which the time value of money is significant, as is the case of well plugging and abandonment and environmental remediation, these provisions are determined as the present value of the expected cash outflow for settling the obligation. Provisions are discounted at a pre-tax discount rate that reflects current market conditions as of the date of the statement of financial position and, as the case may be, the risks specific to the liability. When the discount is applied, the increase in the provision due to the passage of time is recognized as a financial cost.

2.4.13.1 Provision for contingencies

Provisions are measured at the present value of the disbursements expected to be made to settle the present obligation, considering the best information available upon preparing the financial statements, based on the premises and methods considered appropriate, and based on the opinion of the Company's legal counsel. Estimates are regularly reviewed and adjusted as additional information is made available to the Company. The discount rate used to determine the present value reflects the current market assessments of the time value of money and the specific risk related to each liability.

When the Company expects that the provision will be reimbursed in part or in full and is certain of its occurrence, like under an insurance agreement, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

Contingent liabilities are: (i) potential obligations from past events and whose existence will be confirmed only by the occurrence or nonoccurrence of uncertain future events not wholly within the entity's control; or (ii) present obligations from past events that will not likely require an outflow of resources for its settlement, or which amount cannot be estimated reliably.

The Company outlines the nature of material contingent liabilities in the notes to the consolidated financial statements (see Note 22.3).



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Contingent liabilities which probability is remote are not disclosed unless they involve warranties, in which case the nature of the warranty is disclosed.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party in part or in full, the receivable is recognized as an asset if it is virtually certain that the reimbursement will be received and if the receivable can be measured reliably.

2.4.13.2 Well plugging and abandonment provision

The Company recognizes a provision for well plugging and abandonment when there is a legal or constructive obligation as a result of past events, it is probable that a cash flow will be required to settle the obligation, and the amount to be disbursed can be reliably estimated.

In general, the obligation arises when the asset is installed, or the plot of land or environment at the site is altered.

When the liability is initially recognized, the present value of estimated costs is capitalized, increasing the carrying amount of the assets related to the oil and gas extraction insofar as they were incurred for the development or construction of the well.

The other provisions from an enhanced development or construction of the oil and gas extraction properties increase the cost of the related asset when the liability arises.

The changes in the estimated time or cost of well plugging and abandonment are afforded a prospective treatment by booking an adjustment to the related provision and asset.

If the change in the estimate results in an increased well plugging and abandonment liability and, consequently, a greater carrying amount of the asset, the Company conducts a comprehensive analysis of whether there is an indication of impairment of the asset and implements impairment tests. In the case of mature wells, if the estimated revised value of the assets related to oil and gas extraction, net of well plugging and abandonment provisions, exceeds the recoverable amount, this portion of the increase is directly expensed.

Over time, the discounted liability increases with the change in the present value based on the discount rate that reflects the current market assessments and specific liability risks. The regular reversal of discount is recognized in the consolidated statements of profit or loss and other comprehensive income as a financial cost.

2.4.13.3 Provision for environmental remediation

The provision for environmental remediation is recognized when it is likely that a soil remediation be conducted, and costs may be estimated reliably. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

The amount recognized is the best estimate of the expenditure required to settle the obligation. If the time value of money is material, the recognized value is the present value of the estimated future expense. The effect of such estimate is recognized in the consolidated statements of profit or loss and other comprehensive income.

2.4.14 Income tax and minimum presumed income tax

2.4.14.1 Current and deferred income tax

Tax expenses for the period include current and deferred income tax. Income tax is recognized in the consolidated statements of profit or loss and other comprehensive income except if it is related to items recognized in other comprehensive income or directly in equity.



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Current income tax is calculated based on tax laws enacted at period end. The Company regularly assesses the positions adopted in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It also recognizes provisions based on the amounts it expects to pay to tax authorities. When tax treatments are uncertain and it is probable that a tax authority will accept the tax treatment adopted by the Company, income tax is recognized according to the tax laws. If it is not considered likely, the uncertainty is shown using the most likely amount method or the expected value method depending on the method that best predicts the resolution to the uncertainty.

Deferred income tax is recognized using the liability method over temporary differences between the tax bases of assets and liabilities and the carrying amounts in the financial statements. Deferred tax liabilities are recognized for all taxable temporary differences unless they arise from recognition of goodwill.

Deferred income tax assets are recognized only insofar as it is probable that future taxable profit will be available and may be used against temporary differences. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

These deferred tax assets and liabilities are not recognized if the temporary difference arises on initial recognition (other than that of a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit.

Deferred income tax applies to temporary differences of interests in subsidiaries and associates, except for deferred income tax liabilities in which the Company controls the timing of the reversal of the temporary difference and it is probable that it will not reverse in the foreseeable future. The deferred tax assets that arise from these deductible temporary differences related to such investments and interests are only recognized when it is probable that sufficient taxable profit will be available against which the temporary differences will be used and are expected to reverse in the foreseeable future.

Deferred income tax assets and liabilities are only offset when there is a legally enforceable right and they are related to income tax levied by the same tax authority in the same taxable entity or another one provided that there is the intention to settle the balances on a net basis.

Current and deferred tax assets and liabilities were not discounted and are stated at nominal values.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period in which the liability is settled or the asset realized based on tax rates (and tax laws) enacted as of period-end.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the way in which the Company expects to recover or settle the carrying amount of its assets and liabilities.

Income tax rates effective in Mexico and Argentina stand at 35% and 30%, respectively, as of December 31, 2021. Both rates amounted to 30% as of December 31, 2020, and 2019 (see Note 33).

2.4.14.2 Minimum presumed income tax

The Company's subsidiaries in Argentina calculated minimum presumed income tax applying the 1% rate over computable assets as of every period-end until the year ended December 31, 2018.

This tax supplemented income tax in Argentina and was levied only if it exceeded income tax.

However, should minimum presumed income tax exceed the income tax amount payable in a tax year, such surplus could be computed as payment on account of future income tax payments for the ten subsequent tax years.

On July 22, 2016, Law No. 27,260 was published to eliminate minimum presumed income tax for the years beginning January 1, 2019.



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As of December 31, 2020, the Company booked a minimum presumed income tax asset included in "Trade and other receivables" for 1,034 (see Note 17). As of December 31, 2021, it was charged against income tax liabilities (see Note 16).

2.4.15 Share-based payments

Company employees (including senior executives) receive share-based compensation; employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at vesting date using a proper valuation method (see Note 34).

This cost is recognized as an employee benefit expense along with the related capital increase ("share-based payments") during the period in which the service is rendered and, as the case may be, performance conditions are met (the vesting period). Cumulative expenses recognized for equity-settled transactions at each reporting date until vesting date show the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments to be vested. Expense or credit in the consolidated statements of profit or loss and other comprehensive income represents the movement in cumulative expenses recognized at the beginning and end of such period.

Service and performance conditions other than market conditions are disregarded upon determining grant-date fair value, but the likelihood that conditions are met is assessed as part of the Company's best estimate of the number of equity instruments to be vested. Market-based performance conditions are reflected in the grant-date fair value. Any other condition related to an award but without a related service requirement will be considered a nonvesting condition. Nonvesting conditions are reflected in the fair value of an award and lead to an immediate expense unless there are also service or performance conditions.

No expenses are recognized for awards that are ultimately not vested because nonmarket service or performance conditions have not been met. When awards include a market or nonvesting condition, transactions are treated as vested irrespective of whether the market or nonvesting condition is met, provided that the remaining service or performance conditions are fulfilled.

When the terms of an equity-settled award are modified, the minimum expense recognized is the grant-date fair value of the unmodified award provided that the original vesting terms are met. An additional expense measured at modification date is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee. When an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is accounted for immediately through profit or loss.

The dilutive effect of outstanding options is reflected as a dilution of additional shares in the computation of diluted earnings / losses per share (further details are given in Note 12).

On March 22, 2018, the Company approved a Long-Term Incentive Plan ("LTIP") consisting of a plan so that the Company and its subsidiaries may attract and retain talented persons such as officers, directors, employees and consultants. The LTIP includes the following mechanisms for rewarding and retaining key personal: (i) stock option plan; (ii) restricted stock units and; (iii) performance restricted stock, thus accounted under IFRS 2 Share-Based Payment as detailed above (see Note 34).

a) Stock option plan ("SOP") (equity-settled)

The stock option plan gives the participant the right to buy a number of shares over certain term. The cost of the equity-settled stock option plan is measured at grant date considering the terms and conditions for granting stock options. The equity-settled compensation cost is recognized in the consolidated statements of profit or loss and other comprehensive income under "Share-based payments" during the required service period.



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b) Restricted stock (“RS”) (equity-settled)

Certain Company key employees receive additional benefits for free or at a minimum value once the conditions are met through a stock option plan denominated in restricted stock, which has been classified as an equity-settled share-based payment. The cost of the equity-settled stock option plan is measured at grant date considering the terms and conditions for granting stock options. The equity-settled compensation cost is recognized in the consolidated statements of profit or loss and other comprehensive income under “Share-based payments” during the required service period.

c) Performance restricted stock (equity-settled)

The Company grants performance restricted stock (“PRS”) to key employees, which entitle them to receive PRSs after having reached certain performance targets over a service period. PRSs are classified as equity-settled share-based payments. The cost of the equity-settled stock option plan is measured at grant date considering the terms and conditions for granting stock options. The equity-settled compensation cost is recognized in the consolidated statements of profit or loss and other comprehensive income under “Salaries and payroll taxes” during the required service period. The Company has granted no PRS as of December 31, 2021, 2020, and 2019.

2.4.16 Investments in associates

An associate is an entity over which the Company has significant influence, being the power to participate in the financial and operating policy decisions of the associate but not joint control over it. The considerations regarding control and significant influence are similar to those made by the Company in relation to its subsidiaries.

Associates are the investments in which an investor has significant influence but not control.

Investments are initially recognized at acquisition cost and then using the equity method whereby interests are recognized in profit or loss and in equity. The equity method is used as from the date when the significant influence over the associates is exercised.

The associates’ financial statements used to apply the equity method were prepared using the same accounting period as of December 31, 2021, and the same accounting policies employed in preparing these consolidated financial statements.

The Company’s interests in the associates’ net profits or losses, after acquisition, are recognized in the statements of profit or loss and other comprehensive income.

As of December 31, 2021, the Company valued these investments at equity method without recognition of the equity method because they did not have significant movements.

2.4.17 Going concern

The Board oversees the Group’s cash position regularly and liquidity risk throughout the year to ensure that there are sufficient funds to meet expected financing, operating and investing requirements. Sensitivity tests are conducted to disclose the latest expense expectations, oil and gas prices and other factors so that the Group may manage risk.

Considering the macroeconomic context, the result of operations and the Group’s cash position as of December 31, 2021, the Directors asserted, upon approving the financial statements, that the Group may reasonably be expected to fulfill its obligations in the foreseeable future. Therefore, these consolidated financial statements were prepared on a going concern basis.

**VISTA ENERGY, S.A.B. DE C.V.****Notes to the Consolidated Financial Statements**
(Amounts expressed in thousands of US Dollars)**2.5 Regulatory framework****2.5.1 General**2.5.1.1 COVID-19 pandemic

In 2020 and 2021 several measures were implemented to contain the health emergency caused by COVID-19 moving from mandatory lockdown to mandatory social distancing. This period may continue to be extended as long as is necessary, to mitigate the epidemiological situation.

A- Argentina**2.5.2 Regulatory framework for the oil and gas activity**

In Argentina, oil and gas exploration, exploitation, transport and trade is governed by Law No. 17,319, amended by Law No. 27,007.

Below are the main changes introduced by Law No. 27.007:

- (i) It sets the terms for exploration permits and operating and transport concessions, distinguishing between conventional and unconventional concessions, and the continental platform and territorial marine reserves.
- (ii) The 12% payable as royalties to the grantor by operating concessionaires on the extraction of liquid hydrocarbon byproducts in wellheads and natural gas production will continue to be in place. In case of an extension, additional royalties will be paid up to 3% on royalties applicable upon the first extension up to a maximum 18% for the following extensions.
- (iii) It prevents the Argentine government and provinces from reserving new areas in the future in favor of public or mixed companies or entities, regardless of their legal type. Therefore, the agreements entered into by provincial companies for the exploration and development of reserved areas before the amendment are safeguarded.

However, the Province of Neuquén has its own Hydrocarbon Law No. 2,453. Hence, the Company's assets in the Province of Neuquén are governed by such law, whereas the remainder assets located in the Provinces of Río Negro and Salta follow Law No. 17,319, as amended.

2.5.3 Gas market

Over the past few years, the Argentine government designed different programs to encourage and boost gas injection in the domestic market.

2.5.3.1 Program to promote the injection of natural gas surplus for reduced injection companies ("RI program")

The RI program was introduced by the Secretariat of Energy ("SE") in agreement with Resolution No. 60/13 of 2013. This program created price incentives to encourage producing companies' adherence aimed at boosting natural gas production in Argentina, and LPG import fines in case of volume noncompliance. This resolution, amended by Resolutions No. 22/14 and No. 139/14, set forth a selling price ranging between 4 US/MMBTU and 7.5 US/MMBTU according to the production possibility curve. The RI program was effective until December 2017.

On July 1, 2019, through Resolution No. 358/19, the SE advised the Company of the plan for settling the RI program-related receivable. According to such resolution, the Company's receivable as of that date would be settled with government bonds ("natural gas program bonds") denominated in US dollars to be amortized within a maximum term of 30 (thirty) instalments.

From the total bonds received by the Company, 4,140 program bonds were amortized during the year ended December 31, 2021. The Company carries no receivables from RI Program as of December 31, 2021, whereas plan receivables amount to 4,012 at present value (nominal value of 4,140) as of December 2020 (see Note 17).



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2.5.3.2 Argentine promotion plan to stimulate natural gas production: 2020-2024 supply and demand system (“Gas IV Plan”)

On November 13, 2020, through Presidential Decree No. 892/2020, the Argentine Executive approved Gas IV Plan, whereby it declared that the promotion of natural gas production is both a matter of public interest and a priority.

Through Resolution No. 317/2020 of the SE, it invited natural gas producing companies to tender to be awarded 70 billion cubic meters (“bcm”)/day natural gas volume base per year, and an additional volume for each winter period.

On December 15, 2020, through Resolution No. 391/2020, the SE awarded volumes and prices, for which the Company entered into agreements with Compañía Administradora del Mercado Mayorista Eléctrico S.A. (“CAMMESA”), Integración Energética Argentina S.A. (“IEASA”) and other distribution licensees or sub distributors to supply natural gas for electric power generation and residential consumption, respectively.

The Company, through its subsidiary Vista Argentina, was awarded a base volume of 0.86 bcm/day, at an average price of 3.29 US/MMBTU p.a. for a four-year period as from January 1, 2021.

As of December 31, 2021, the Company received a net amount of 3,660 and the receivables related to such plan stand at 1,729 (see Note 17).

Moreover, the Company was also awarded 0.15 bcm/day for exports between January and April 2022 as the SE authorized 5 bcm/day of exports additional to the permits issued pursuant to SE Resolution No. 360/21.

2.5.4 Oil market

2.5.4.1 Decree No. 488/2020

On May 19, the Argentine Executive published Presidential Decree No. 488/2020, whereby it established, among others, a benchmark price for invoicing and collecting crude oil deliveries in the Argentine market at 45 US/bbl (“benchmark price”) from May 19, through December 31, 2020 (the “effective term.”)

This benchmark price established in section 1 of the aforementioned decree would be effective as long as the price for ICE Brent 1st Line does not exceed 45 US/bbl during 10 (ten) consecutive days. This section is not effective as of December 31, 2020, since the price for ICE Brent 1st line exceeded 45 US/bbl during 10 (ten) consecutive days in August 2020.

Furthermore, during the effective term, the Company was required to: (i) maintain activity or production levels recorded in 2019; (ii) maintain agreements with contractors and suppliers; and (iii) maintain headcount effective as of December 31, 2019.

During the term of the Decree, royalties must be calculated using the Reference Price.

2.5.4.2 Need and Urgency Decree No. 566/2019

Through DNU No. 566/2019 dated August 15, 2019, and effective as of August 16, 2019 (the “Decree 566/2019”), the government of the Argentine Republic determined that during the period covered from the entry into force of Decree 566/2019 until the ninety (90) calendar days following it (the “Term”):

(i) deliveries of crude oil made in the local market during the Term must be billed and paid at the agreed price between the producing and refining companies as of August 9, 2019, applying a reference exchange rate of Argentine Pesos (“ARS”) 45.19/US and a Brent reference price of 59.00 US/bbl;

(ii) that the maximum price of gasoline and diesel in all its qualities, marketed by refining companies and / or wholesale and / or retail retailers in the country, in all sales channels, during the Term, may not be higher than the current price as of August 9, 2019;



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(iii) that during the Term, the refining companies and the wholesale and retail retailers of the country must cover, at the prices established in Decree 566/2019, the total national demand for liquid fuels in the Argentine Republic, in accordance with the volumes that are required from the usual practices of the Argentine market, providing on a regular and continuous basis to each and every one of the areas that make up the territory of the Argentine Republic; and

(iv) the hydrocarbon producing companies of the Argentine Republic, must cover the total demand for crude oil that is required by argentine market refining companies, providing on a regular and continuous basis to all refineries located in the territory of the Argentine Republic.

On August 20, 2019, the Company requests in the Federal Administrative courts a precautionary measure to the immediate suspension of Articles 1 and 4 of Decree 566/2019 that imposed maximum prices for the sale of crude oil in the local market and the obligation to supply it, all in order to avoid damages on the operations and financial results of the Company.

On December 3, 2019, the Company withdrew of the precautionary measure and the case was filed on September 15, 2020. As of the date of these consolidated financial statements, the Term of this Decree has ended.

2.5.4.3 Decree No. 601/19

By Decree No. 601/19, dated August 30, 2019, the provisions of Decree 566/2019 were modified, establishing that:

(i) until November 13, 2019 deliveries of crude oil made in the local market need to be invoiced and paid at the agreed price between the producing and refining companies as of August 9, 2019, applying a reference exchange rate of 46.69 ARS/US and a Brent reference price of 59 US/bbl.; and

(ii) the maximum price of gasoline and diesel in all its qualities, marketed by the refining companies and the wholesale and retail retailers, whose final destination is the public supply through fuel pumps may not be higher than the current price as of August 9, 2019.

As of the date of these consolidated financial statements, the Term of this Decree has ended.

2.5.4.4 Resolution 557/2019

Through Resolution 557/2019, of the Secretariat of Energy ("SE") on September 19, 2019, it was determined that:

(i) during the term of Decree No. 601/2019, the prices of gasoline and diesel in all its qualities, marketed by refining companies and wholesale and retail retailers, whose final destination is the public supply through fuel pumps can increase in up to 4% with respect to the prices in force as of August 9, 2019; and

(ii) during the term of Decree No. 601/2019 deliveries of crude oil made in the local risk market will be invoiced and paid at the agreed price between the producing and refining companies as of August 9, 2019, applying a reference exchange rate of 49.30 ARS/ US, equivalent to 5.58% increase over the current reference value, and a Brent reference price of 59 US/bbl.

As of the date of these consolidated financial statements, the Term of the said Resolution has ended.

2.5.5 Royalties and other canons fees

For the years ended December 31, 2021, 2020, and 2019, royalties apply to total production of conventional and unconventional concessions and are calculated applying 12% to the selling price after discounting certain expenses to convert the cubic meter value of crude oil, natural gas and liquefied gas to wellhead prices. Royalties are included in the consolidated statements of profit or loss and other comprehensive income under "Cost of sales."



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The extensions mentioned in Note 30.3 also include an extraordinary production fee equal to 3% in the conventional areas of Entre Lomas Bajada del Palo, Jagüel de los Machos and 25 de Mayo-Medanito S.E., and 6.5% in Agua Amarga.

B- Mexico

2.5.6 Exploration and production activities

In 2013, Mexico introduced several amendments to Mexico's Constitution that led to opening oil, natural gas and energy to private investments.

As part of the energy reform, Petróleos Mexicanos ("PEMEX" by Spanish acronym) transformed from a decentralized public entity into a productive state-owned enterprise. In August of 2014, the Mexican Congress approved secondary legislation to introduce reforms that empower the Mexican government to award agreements to private-sector entities in the exploration and production sector through public tenders. These amendments also allow private-sector entities to obtain permits for hydrocarbon processing, refinery, trade, transport, storage, import and export, including processing, compression, liquefaction, regassification, transport, distribution, trade and retail of natural gas; transport, storage, distribution, trade and retail of oil byproducts, including LPG; and transport (through pipes) and related storage of petrochemical products, including ethane.

Legislation enacted in 2014 includes Mexico's Hydrocarbon Law ("Hydrocarbon Law") that preserves state property over subsoil hydrocarbons but allows private companies to assume responsibility for hydrocarbons once extracted. Mexico's Hydrocarbon Law empowers private-sector entities to request the granting of a permit from Mexico's Energy Regulatory Commission ("CRE" by Spanish acronym) to store, transport, distribute, trade and sell hydrocarbons, and own and operate pipes and liquefaction, regassification, compression and compressions stations or terminals and related equipment pursuant to technical and other regulations. In addition, private-sector entities can import or export hydrocarbons subject to a permit issued by Mexico's Ministry of Energy (the "SENER" by Spanish acronym)

The permits granted before Hydrocarbon Law was enacted, including the general terms and conditions, will remain effective during its original period, and permit holders' rights will not be affected by the new laws and regulations. However, new permits are required, such as trading permits granted by the CRE and import and export permits granted by the SENER.

2.5.7 Authorized governmental agency

The SENER is in charge of drafting Mexico's exploration and production policy, including the assessment of the areas to be made available through public tenders. It decides the bidding program and contract samples to be used. It also approves the nontax terms of the agreement, while the Ministry of Finance (Secretariat of Finance and Public Credit or the "SHCP" by Spanish acronym) approves the tax terms. The SHCP also participates in the audits.

The National Hydrocarbon Commission (the "CNH" by Spanish acronym) conducts rounds of bid granting agreements to oil companies and business consortia. It interacts with PEMEX and private companies and manage all exploration and production ("E&P") agreements. The agreements for the transport, storage, distribution, compression, liquefaction, decompression, regassification, trade and sale of crude oil, oil byproducts and natural gas are granted by the CRE.

2.5.8 Market regulations

In 2017, according to 2017 Federal Revenue Law, the Mexican government gradually lifted controls of gasoline and diesel prices as part of Mexico's fuel price deregulation. As of the date of issuance of these financial statements, gasoline and diesel selling prices are fully deregulated and determined by the market.



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2.5.9 Federal Environmental Law

Mexico’s Federal Environmental Liability Law, enacted on July 7, 2013, regulates environmental liability from environmental damage, including repairation and compensation. This liability systems is independent of administrative, civil or criminal liability systems.

2.5.10 Royalties and other canons

The consideration payable to the Mexican government will be made up of:

a. Contractual installment for exploration phase

It applies to the areas that do not have a development plan approved by the CNH and it is calculated monthly using the instalment established for each square kilometer comprising the areas covered by the contract.

b. Royalties

Royalties apply to the concessions’ total output and are calculated by applying the contractual percentage to the selling price. The contractual percentage may range between 40% or 45%, which will be adjusted as established in the contract. There is also a variable royalty, which will be applied to each type of hydrocarbon by applying the related rate to the selling price. Royalties are included in the consolidated statements of profit or loss and other comprehensive income under “Cost of sales”.

Note 3. Critical judgements estimates and assumptions

Preparing the consolidated financial statements requires that Management make future judgments and estimates, apply significant accounting judgments and make assumptions that affect the application of accounting policies and the figures for assets and liabilities, revenue and expenses.

The estimates and judgments used in preparing the consolidated financial statements are constantly evaluated and are based on the historical experience and other factors considered to be fair in accordance with current circumstances. Future profit (loss) may differ from the estimates and evaluations made as of the date of preparation of these consolidated financial statements.

3.1 Significant judgements in the application of accounting policies

Below are the significant judgments other than those involving estimates (see Note 3.2) that Management made in applying the Company’s accounting policies and that have a material impact on the figures recognized in the consolidated financial statements.

3.1.1 Contingencies

The Company is subject to several claims, trials and other legal proceedings that arose during the ordinary course of business. The Company’s liabilities with respect to such claims, trials and other legal proceedings cannot be estimated with an absolute certainty. Therefore, the Company periodically reviews each contingency status and assesses the potential financial liability, employing the criteria mentioned in Note 22.3; hence, Management makes estimates mainly with the legal counsel’s assistance based on information available as of the date of the consolidated financial statements and the litigation, resolution or settlement strategies.

Contingencies include pending lawsuits or claims for potential damage or third-party claims in the Company’s ordinary course of business and third-party claims from disputes related to the interpretation of applicable legislation.

The Company assesses whether there are additional expenses directly related to the resolution of each contingency, in which case they are included in the related provision, provided that they can be reasonably estimated.



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3.1.2 Environmental remediation

The costs incurred in limiting, neutralizing or preventing environmental pollution are capitalized only if at least one of the following conditions is met: (i) these costs are related to security improvements; (ii) environmental pollution risk is prevented or limited; or (iii) the costs incurred in preparing assets for sale and the carrying amount (which considers these costs) of these assets does not exceed the related recovery value.

The liabilities related to future remediation costs are booked when, based on environmental assessments, the likelihood of occurrence of these liabilities is high and costs may be reasonably estimated. The actual recognition and amount of these provisions is generally based on the commitments acquired by the Company to realize them, such as an approved remediation plan or the sale or disposal of an asset. The provision is recognized on the basis that the future remediation commitment will be required.

The Company measures liabilities based on the best estimate of the present value of future costs using the technology currently available and by applying current environmental laws and regulations and the Company's existing environmental policies.

3.1.3 Business combinations

The acquisition method implies the measurement at fair value of identifiable assets acquired and liabilities assumed in a business combination at acquisition date.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create an output. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with necessary skills, knowledge or experience to perform that processes or else it significantly contributes to the ability to produce outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs. In cases where an oil and gas property acquisition transaction does not compliance the above conditions, the Company considers that it must be recognized as an asset acquisition.

When the Company determines that it has acquired a business, to determine the fair value of identifiable assets, the Company uses the valuation approach that is most representative for each asset. These methods are the (i) income approach through indirect cash flows (net present value of expected future cash flows) or through the multi-period excess earnings method; (ii) cost approach (replacement value of the asset adjusted by loss due to physical impairment, functional and economic obsolescence); and (iii) market approach through a comparable transaction method.

Also, to determine the fair value of liabilities assumed, the Company considers the likelihood of cash outflows that will be required for each contingency and calculates the estimates with the legal counsel's assistance based on available information and the litigation and resolution/settlement strategy.

Management significant judgment is required to choose the approach to be used and estimate future cash flows. Actual cash flows and values may differ significantly from expected future cash flows and the related values obtained through the aforementioned valuation techniques.

3.1.4 Joint arrangements

The Company assesses whether it has joint control on an arrangement, which requires assessing relevant activities and decisions about these relevant activities that require unanimous consent. The Company determined that the relevant activities for joint arrangements are those related to operating decisions concerning capital, including the approval of the annual work program on capital and operating expenses; the budget for the joint arrangement; and the approval of service suppliers chosen for any major capital expenditure as required by joint operating agreements. The considerations made to assess joint control are the same as those needed to determine control on investments as established in Note 2.3.1.



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Judgment is also required to classify a joint arrangement. The classification of agreements requires that the Company assess its rights and obligations under the agreement. The Company specifically considers:

- The structure of the joint arrangement, whether it is structured through a separate vehicle;
- When it is structured through a separate vehicle, the Company also considers the rights and obligations from: (i) the legal form of the separate vehicle; (ii) the terms of the contractual agreement; and (iii) the events and circumstances, as the case may be.

This assessment frequently requires significant judgment. An erroneous conclusion on whether an arrangement involves joint control, joint operation or investment in a joint business may materially affect accountability, as established in Note 2.3.3.

3.1.5 Functional currency

The functional currency of the Company and its subsidiaries is the currency of the primary economic context in which each entity operates. The functional currency of all Company subsidiaries is the US dollar. To determine the functional currency, the Company makes judgments to identify the primary economic context. It reconsiders the functional currency in case of a change in the events and conditions that may determine the primary economic context.

3.2 Key sources of uncertainty in estimates

Below are the main estimates that entail significant risk and may generate adjustments in the Company's assets and liabilities next year:

3.2.1 Impairment of goodwill

Goodwill is reviewed annually for impairment or more frequently if there are events or changes in circumstances showing that the recoverable amount of the CGU related to goodwill should be analyzed. Whether goodwill is impaired is assessed by considering the recoverable amount of the CGUs to which it is allocated. Impairment is recognized when the recoverable amount of the CGU is lower than its carrying amount (including goodwill).

The Company has goodwill for 28,416 and 28,484 in the consolidated statement of financial position as of December 31, 2021, and 2020 (see note 14) related to the initial business combination.

The assessment of whether goodwill of a CGU or group of CGUs is impaired involves Management estimates on highly uncertain matters, including the assessment of the appropriate group of CGUs for goodwill impairment testing. The Company supervises goodwill for internal management purposes based on its only business segment.

Upon testing goodwill for impairment, the Company uses the approach described in Note 3.2.2.

No goodwill impairment losses were recognized as of December 31, 2021, and 2020.



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3.2.2 Impairment of nonfinancial assets other than goodwill

Nonfinancial assets, including identifiable intangible assets, are tested for impairment at the lowest level in which there are separately identifiable cash flows largely independent of the cash flows of other groups of assets or Cash Generated Units (“CGUs”). To such end, oil and gas properties in Argentina were grouped into 4 (four) CGUs: (i) operated concessions of conventional oil and gas exploration and production; (ii) operated concessions of unconventional oil and gas exploration and production; (iii) non-operating concessions of conventional oil and gas exploration and production; and (iv) non-operating concessions of unconventional oil and gas exploration and production. As of December 31, 2020, the Company also identified 2 (two) CGUs in Mexico: (i) non-operating concessions of conventional oil and gas exploration and production; and (ii) operated concessions of conventional oil and gas exploration and production. Moreover, as of December 31, 2021, and after the transfer of assets the Company has just one CGU in Mexico: (i) operated concessions of conventional oil and gas exploration and production (see Note 1.4).

To assess whether there is evidence that a CGU may be impaired, external and internal sources of information are analyzed, provided that the events or changes in circumstances show that the book value of an asset or CGU may not be recovered. Some examples of these events are changes in the Group’s business plans and assumptions on raw material prices and types of discounts, physical damage testing, or, in the case of oil and gas assets, significant downward revisions of estimated reserves or increases in estimated future development expenses or dismantling costs, the behavior of crude oil international prices and demand, the cost of raw materials, the regulatory framework, expected capital investments and changes in demand. Should there be an indication of impairment, the Company estimates the recoverable amount of the asset or CGU.

The recoverable amount of a CGU is the highest of (i) its fair value less selling price or costs of disposal through another way, and (ii) its value in use. When the carrying amount of a CGU exceeds its recoverable amount, the CGU is deemed impaired, and it is reduced to its recoverable amount. Due to the nature of the Company’s activities, the information on the fair value less selling price of an asset or CGU is usually difficult to obtain unless negotiations are underway with potential buyers or similar transactions. Consequently, unless otherwise stated, the recoverable amount used in impairment testing is the value in use.

The value in use of each CGU is estimated using the present value of future net cash flows. Each GGU’s business plans, which are approved annually by the Company, are the main sources of information to determine the value in use.

As the initial step in drafting these plans, the Company establishes different assumptions on market conditions, such as oil and natural gas prices. Moreover, as of December 31, 2021, and 2020, these assumptions consider existing prices, the balance between global supply and demand of oil and natural gas, other macroeconomic factors and the historical trends and variability. Upon assessing the value in use, estimated future cash flows are adjusted to consider the specific risks of the group of assets and are discounted at present value using a discount rate after taxes that reflects the current market assessments of the time value of money.

The Company assesses whether there is an indication that previously recognized impairment losses have reversed or decreased as of each reporting date. Should there be such an indication, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used in determining the recoverable amount of the asset since the last impairment loss was recognized. After a reversal, the depreciation charge is adjusted in future years to distribute the revised carrying amount of the asset less any residual value consistently throughout the remainder useful life.

The assessment of whether an asset or CGU is impaired and to which extent involves Company estimates on highly uncertain issues such as the effects of inflation and deflation on exploitation expenses, discount rates, production profiles, reserves and resources and commodity future prices, including the prospects for crude oil and natural gas supply and demand in international or regional markets. It requires that assumptions be made when assessing the proper grouping of items of property, plant and equipment in a CGU. Actual cash flows and values may differ significantly from expected future cash flows and related amounts obtained using discount techniques, which could create major changes in the accounting values of the Group’s assets.

Based on such analysis, the Company booked for the year ended December 31, 2020, an impairment of 14,044 related to the CGU for conventional oil and gas operating concessions in Mexico and 394 related to the CGU for non-operating conventional oil concessions and gas in Argentina.



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The Company identified no indications of impairment as of December 31, 2021. In addition, for the year ended December 31, 2021, it recognized a reversal in impairment for 14,044 related to the CGU of operated concessions of conventional oil and gas exploration and production in Mexico, mainly related to the recovery of crude oil prices and the rise in proved reserves.

Main assumptions used

The Company's calculation of the value in use related to the aforementioned CGUs is more sensitive to the following assumptions:

	As of December 31, 2021		As of December 31, 2020	
	Argentina	Mexico	Argentina	Mexico
Discount rates (after taxes)	16.6%	6.1%	12.5%	6.3%
Discount rates (before taxes)	19.0%	10.0%	15.8%	8.4%
Prices of crude oil, LPG and natural gas				
Crude oil (US/bbl) ⁽¹⁾				
2021	—	—	48.0	48.0
2022	73.0	65.8	53.5	53.5
2023	70.1	63.0	52.0	52.0
2024	70.5	63.5	52.9	52.9
2025	65.9	58.9	51.9	51.9
As from 2026	64.6	58.9	51.9	51.9
Natural gas-local prices (US/MMBTU) 2021				
2022	—	—	2.3	2.3
As from 2023	3.3	3.0	3.5	2.0
LPG-local prices (US/tn.)				
As from	300	—	350	—

(1) The prices correspond to Brent and Maya, for Argentina and Mexico, respectively.

- **Discount rates:** Discount rates represent the present market value of the Company's specific risks considering the time value of money and the individual risks of the underlying assets that have not been considered in cash flow estimates. The discount rate is calculated based on the Company's specific circumstances and is derived from the weighted average cost of capital ("WACC") with the proper adjustments to reflect risks and determine the rate after taxes. The income tax rate used is the tax rate effective in Argentina standing at 35% as from 2021 (see Note 33.1). The WACC considers the cost of debt and cost of capital. In calculating the WACC, the Company considered public market data of certain companies deemed comparable ("comparable companies") based on the industry, region and main activity.
- **Prices of crude oil, natural gas and LPG:** Expected commodity prices are based on Management estimates and available market data.

The Company considered discounts for crude oil prices based on the quality of the crude oil produced in each CGU. The changes in Brent and Maya prices were estimated using the average forecasts prepared by analysts from different banks for Brent and Maya price, respectively.

To forecast the local price of natural gas at 9,300 kcal/m³ ("gas price"), as it is not aligned with international gas pricing and it is influenced by the level of supply and demand in Argentina, Management used the average price received from gas sales in each CGU. Gas prices are adjusted linearly by the calorific value of gas produced in each CGU.

The Company's long-term assumption for oil prices is similar to the recent market price that reflects the judgment that recent prices are consistent with the fact that the market can produce enough oil to meet global demand sustainably in the long term.

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- **Production and reserve volumes:** In conventional CGUs, the future production level estimated in all impairment tests is based on proved and probable reserves, and contingent resources are also added in the case of unconventional CGUs. Production forecasts and reserve assumptions were based on reserve reports audited by external consultants and on reports prepared internally by the Company. Different success factors were also applied to determine the expected value of each type of reserve or contingent resource.

Sensitivity to changes in assumptions

Regarding the assessment of the value in use as of December 31, 2021, and 2020, the Company considers that there are no reasonably possible changes in any of the abovementioned main assumptions that may cause the carrying amount of any CGU to significantly exceed its recoverable amount, except for the following:

	As of December 31, 2021		As of December 31, 2020	
	Argentina ⁽¹⁾	México	Argentina ⁽¹⁾	México ⁽²⁾
Discount rate		+/- 10%		+/- 10%
<u>Carrying amount</u> ⁽¹⁾	(98) / -	- / -	- / -	(1,146) / -
Expected prices of crude oil, natural gas and LPG		+/- 10%		+/- 10%
<u>Carrying amount</u> ⁽¹⁾	- / (31,773)	- / -	- / (20,889)	- / (3,063)

⁽¹⁾ As of December 31, 2021, and 2020, related to the conventional oil and gas operating and non- operating concessions CGU.

⁽²⁾ As of December 31, 2020, related to the conventional oil and gas operating concessions CGU.

The aforementioned sensitivity analysis may not be representative of the actual change in the carrying amount because it is unlikely that the change in the assumptions would occur in isolation as some assumptions may be correlated.

As of December 31, 2021, and 2020, the net carrying amount of property, plant and equipment, intangible assets and right-of-use assets is disclosed in Notes 13, 14 and 15, respectively.

The triggering factors in CGU impairment tests were mainly the effect of the changes in prices, the macroeconomic context in Argentina during those periods and the changes in the discount rate. The recoverable amount was based on the Company's estimate of the value in use in each period.

3.2.3 Current and deferred income tax

Company Management should regularly assess the tax positions reported in the annual tax returns pursuant to the tax regulations applicable and, if needed, recognize the related provisions for the amounts payable by the Company to tax authorities. When the taxable profit of these items differs from the amounts initially recognized, these differences will have an effect on income tax and in the provision for deferred income tax for the tax year in which the assessment is made.

There are many transactions and calculations for which the final tax assessment is uncertain. The Company recognizes liabilities for potential tax claims based on estimates of whether additional taxes will be owed in the future.

Deferred tax assets are reviewed as of each reporting date and are amended according to the probability that the tax base allow the total or partial recovery of these assets.



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Deferred tax assets and liabilities are not discounted. Upon assessing the realization of deferred tax assets, Management considers whether it is probable that some or all assets are not realized, which depends on the generation of future taxable profit in the periods in which these temporary differences become deductible. To this end, Management considers the expected reversal of deferred tax liabilities, future taxable profit projections and tax planning strategies.

The assumptions on the generation of future taxable profit depend on Management estimates of future cash flows. These estimates are based on expected future cash flows from transactions, which are affected by sales and production volumes; oil and gas prices; operating costs; well plugging and abandonment; capital expenses; dividends and other equity management transactions; and the judgment on the application of tax laws effective in each jurisdiction. Insofar as future cash flows and taxable profit substantially differ from the Group's estimates, the Group's capacity to realize net deferred tax assets booked at reporting date may be affected. Moreover, future changes in the tax laws in the jurisdictions in which the Group operates may hinder its capacity to obtain tax deductions in future periods.

3.2.4 Well plugging and abandonment

Well plugging and abandonment at the end of the concession term requires that Company Management calculate the number of wells, the long-term costs of abandonment and the remaining time until abandonment. The technological, cost, policy, environment and safety issues change constantly and may give rise to differences between actual costs and future estimates.

Well plugging and abandonment estimates should be adjusted by the Company at least annually or in the event of changes in the assessment criteria assumed.

Well plugging and abandonment liabilities stand at 30,796, and 23,933 as of December 31, 2021, and 2020, respectively (See Note 22.1).

3.2.5 Oil and gas reserves

Oil and gas items of property, plant and equipment are depreciated using the units of production method over total proved reserves (developed and not developed as applicable). Reserves refer to oil and gas volumes that are economically producible in areas in which the Company operates or has (direct or indirect) interests, and over which the Company has exploitation rights, including oil and gas volumes related to service contracts in which the Company has no property rights over the reserves or hydrocarbons obtained and those estimated to be produced by the contractor under these service contracts.

The useful life of each property, plant and equipment asset is assessed at least annually considering the physical limitations of the goods and the assessments of the economically recoverable reserves in the field in which the asset is located.

There are several uncertainties in the estimate of proved reserves and future production plans, development costs and prices, including several factors that are beyond the producer's control. In estimating reserves, engineers calculate underground accumulations, which involves a certain degree of uncertainty. Reserve estimates depend on the quality of the engineering and geological data available as of the estimate date and their interpretation and judgment.

Reserve estimates are adjusted when it is justified by changes in the assessment criteria or at least annually. These reserves are based on the reports prepared by oil and gas consulting professionals.

The Company uses the information obtained from the reserve calculation in determining the depreciation of assets used in oil and gas areas, and in assessing their recoverability (see Notes 3.2.1, 3.2.2, 13 and 36).



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3.2.6 Share-based payments

The fair value estimate of share-based payments requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the award. This estimate also requires the assessment of the most appropriate input for the valuation model, including the remaining life of stock options, volatility, dividend yield and the assumptions made regarding these inputs.

To measure the fair value of share-based payments at grant date, the Company employs the Black & Scholes model. The carrying amount, hypotheses and models used in estimating the fair value of transactions involving share-based payments are disclosed in Note 34.

Note 4. Segment information

The CODM is in charge of allocating resources and assessing the performance of the operating segment. It supervises operating profit / (loss) and the performance of the indicators related to its oil and gas properties on an aggregate basis to make decisions regarding the location of resources, negotiate with international suppliers and determine the method for managing contracts with customers.

The CODM considers as a single segment the exploration and production of crude oil, natural gas and LPG (including E&P commercial activities), through its own activities, subsidiaries and interests in joint operations and based on the nature of the business, customer portfolio and risks involved. The Company aggregated no segment as it has only one.

For the years ended December 31, 2021, 2020, and 2019, the Company generated 99% and 1% of its revenues related to assets located in Argentina and Mexico, respectively.

The accounting criteria used by the subsidiaries to measure profit or loss, assets and liabilities of the segments are consistent with those used in these consolidated financial statements.

The following chart summarizes noncurrent assets per geographical area:

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>	<u>As of December 31, 2019</u>
Argentina	1,260,851	1,086,308	982,397
Mexico	47,837	18,468	30,165
Total noncurrent assets	1,308,688	1,104,776	1,012,562

Note 5. Revenue from contracts with customers

	<u>Year ended December 31, 2021</u>	<u>Year ended December 31, 2020</u>	<u>Year ended December 31, 2019</u>
Goods sold	652,187	273,938	415,976
Total revenue from contracts with customers	652,187	273,938	415,976
Recognized at a point in time	652,187	273,938	415,976

The Company's transactions and main revenue are described in Note 2.4.7. Revenue is derived from contracts with customers



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5.1 Information broken down by revenue from contracts with customers

Type of products	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Revenues from crude oil sales	593,060	236,596	338,272
Revenues from natural gas sales	54,301	33,575	71,524
Revenues from LPG sales	4,826	3,767	6,180
Total revenue from contracts with customers	652,187	273,938	415,976

Distribution channels	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Refineries	410,904	141,672	338,272
Exports from crude oil	182,156	94,924	—
Natural gas for electric power generation	18,461	2,275	5,793
Retail natural gas distribution companies	18,351	13,809	26,452
Industries ⁽¹⁾	17,489	17,491	39,279
LPG sales	4,826	3,767	6,180
Total revenue from contracts with customers	652,187	273,938	415,976

⁽¹⁾ During the year ended December 31, 2021, including 169 related to exports of natural gas.

5.2 Performance obligations

The Company's performance obligations are related to the transfer of goods to customers. The E&P business involves all the activities related to oil and natural gas exploration, development and production. Revenue is mainly derived from the sale of produced oil, natural gas and LPG to third parties at a point in time.

Note 6. Cost of sales

6.1 Operating costs

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Fees and compensation for services	53,024	46,218	67,209
Salaries and payroll taxes	16,591	12,593	10,943
Consumption of materials and spare parts	15,912	11,181	17,062
Easements and fees	9,572	8,222	9,632
Employee benefits	4,877	3,867	2,836
Transport	3,274	2,351	2,914
Other	3,873	3,586	3,835
Total operating costs	107,123	88,018	114,431

6.2 Crude oil stock fluctuation

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Crude oil stock at beginning of year (Note 19)	6,127	3,032	2,722
Less: Crude oil stock at end of year (Note 19)	(5,222)	(6,127)	(3,032)
Total crude oil stock fluctuation	905	(3,095)	(310)



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Note 7. Selling expenses

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Transport	19,554	10,395	9,596
Taxes, rates and contributions	13,921	6,014	13,115
Tax on bank account transactions	6,061	3,033	4,495
Fees and compensation for services ⁽¹⁾	2,806	4,603	50
Allowance / (Reversal) of the expected credit loss (Note 17)	406	(22)	(118)
Total selling expenses	42,748	24,023	27,138

⁽¹⁾ Including 1,651 and 4,367 for crude storage during the years ended December 31, 2021, and 2020, respectively.

Note 8. General and administrative expenses

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Salaries and payroll taxes	14,130	8,882	10,958
Share-based payments	10,592	10,494	10,655
Employee benefits	8,236	4,984	6,055
Fees and compensation for services	7,412	6,466	9,603
Institutional promotion and advertising	2,237	1,215	1,179
Taxes, rates and contributions	1,311	740	1,718
Other	1,940	1,137	2,232
Total general and administrative expenses	45,858	33,918	42,400

Note 9. Exploration expenses

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Geological and geophysical expenses	561	646	676
Total exploration expenses	561	646	676

Note 10. Other operating income and expenses

10.1 Other operating income

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Gain from assets disposal ⁽¹⁾	9,999	—	—
Gain from farmout agreement (Note 1.2)	9,050	—	—
Other services charges ⁽²⁾	3,971	3,924	3,165
Bargain purchase on business combination (Note 32)	—	1,383	—
Other	265	266	—
Total other operating income	23,285	5,573	3,165

⁽¹⁾ Including (i) 9,788 related to the transfer of working interest in CASO; (ii) 198 related to the transfer of Mexico's exploration assets, and (iii) 13 related to the expiry of concession in Sur Río Deseado Este area (see Note 1.3, 1.4 and 30.3.9).

⁽²⁾ Services not directly related to the Company's main activity.



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10.2 Other operating expenses

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Restructuring expenses ⁽¹⁾	(2,281)	(3,469)	(3,244)
Reorganization expenses	(3)	(1,417)	—
Provision for environmental remediation (Note 22.2)	(1,029)	(463)	(816)
Provision for contingencies (Note 22.3)	(652)	(267)	(422)
(Allowance) / Reversal provision for materials and spare parts	(249)	627	(972)
Other	—	—	(726)
Total other operating expenses	(4,214)	(4,989)	(6,180)

⁽¹⁾ The Company booked restructuring expenses including payments, fees and transaction costs related to the changes in the Group's structure.

Note 11. Financial results

11.1 Interest income

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Financial interest	65	822	1,328
Interests on government notes at amortized costs	—	—	2,442
Total interest income	65	822	3,770

11.2 Interest expense

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Borrowings interest (Note 18.2)	(50,660)	(47,923)	(34,159)
Other interest	—	—	(4)
Total interest expense	(50,660)	(47,923)	(34,163)

11.3 Other financial results

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Amortized cost (Note 18.2)	(4,164)	(2,811)	(2,076)
Changes in the fair value of warrants (Note 18.5.1)	(2,182)	16,498	6,840
Net changes in foreign exchange rate	14,328	3,068	(2,991)
Discount of assets and liabilities at present value	(2,300)	(3,432)	(10)
Impairment of financial assets	—	(4,839)	—
Changes in the fair value of financial assets	5,061	(645)	873
Interest expense on lease liabilities (Note 15)	(1,079)	(1,641)	(1,561)
Discount for well plugging and abandonment (Note 22.1)	(2,546)	(2,584)	(1,723)
Remeasurements of borrowings ⁽¹⁾ (Note 18.2)	(19,163)	—	—
Other	4,851	633	(67)
Total other financial results	(7,194)	4,247	(715)

⁽¹⁾ Related to borrowings in UVA, adjusted by CER.



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Note 12. Earnings / (loss) per share

a) Basic

Basic earnings (loss) per share is calculated by dividing the Company’s profit or loss by the weighted average number of ordinary shares outstanding during the year.

b) Diluted

Diluted earnings (loss) per share is calculated by dividing the Company’s profit or loss by the weighted average number of ordinary shares outstanding during the year, plus the weighted average of dilutive potential ordinary shares.

Potential ordinary shares will be considered dilutive when their conversion to ordinary shares may reduce earnings per share or increase losses per share. They will be considered antidilutive when their conversion to ordinary shares may result in an increase in earnings per share or a reduction in loss per share.

The calculation of diluted earnings (loss) per share does not involve a conversion; the exercise or other issue of shares that may have an antidilutive effect on loss per share, or when the exercise price is higher than the average price of ordinary shares during the year, no dilution effect is booked, as diluted earnings (loss) per share is equal to basic earnings (loss) per share.

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Profit / (loss) for the year, net	50,650	(102,749)	(32,723)
Weighted average number of ordinary shares	88,242,621	87,473,056	80,068,287
Basic earnings / (loss) per share (in US dollars per share)	0.574	(1.175)	(0.409)
	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Profit / (loss) for the year, net	50,650	(102,749)	(32,723)
Weighted average number of ordinary shares	93,273,978	87,473,056	80,068,287
Diluted earnings / (loss) per share (in US dollars per share)	0.543	(1.175)	(0.409)

As of December 31, 2019, the Company holds the following ordinary shares that, on the date of this consolidated financial statements, are currently out of the money. Consequently, they are not included in the weighted average number of ordinary shares to calculate diluted earnings / (loss) per share:

- i. 21,666,667 Series A shares related to 65,000,000 Series A warrants (See Note 18.3);
- ii. 9,893,333 Serie A shares related to 29,680,000 warrants (See Note 18.3);
- iii. 1,666,667 Serie A shares related to 5,000,000 securities (Forward Purchase Agreement or “FPA”) (See Note 18.3);
- iv. 8,432,068 Series A shares to be used in the LTIP.

As of December 31, 2020, the Company holds the following ordinary shares that, on the date of this consolidated financial statements, are currently out of the money. Consequently, they are not included in the weighted average number of ordinary shares to calculate diluted earnings / (loss) per share:

- i. 21,666,667 Series A shares related to 65,000,000 Series A warrants (See Note 18.3);
- ii. 9,893,333 Serie A shares related to 29,680,000 warrants (See Note 18.3);
- iii. 1,666,667 Serie A shares related to 5,000,000 securities (Forward Purchase Agreement or “FPA”) (See Note 18.3);
- iv. 7,714,286 Series A shares to be used in the LTIP.



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Due to the anti-dilutive nature of the potential common shares disclosed above there are no differences with the basic loss per share.

As of December 31, 2021, the Company holds the following ordinary shares that, on the date of this consolidated financial statements, are currently out of the money. Consequently, they are not included in the weighted average number of ordinary shares to calculate diluted earnings / (loss) per share:

- i. 21,666,667 Series A shares related to 65,000,000 Series A warrants (See Note 18.3);
- ii. 9,893,333 Series A shares related to 29,680,000 warrants (See Note 18.3);
- iii. 1,666,667 Series A shares related to 5,000,000 securities (Forward Purchase Agreement or "FPA") (See Note 18.3);
- iv. 3,957,518 Series A shares to be used in the LTIP.

There were no other transactions involving ordinary shares or dilutive potential ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.



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Note 13. Property, plant and equipment

The changes in property, plant and equipment for the year ended December 31, 2020, are as follows:

	Land and buildings	Vehicles, machinery, facilities, computer hardware and furniture and fixtures	Oil and gas properties	Production wells and facilities	Works in progress	Materials and spare parts	Total
Cost							
Amounts as of December 31, 2019	2,445	20,411	353,076	658,690	75,525	27,454	1,137,601
Additions ⁽¹⁾	11	133	—	2,197	186,230	37,317	225,888
Transfers	—	1,410	—	216,536	(182,199)	(35,747)	—
Disposals ⁽²⁾	—	(123)	—	(366)	—	(173)	(662)
Impairment of long-lived assets ⁽³⁾	—	—	—	(394)	—	—	(394)
Amounts as of December 31, 2020	2,456	21,831	353,076	876,663	79,556	28,851	1,362,433
Accumulated depreciation							
Amounts as of December 31, 2019	(89)	(3,838)	(19,489)	(197,119)	—	—	(220,535)
Depreciation	(187)	(3,731)	(13,884)	(121,941)	—	—	(139,743)
Eliminated of disposals	—	103	—	—	—	—	103
Amounts as of December 31, 2020	(276)	(7,466)	(33,373)	(319,060)	—	—	(360,175)
Net value							
Amounts as of December 31, 2020	2,180	14,365	319,703	557,603	79,556	28,851	1,002,258

⁽¹⁾ Additions includes 2,018 related to Business Combination mentioned in Note 32.
⁽²⁾ Disposals of wells and production facilities related to the reestimation of assets retirement obligation.
⁽³⁾ See Note 3.2.2 for the details on impairment testing of oil and gas properties.



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The changes in property, plant and equipment for the year ended December 31, 2021, are as follows:

	Land and buildings	Vehicles, machinery, facilities, computer hardware and furniture and fixtures	Oil and gas properties	Production wells and facilities	Works in progress	Materials and spare parts	Total
Cost							
Amounts as of December 31,							
2020	2,456	21,831	353,076	876,663	79,556	28,851	1,362,433
Additions	253	106	30,076 ⁽¹⁾	7,343 ⁽³⁾	287,815	28,626	354,219
Transfers	—	2,111	—	296,624	(269,161)	(29,574)	—
Disposals	—	(665)	(997) ⁽²⁾	—	—	(107)	(1,769)
Incorporation for the acquisition of AFBN assets ⁽⁴⁾	—	—	69,693	—	—	—	69,693
Assets disposals ⁽⁵⁾	—	(313)	(5,557)	(5,931)	(6,965)	—	(18,766)
Amounts as of December 31, 2021	2,709	23,070	446,291	1,174,699	91,245	27,796	1,765,810
Accumulated depreciation							
Amounts as of December 31,							
2020	(276)	(7,466)	(33,373)	(319,060)	—	—	(360,175)
Depreciation	(18)	(3,915)	(20,579)	(159,637)	—	—	(184,149)
Disposals	—	525	115 ⁽²⁾	—	—	—	640
Assets disposals ⁽⁵⁾	—	22	214	1,620	—	—	1,856
Amounts as of December 31, 2021	(294)	(10,834)	(53,623)	(477,077)	—	—	(541,828)
Net value							
Amounts as of December 31,							
2021	2,415	12,236	392,668	697,622	91,245	27,796	1,223,982

- (1) Related to transferred of “Exploration rights” of operated area CS-01 in Mexico from “Other intangible assets” (see Note 1.4). This transaction did not generate cash flows, or significant depreciation charges for the year ended December 31, 2021.
- (2) Related to the farmout agreement (see Note 1.2).
- (3) Including 2,112 related to the re-estimation of well plugging and abandonment. This transaction did not generate cash flows.
- (4) These additions did not generate cash flows (see Note 1.5).
- (5) Including 11,784 of net disposal for the transfer of working interest in CASO; and 5,126 related to the transfer of Mexico’s exploration assets that did not generate cash flows (see Note 1.3 and 1.4).



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Note 14. Goodwill and other intangible assets

Below are the changes in goodwill and other intangible assets for the year ended December 31, 2020:

	Goodwill	Other intangible assets		Total
		Software licenses	Exploration rights	
Cost				
Amounts as of December 31, 2019	28,484	6,941	29,403	36,344
Additions	—	3,664	—	3,664
Impairment of long -live assets ⁽¹⁾	—	—	(14,044)	(14,044)
Amounts as of December 31, 2020	28,484	10,605	15,359	25,964
Accumulated amortization				
Amounts as of December 31, 2019	—	(2,315)	—	(2,315)
Amortization	—	(2,568)	—	(2,568)
Amounts as of December 31, 2020	—	(4,883)	—	(4,883)
Net value				
Amounts as of December 31, 2020	28,484	5,722	15,359	21,081

⁽¹⁾ See Note 3.2.2.

Below are the changes in goodwill and other intangible assets for the year ended December 31, 2021:

	Goodwill	Other intangible assets		Total
		Software licenses	Exploration rights	
Cost				
Amounts as of December 31, 2020	28,484	10,605	15,359	25,964
Additions	—	1,611	—	1,611
Disposals	(68) ⁽¹⁾	—	(30,076) ⁽²⁾	(30,076)
Acquisition of Mexico’s exploration assets	—	—	14,928 ⁽³⁾	14,928
Disposal of Mexico’s exploration assets	—	—	(14,255) ⁽³⁾	(14,255)
Reversal of long-lived assets impairment	—	—	14,044 ⁽⁴⁾	14,044
Amounts as of December 31, 2021	28,416	12,216	—	12,216
Accumulated amortization				
Amounts as of December 31, 2020	—	(4,883)	—	(4,883)
Amortization	—	(3,455)	—	(3,455)
Amounts as of December 31, 2021	—	(8,338)	—	(8,338)
Net value				
Amounts as of December 31, 2021	28,416	3,878	—	3,878

⁽¹⁾ Related to the farmout agreement (see Note 1.2).

⁽²⁾ Related to exploration rights of operated area CS-01 in Mexico transferred to “Property, plant and equipment” (see Note 13). These transactions did not generate cash flows.

⁽³⁾ These transactions did not generate cash flows (see Note 1.4).

⁽⁴⁾ See Note 3.2.2.



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Goodwill arises from the initial business combination, mainly due to the Company's capacity to tap into unique synergies from managing a portfolio of acquired oil and existing plots of land.

As of December 31, 2021, it was allocated to the following CGUs in Argentina: (i) 22,874 to operated concessions of unconventional oil and gas exploration and production; and (ii) 5,542 to operated concessions of conventional oil and gas exploration and production. As of December 31, 2020, it was allocated to the following CGUs in Argentina: (i) 22,942 to operated concessions of unconventional oil and gas exploration and production; and (ii) 5,542 to operated concessions of conventional oil and gas exploration and production.

Software licenses are amortized over the 3-year estimated useful life.

Exploration rights are related to the acquisition of 50% of working interest in three oil and gas properties in which Jaguar and Pantera were licensees (Note 30.3.12). During the year ended December 31, 2020, an impairment charge was recognized in exploration and evaluation assets in Mexico for 14,044 related to the CGU of operated concessions of unconventional oil and gas.

During the year ended December 31, 2021, the Company recognized a reversal in impairment of exploration and evaluation assets for 14,044 related to the CGU of operated concessions of conventional oil and gas in Mexico. In addition, exploration rights were transferred to "Property, plant and equipment" under "Oil & gas properties" as the technical and commercial feasibility of these assets was determined.

Note 15. Right-of-use assets and lease liabilities

The carrying amount of the Company's right-of-use assets and lease liabilities, as well as the changes for the years ended in December 2021, and 2020, are detailed below:

	Right-of-use assets			Total lease liabilities
	Buildings	Plant and machinery	Total	
Amounts as of December 31, 2019	2,060	14,564	16,624	(16,767)
Additions	114	17,273	17,387	(17,470)
Re-estimations	(257)	(3,671)	(3,928)	3,901
Depreciation ⁽¹⁾	(598)	(6,907)	(7,505)	—
Payments	—	—	—	9,067
Interest expenses ⁽²⁾	—	—	—	(2,412)
Amounts as of December 31, 2020	1,319	21,259	22,578	(23,681)

⁽¹⁾ Including the depreciation of drilling services capitalized as "works in progress" for 2,142.

⁽²⁾ Including drilling agreements capitalized as "works in progress" for 771.

	Right-of-use assets			Total lease liabilities
	Buildings	Plant and machinery	Total	
Amounts as of December 31, 2020	1,319	21,259	22,578	(23,681)
Additions	—	7,162	7,162	(7,162)
Re-estimations	367	1,958	2,325	(2,242)
Depreciation ⁽¹⁾	(475)	(5,136)	(5,611)	—
Payments	—	—	—	8,911
Interest expenses ⁽²⁾	—	—	—	(2,900)
Amounts as of December 31, 2021	1,211	25,243	26,454	(27,074)

⁽¹⁾ Including the depreciation of drilling services capitalized as "works in progress" for 1,902.

⁽²⁾ Including drilling agreements capitalized as "works in progress" for 1,821.

In line with note 2.4.3, short-term and low-value leases were recognized under "General and administrative expenses" in the statements of profit or loss and other comprehensive income for 152, 131 and 201 for the years ended December 31, 2021, 2020, and 2019, respectively.



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Note 16. Deferred income tax assets and liabilities, and income tax expense

Deferred income tax assets and liabilities break down as follows:

	As of December 31, 2019	Profit (loss)	Other changes in equity	Other comprehensive income (loss)	As of December 31, 2020
Short-term investments	523	(658)	—	—	(135)
Employee benefit	1,627	(876)	—	114	865
Share-based payments	1,166	(1,166)	—	—	—
Tax losses and other unused tax credits ⁽¹⁾	7,345	29,004	—	—	37,479
Provisions	6,860	(4,387)	—	—	2,473
Right-of-use assets, net	65	199	—	—	264
Assets for deferred income tax	17,586	22,116	—	114	40,946
Property, plant and equipment	(138,068)	4,157	—	—	(133,911)
Trade and other receivables	(443)	(118)	—	—	(561)
Intangible assets	(771)	771	—	—	—
Inventories	(1,351)	529	—	—	(822)
Payment of borrowings costs	—	(1,212)	—	—	(1,212)
Other	(3)	—	—	—	(3)
Credit for static and dynamic adjustment for inflation	(23,493)	(15,946)	—	—	(39,439)
Liabilities for deferred income tax	(164,129)	(11,819)	—	—	(175,948)
Deferred income tax, net	(146,543)	10,297	—	114	(135,002)

	As of December 31, 2020	Profit (loss)	Other changes in equity	Other comprehensive income (loss)	As of December 31, 2021
Short-term investments	(135)	(1,790)	—	—	(1,925)
Employee benefit	865	—	—	2,048	2,913
Tax losses and other unused tax credits ⁽¹⁾	37,479	(30,507)	—	—	6,972
Provisions	2,473	4,792	—	—	7,265
Right-of-use assets, net	264	(103)	—	—	161
Assets for deferred income tax	40,946	(27,608)	—	2,048	15,386
Property, plant and equipment	(133,911)	(16,875)	—	—	(150,786)
Trade and other receivables	(561)	2,345	—	—	1,784
Inventories	(822)	(447)	—	—	(1,269)
Payment of borrowings costs	(1,212)	(13)	—	—	(1,225)
Other	(3)	(498)	—	—	(501)
Credit for static and dynamic adjustment for inflation	(39,439)	3,401	—	—	(36,038)
Liabilities for deferred income tax	(175,948)	(12,087)	—	—	(188,035)
Deferred income tax, net	(135,002)	(39,695)	—	2,048	(172,649)

⁽¹⁾ As of December 31, 2021, and 2020, the Company has recognized Net Operating Loss (“NOL”) based on a recoverability analysis of expected future taxable income in the following years, generated in Argentina and Mexico, respectively.



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Deferred income tax assets and liabilities are offset in the following cases: (i) when there is a legally enforceable right to offset tax assets and liabilities; and (ii) when deferred income tax charges are related to the same tax authority. The following amounts, are disclosed in the consolidated statement of financial position:

	As of December 31, 2021	As of December 31, 2020
Deferred income tax assets, net	2,771	565
Deferred income tax liabilities, net	175,420	135,567

Income tax breaks down as follows:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Current income tax			
Current income tax (expense)	(62,419)	(184)	(3,032)
Difference in the estimate of previous fiscal year income tax and the income return	—	—	1,146
Deferred income tax			
Deferred income tax relating to origination and reversal of temporary differences (expense) / benefit	(39,695)	10,297	(14,346)
Income tax (expense) / benefit reported in the consolidated statements of profit or loss	(102,114)	10,113	(16,232)
Deferred tax charged to OCI	2,048	(114)	394
Total income tax (expense) / benefit	(100,066)	9,999	(15,838)

Below is the reconciliation between income tax expense and the amount resulting from the application of the tax rate to profit / (loss) before income tax:

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Profit / (loss) before income tax	152,764	(112,862)	(16,491)
Effective income tax rate	30%	30%	30%
Income tax at the effective tax rate pursuant to effective tax regulations	(45,829)	33,859	4,947
Items that adjust income tax (expense) / benefit:			
Nondeductible expenses	(6,600)	(2,449)	(1,782)
Inflation adjustment	(98,348)	(32,086)	(31,796)
Effect on the measurement of monetary and nonmonetary items at functional currency	86,724	24,628	15,395
Unrecognized tax losses and other assets	(4,047)	(7,039)	(7,285)
Effect of tax losses ⁽¹⁾	31,232	(179)	1,675
Effect related to statutory income tax rate change ⁽²⁾	(67,312)	(6,384)	2,721
Application of tax credits	9,710	—	—
Effect related to the difference in tax rate other than Mexican statutory rate	(7,637)	—	—
Difference in the estimate of previous fiscal year income tax and the income tax statement	—	—	1,146
Other	(7)	(237)	(1,253)
Total income tax benefit / (expense)	(102,114)	10,113	(16,232)

⁽¹⁾ See Note 16.1.

⁽²⁾ Mainly include effects of Note 33.1.

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Some subsidiaries in Mexico carry accumulated tax losses not recognized for which no deferred tax asset has been recognized and which may recover provided that certain requirements are met. Below are the accumulated tax losses not recognized and their due dates:

	As of December 31, 2021	As of December 31, 2020
2027	—	4,324
2028	47,071	50,788
2029	13,781	22,999
As from 2030	2,062	11,701
Total accumulated tax losses not recognized	62,914	89,812

Moreover, the Company has other tax credits in Mexico that may be recovered up to 2025 for 1,024 as of December 31, 2020, these tax credits were recovered during the 2021 financial year.

Income tax liabilities break down as follows:

	As of December 31, 2021	As of December 31, 2020
<u>Current</u>		
Income tax, net of withholdings and prepayments	44,625	—
Total current	44,625	—

16.1 Current income tax

The reform introduced by Law No. 27,541 in Argentina set forth that, for fiscal years beginning January 1, 2021, 100% of the adjustment for inflation be deducted or levied in the year in which it is determined (see Note 33.1).

For the fiscal year ended December 31, 2021, such adjustment for inflation generated a significant increase in the income tax base of Vista Argentina, a Company subsidiary, due to the disparity between the changes in the Consumer Price Index (“IPC”, by Spanish acronym) and the exchange rate during such period.

The Company considers that the application of this adjustment for inflation violates constitutional rights, principles and guarantees, as it levies fictitious profit, thus increasing the tax burden in a way which is constitutionally inadmissible pursuant to case law issued by the Argentine Supreme Court of Justice.

In addition, in this context, Vista Argentina recognized the effects of inflation upon applying accumulated tax losses to the income tax base for 2021.

Note 17. Trade and other receivables

	As of December 31, 2021	As of December 31, 2020
<u>Noncurrent</u>		
Other receivables:		
Prepayments, tax receivables and others:		
Prepayments and other receivables	15,236	9,884
Value added tax (“VAT”)	4,010	5,562
Turnover tax	765	789
Income tax	—	11,995
Minimum presumed income tax	—	1,034
	20,011	29,264
Financial assets:		
Loans to employees	199	546
	199	546
Total noncurrent trade and other receivables	20,210	29,810



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	As of December 31, 2021	As of December 31, 2020
Current		
Trade:		
Oil and gas accounts receivable (net of allowance of expected credit loss)	25,224	23,260
	25,224	23,260
Other receivables:		
Prepayments, tax credits and other:		
VAT	9,131	17,022
Prepaid expenses	3,633	3,228
Income tax	860	254
Turnover tax	42	406
	13,666	20,910
Financial assets:		
Receivables from joint operations	2,286	24
Accounts receivable from third parties	2,025	1,974
Gas IV Plan (Note 2.5.3.2)	1,729	—
Advances to directors and loans to employees	491	499
LPG price stability program	293	322
RI program (Note 2.5.3.1)	—	4,012
Other	382	18
	7,206	6,849
Other receivables	20,872	27,759
Total current trade and other receivables	46,096	51,019

Due to the short-term nature of current trade and other receivables, their carrying amount is considered similar to their fair value. The fair values of noncurrent trade and other receivables do not differ significantly from their carrying amounts either.

In general, accounts receivable have a 15-day term for sales of crude oil and a 50-day term for sales of natural gas and LPG.

The Company sets up a provision for trade receivables when there is information showing that the debtor is facing severe financial difficulties or that there is no realistic probability of recovery; for example, when the debtor goes into liquidation or files for bankruptcy proceedings. None of the trade and other receivables that were derecognized are subject to compliance activities. The Company recognized an expected credit loss allowance for all accounts receivable that are 90 days past due because, based on its history, these accounts receivable are generally not recovered.

As of December 31, 2021, and 2020, provision for expected credit losses was recorder for 406, and 3, respectively.

The changes in the allowance for expected credit losses of trade and other receivables are as follows:

	As of December 31, 2021	As of December 31, 2020
Amounts at beginning of year	(3)	(100)
(Reversal)/ Allowance for expected credit losses (Note 7)	(406)	22
Disposal	—	67
Foreign exchange differences	3	8
Amounts at end of the year	(406)	(3)



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As of the date of these consolidated financial statements, maximum exposure to credit risk is related to the carrying amount of each class of accounts receivable.

Note 18. Financial assets and liabilities

18.1 Borrowings:

	As of December 31, 2021	As of December 31, 2020
Noncurrent		
Borrowings	447,751	349,559
Total noncurrent	447,751	349,559
Current		
Borrowings	163,222	190,227
Total current	163,222	190,227
Total Borrowings	610,973	539,786

Below are the maturity dates of Company borrowings (excluding lease liabilities) and their exposure to interest rates:

	As of December 31, 2021	As of December 31, 2020
Fixed interest		
Less than 1 year	109,016	113,174
From 1 to 2 years	112,860	105,652
From 2 to 5 years	214,491	134,623
Over 5 years	75,468	—
Total	511,835	353,449
Variable interest		
Less than 1 year	54,206	77,053
From 1 to 2 years	44,932	64,352
From 2 to 5 years	—	44,932
Total	99,138	186,337
Total Borrowings	610,973	539,786

See Note 18.5.2 for information on the fair value of the borrowings.

The carrying amount of borrowings effective as of December 31, 2021, is as follows:

Subsidiary	Bank	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	Carrying amount
Vista Argentina	Banco Galicia, Banco Itaú Unibanco, Banco Santander Rio and Citibank NA ⁽¹⁾	July, 2018	US	150,000	Variable	LIBOR + 4.5% ⁽¹⁾	July, 2023	184,581
				150,000	Fixed	8%		
Vista Argentina	Banco BBVA S.A.	July, 2019	US	15,000	Fixed	9.40%	July, 2022	5,081
Vista Argentina	Santander International	January, 2021	US	11,700	Fixed	1.80%	January, 2026	137 ⁽²⁾



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Subsidiary	Bank	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	Carrying amount
Vista Argentina	Santander International	July, 2021	US	43,500	Fixed	2.05%	July, 2026	60 ⁽²⁾
Vista Argentina	Bolsas y Mercados Argentinos S.A.	December, 2021	ARS	917,892	Fixed	32%	March, 2022	3,191 ⁽³⁾

(1) As of December 31, 2021, the Company should meet the following financial ratios according to the parameters defined in the loan agreement:

- (i) The ratio of consolidated net debt to consolidated EBITDA (“Earnings Before Interest, Tax, Depreciation and Amortization.”)
- (ii) The consolidated interest coverage rate as of the last day of every tax quarter. The consolidated interest coverage rate is the proportion of (a) consolidated EBITDA to (b) consolidated interest expenses for the period.

This credit facility includes covenants restricting, but not prohibiting, among other things, Vista Argentina, Vista Holding I, Vista Holding II, Aluvional S.A. and AFBN S.R.L. and the Company’s ability to: (i) incur or guarantee additional debt; (ii) create liens on its assets to secure debt; (iii) dispose of assets (iv) merge or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets; (v) change their existing line of business (vi) declare or pay any dividends or return any capital; (vii) make investments; (viii) enter into transactions with affiliates; and (ix) change their existing accounting practices.

As of December 31, 2021, and 2020, there was no non-compliance of said affirmative, negative and financial covenants.

For more information related to LIBOR, see Note 2.2.

(2) The carrying amount related to interest and the principal is collateralized.

(3) Net amount of 6,793 from short-term investments granted as securities.

Moreover, Vista Argentina issued nonconvertible debt securities, under the name “Programa de Notas” approved by the National Securities Commission in Argentina (“CNV” by its Spanish acronym). The following chart shows the carrying amount of negotiable obligations (“ON” by its Spanish acronym) effective as of December 31, 2021:

Subsidiary	Instrument	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	Carrying amount
Vista Argentina	ON II	August, 2019	US	50,000	Fixed	8.50%	August, 2022	50,492
Vista Argentina	ON III	February, 2020	US	50,000	Fixed	3.50%	February, 2024	50,316
Vista Argentina	ON IV ⁽¹⁾	August, 2020	ARS	725,650	Variable	Badlar + 1.37%	February, 2022	7,427
Vista Argentina		August, 2020	US	20,000	Fixed	0%	August, 2023	19,869
Vista Argentina	ON V	December, 2020	US	10,000	Fixed	0%	August, 2023	9,931
Vista Argentina	ON VI	December, 2020	US	10,000	Fixed	3.24%	December, 2024	9,940
Vista Argentina	ON VII	March, 2021	US	42,371	Fixed	4.25%	March, 2024	41,970
Vista Argentina	ON VIII	March, 2021	ARS ⁽²⁾	3,054,537	Fixed	2.73%	September, 2024	40,888
Vista Argentina	ON IX	June, 2021	US	38,787	Fixed	4.00%	June, 2023	38,551
Vista Argentina	ON X	June, 2021	ARS ⁽²⁾	3,104,063	Fixed	4.00%	March, 2025	36,891



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Subsidiary	Instrument	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	Carrying amount
Vista Argentina	ON XI	August, 2021	US	9,230	Fixed	3.48%	August, 2025	9,196
Vista Argentina	ON XII	August, 2021	US	100,769	Fixed	5.85%	August, 2031	102,452

(1) See Note 35.

(2) Amount in UVA, adjusted by CER (see Note 11.3).

Under the aforementioned program, Vista Argentina may list and issue debt securities in Argentina for a total principal up to 800,000 or its equivalent in other currencies at any time.

18.2 Changes in liabilities from financing activities

Changes in the borrowings were as follows:

	As of December 31, 2021	As of December 31, 2020
Amounts at beginning of year	539,786	451,413
Proceeds from borrowings ⁽¹⁾	361,203	198,618
Borrowings interest (Note 11.2) ⁽²⁾	50,660	47,923
Payment of borrowings costs	(3,326)	(2,259)
Payment of borrowings interest	(54,636)	(43,756)
Payment of borrowings principal	(284,695)	(98,761)
Amortized cost (Note 11.3) ⁽²⁾	4,164	2,811
Remeasurement in borrowings (Note 11.3) ⁽²⁾	19,163	—
Changes in foreign exchange rate ⁽²⁾	(21,346)	(16,203)
Amounts at end of year	610,973	539,786

(1) As of December 31, 2021, including 358,093 from borrowings received and 3,110 from the release of government bonds granted as security of prior loans. and as of December 31, 2020, including 201,728 nets of 3,110 of government bonds in guarantees. These transactions did not generate cash flows.

(2) These transactions did not generate cash flows.

18.3 Warrants

Along with the issuance of Series A ordinary shares in the IPO, the Company placed 65,000,000 warrants to purchase a third of Series A ordinary shares at an exercise price of 11.50 US/share (the “Series A warrants.”) They expire on April 4, 2023, or earlier if after the exercise option the closing price of a Series A share is equal to or higher than the amount in Argentine pesos equal to US 18.00 during 20 trading days within a 30-day trading, and the Company opts for the early termination of the exercise term. Should the Company opt for the early termination, it will be entitled to declare that Series A warrants will be exercised “with no payment in cash.” Should the Company opt for the exercise with no payment in cash, the holders of Series A warrants that choose to exercise the option should deliver and receive a variable number of Series A shares resulting from the formula established in the deed of issue of warrants that captures the average of the equivalent in US dollars of the closing price of Series A shares during a 10-day period.

Almost at the same time, the Company’s promoters purchased 29,680,000 warrants to purchase a third of Series A ordinary shares at an exercise price of 11.50 US/share (the “warrants”) for 14,840 in a private placement made at the same time as the IPO closing in Mexico. Warrants are identical and fungible with Series A warrants; however, the former could have differences regarding the early termination and may be exercised for cash or no cash for a variable number of Series A shares at the discretion of the Company’s promoters or authorized assignees. If warrants are held by other persons, then they will be exercised on the same basis as the other securities.

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The warrants exercise period began on August 15, 2018.

On February 13, 2019, the Company completed the sale of 5,000,000 warrants for the purchase of a third of Series A ordinary shares in agreement with the Forward Purchase Agreement and certain subscription commitment at an exercise price of 11.50 US/share (the “warrants”).

As of December 31, 2021, and 2020, no warrant holder has exercised their right.

The liability for warrants will eventually be part of the Company’s equity (Series A ordinary shares) when the securities are exercised or will be extinguished once pending securities expire and will not give rise to a cash disbursement by the Company.

	As of December 31, 2021	As of December 31, 2020
Noncurrent Warrants	2,544	362
Total noncurrent	2,544	362

18.4 Financial instruments by category

The following chart includes the financial instruments broken down by category:

As of December 31, 2021	Financial assets/liabilities at amortized cost	Financial assets/liabilities FVTPL	Total financial assets/liabilities
Assets			
Defined benefit asset’s plan (Note 23)	7,594	—	7,594
Trade and other receivables (Note 17)	199	—	199
Total noncurrent financial assets	7,793	—	7,793
Cash, bank balances and other short-term investments (Note 20)	185,546	129,467	315,013
Trade and other receivables (Note 17)	32,430	—	32,430
Total current financial assets	217,976	129,467	347,443
Liabilities			
Borrowings (Note 18.1)	447,751	—	447,751
Trade and other payables (Note 26)	50,159	—	50,159
Warrants (Note 18.3)	—	2,544	2,544
Lease liabilities (Note 15)	19,408	—	19,408
Total noncurrent financial liabilities	517,318	2,544	519,862
Borrowings (Note 18.1)	163,222	—	163,222
Trade and other payables (Note 26)	138,482	—	138,482
Lease liabilities (Note 15)	7,666	—	7,666
Total current financial liabilities	309,370	—	309,370
As of December 31, 2020			
Assets			
Defined benefit asset’s plan (Note 23)	8,004	—	8,004
Trade and other receivables (Note 17)	546	—	546
Total noncurrent financial assets	8,550	—	8,550
Cash, bank balances and other short-term investments (Note 20)	170,851	32,096	202,947
Trade and other receivables (Note 17)	30,109	—	30,109
Total current financial assets	200,960	32,096	233,056



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As of December 31, 2020	Financial assets/liabilities at amortized cost	Financial assets/liabilities FVTPL	Total financial assets/liabilities
Liabilities			
Borrowings (Note 18.1)	349,559	—	349,559
Warrants (Note 18.3)	—	362	362
Lease liabilities (Note 15)	17,498	—	17,498
Total noncurrent financial liabilities	367,057	362	367,419
Borrowings (Note 18.1)	190,227	—	190,227
Trade and other payables (Note 26)	118,619	—	118,619
Lease liabilities (Note 15)	6,183	—	6,183
Total current financial liabilities	315,029	—	315,029

Below are income, expenses, profit, or loss from each financial instrument:

For the year ended December 31, 2021:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at FVTPL	Total
Interest income (Note 11.1)	65	—	65
Interest expense (Note 11.2)	(50,660)	—	(50,660)
Amortized cost (Note 11.3)	(4,164)	—	(4,164)
Changes in the fair value of warrants (Note 11.3)	—	(2,182)	(2,182)
Net changes in foreign exchange rate (Note 11.3)	14,328	—	14,328
Discount of assets and liabilities at present value (Note 11.3)	(2,300)	—	(2,300)
Changes in the fair value of financial assets (Note 11.3)	—	5,061	5,061
Interest expense on lease liabilities (Note 11.3)	(1,079)	—	(1,079)
Discount for well plugging and abandonment (Note 11.3)	(2,546)	—	(2,546)
Remeasurements of borrowings (Note 11.3)	(19,163)	—	(19,163)
Other (Note 11.3)	4,851	—	4,851
Total	(60,668)	2,879	(57,789)

For the year ended December 31, 2020:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at FVTPL	Total
Interest income (Note 11.1)	822	—	822
Interest expense (Note 11.2)	(47,923)	—	(47,923)
Amortized cost (Note 11.3)	(2,811)	—	(2,811)
Changes in the fair value of warrants (Note 11.3)	—	16,498	16,498
Net changes in foreign exchange rate (Note 11.3)	3,068	—	3,068
Discount of assets and liabilities at present value (Note 11.3)	(3,432)	—	(3,432)
Impairment of financial assets (Note 11.3)	(4,839)	—	(4,839)
Changes in the fair value of financial assets (Note 11.3)	—	(645)	(645)
Interest expense on lease liabilities (Note 11.3)	(1,641)	—	(1,641)
Discount for well plugging and abandonment (Note 11.3)	(2,584)	—	(2,584)
Other (Note 11.3)	633	—	633
Total	(58,707)	15,853	(42,854)

For the year ended December 31, 2019:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at FVTPL	Total
Interest income (Note 11.1)	3,770	—	3,770
Interest expense (Note 11.2)	(34,163)	—	(34,163)



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	Financial assets/liabilities at amortized cost	Financial assets/liabilities at FVTPL	Total
Amortized cost(Note 11.3)	(2,076)	—	(2,076)
Changes in the fair value of warrants (Note 11.3)	—	6,840	6,840
Net changes in foreign exchange rate (Note 11.3)	(2,991)	—	(2,991)
Discount of assets and liabilities at present value (Note 11.3)	(10)	—	(10)
Changes in the fair value of the financial assets (Note 11.3)	—	873	873
Interest expense on lease liabilities (Note 11.3)	(1,561)	—	(1,561)
Discount for well plugging and abandonment (Note 11.3)	(1,723)	—	(1,723)
Other (Note 11.3)	(67)	—	(67)
Total	(38,821)	7,713	(31,108)

18.5 Fair value

This note includes information on the Company’s method for assessing the fair value of its financial assets and liabilities.

18.5.1 Fair value of the Company’s financial assets and liabilities measured at fair value on a recurring basis

The Company classifies the measurements at fair value of financial instruments using a fair value hierarchy, which shows the relevance of the variables applied to carry out these measurements. The fair value hierarchy has the following levels:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: data other than the quoted prices included in Level 1 that are observable for assets or liabilities, either directly (that is prices) or indirectly (that is derived from prices).
- Level 3: data on the asset or liability that are based on information that cannot be observed in the market (that is, non-observable data).

The following chart shows the Company’s financial assets and liabilities measured at fair value as of December 31, 2021 and 2020:

As of December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Short term investments	129,467	—	—	129,467
Total assets	129,467	—	—	129,467
Liabilities				
<i>Financial liabilities at fair value through profit or loss</i>				
Warrants	—	—	2,544	2,544
Total liabilities	—	—	2,544	2,544
As of December 31, 2020				
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Short term investments	32,096	—	—	32,096
Total assets	32,096	—	—	32,096
Liabilities				
<i>Financial liabilities at fair value through profit or loss</i>				
Warrants	—	—	362	362
Total liabilities	—	—	362	362

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The value of financial instruments traded in active markets is based on quoted market prices as of the date of these accompanying consolidated financial statements. A market is considered active when quoted prices are available regularly through a stock exchange, a broker, a specific sector entity or regulatory agency, and these prices reflect regular and current market transactions between parties at arm's length. The quoted market price used for financial assets held by the Company is the current offer price. These instruments are included in Level 1.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. These valuation techniques maximize the use of observable market data, when available, and minimize the use of Company's specific estimates. Should all significant variables used to establish the fair value of a financial instrument be observable, the instrument is included in Level 2.

Should one or more variables used in determining the fair value not be observable in the market, the financial instrument is included in Level 3.

There were no transfers between Level 1 and Level 2 during the years ended December 31, 2021, and 2020.

The fair value of warrants is determined using the Black & Scholes model considering the expected volatility of the Company's ordinary shares upon estimating the future volatility of Company share price. The risk-free interest rate for the expected useful life of warrants is based on the available return of benchmark government bonds with an equivalent remainder term upon the grant. The expected life is based on the contractual terms.

The following assumptions were used in estimating the fair value of warrants as of December 31, 2021, and 2020:

	As of December 31, 2021	As of December 31, 2020
Annualized volatility	39.94%	40.21%
Risk free domestic interest rate	7.15%	4.34%
Risk free foreign interest rate	0.55%	0.13%
Remainder period in years	1.29 years	2.29 years

It is a recurring Level 3 fair value measurement. The key Level 3 inputs used by Management to assess fair value are market price and expected volatility. As of December 31, 2021: (i) should market price increase by 0,10 it would increase the obligation by about 277; (ii) should market price decrease by 0,10 it would drop the obligation by about 258; (iii) should volatility increase by 50 basis points, it would rise the obligation by about 135 and; (iv) should volatility slip by 50 basis points, it would reduce the obligation by about 133.

Also, as of December 31, 2020: (i) should market price increase by 0,10 it would increase the obligation by about 76; (ii) should market price decrease by 0,10 it would drop the obligation by about 66; (iii) should volatility increase by 50 basis points, it would rise the obligation by about 32; and (iv) should volatility slip by 50 basis points, it would reduce the obligation by about 31.

Reconciliation of level 3 measurements at fair value:

	As of December 31, 2021	As of December 31, 2020
Warrants liability amount at beginning of year:	362	16,860
Loss / (profit) from changes in the fair value of warrants (Note 11.3)	2,182	(16,498)
Amounts at end of year (Note 18.3)	2,544	362

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18.5.2 Fair value of financial assets and liabilities that are not measured at fair value (but require fair value disclosures)

Except for the information included in the following chart, the Company considers that the carrying amounts of financial assets and liabilities recognized in the consolidated financial statements approximate to its fair values, as explained in the related notes.

As of December 31, 2021	Carrying amount	Fair value	Level
Liabilities			
Borrowings	610,973	560,409	2
Total liabilities	610,973	560,409	

As of December 31, 2020	Carrying amount	Fair value	Level
Liabilities			
Borrowings	539,786	567,381	2
Total liabilities	539,786	567,381	

18.6 Risk management objectives and policies concerning financial instruments**18.6.1 Financial risk factors**

The Company's activities are exposed to several financial risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk.

Financial risk management is included in the Company's global policies, and it adopts a comprehensive risk management policy focused on tracking risks affecting the entire Company. This strategy aims at striking a balance between profitability targets and risk exposure levels. Financial risks are derived from the financial instruments to which the Company is exposed during period-end or as of every year-end.

The Company's Financial Department, controls financial risk by identifying, assessing and covering financial risks. The risk management systems and policies are reviewed regularly to show the changes in market conditions and the Company's activities. This section includes a description of the main risks and uncertainties, which may adversely affect the Company's strategy, performance, operational results and financial position.

18.6.1.1 Market riskExchange rate risk

The Company's financial position and results of operations are sensitive to exchange rate changes between the US dollar and the ARS. As of December 31, 2021, and 2020, the Company performed foreign exchange currency hedge transactions, and the impact in the results of the year is recognized in "Other financial results".

Most Company sales are denominated in US dollars, or the changes in sales follow the changes in the US dollar listed price.

During the years ended December 31, 2021, and 2020, the ARS depreciated by about 22% and 41%, respectively.

The following chart shows the sensitivity to a reasonable change in the exchange rates of the ARS to the US dollar while maintaining the remainder variables constant. Impact on profit before taxes is related to changes in the fair value of monetary assets and liabilities denominated in currencies other than the US dollar, the Company's functional currency. The Company's exposure to changes in foreign exchange rates for the remainder currencies is immaterial.



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	As of December 31, 2021	As of December 31, 2020
Changes in rates in Argentine pesos	+/- 63%	+/- 50%
Effect on profit or loss	(69,835) / 69,835	(22,170) / 22,170
Effect on equity	(69,835) / 69,835	(22,170) / 22,170

Inflation in Argentina

As of December 31, 2021, and 2020, the 3-year cumulative inflation rate stood at about 216%, and 200%, respectively.

Price risk

The Company’s financial instruments are not significantly exposed to the risks of hydrocarbon international prices due to current regulatory, economic and government policies, and the fact that domestic gas prices are not directly affected in the short run by the changes in the international market.

Moreover, the Company’s investments in financial assets classified “at fair value through profit or loss” are sensitive to the risk of changes in market prices derived from uncertainties on the future value of these financial assets.

The Company estimates that provided that the remainder variables remain constant, a revaluation/(devaluation) of each market price detailed below will give rise to the following increase / (decrease) in profit / (loss) for the year before taxes in relation to the financial assets at fair value through profit or loss detailed in Note 18.5 to the consolidated financial statements:

	As of December 31, 2021	As of December 31, 2020
Changes in government bonds	+/- 10%	+/- 10%
Effect on profit before income tax	380 / (380)	163 / (163)
Changes in mutual funds	+/-10%	+/-10%
Effect on profit before income tax	12,567 / (12,567)	3,046 / (3,046)

Interest rate risk

For the years ended December 31, 2021, and 2020 the average interest rate was 40% and 38%, respectively.

The purpose of interest rate risk management is to minimize finance costs and limit the Company’s exposure to interest rate increases.

Variable-rate indebtedness exposes the Company’s cash flows to interest rate risk due to the potential volatility. Fixed-rate indebtedness exposes the Company to interest rate risk on the fair value of its liabilities as they could be considerably higher than variable rates. As of December 31, 2021, and 2020, about 16% and 35% of indebtedness was subject to variable interest rates. For the year ended December 31, 2021, and 2020, the variable interest rate of loans denominated in US dollars stood at 4.81% and 5.69%, respectively, and it amounted to 35.55% and 38.81%, respectively, for loans denominated in ARS.

The Company expects to lessen its interest rate exposure by analyzing and assessing (i) the different sources of liquidity available in domestic and international financial and capital markets (if available); (ii) alternative (fixed or variable) interest rates, currencies and contractual terms available for companies in a sector, industry and risk similar to the Company’s; and (iii) the availability, access and cost of interest rate hedge contracts. Hence, the Company assesses the impact on profit or loss of each strategy on the obligations that represent the main positions to the main interest-bearing positions.

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In the case of fixed rates and in view of current market conditions, the Company considers that the risk of a major decrease in interest rates is low; therefore, it does not expect substantial fixed rate debt risk.

For the years ended December 31, 2021, and 2020, the Company did not use derivative financial instruments to mitigate interest rate risks.

18.6.1.2 Credit risk

The Company establishes credit limits according to Management definitions based on internal or external ratings. It performs ongoing credit assessments on the customers' financial capacity, which minimizes the potential risk of doubtful accounts. The customer's credit risk is managed according to the Company's customer credit risk management policy, procedures and controls. Pending accounts receivable are monitored on a regular basis.

Credit risk represents the exposure to potential losses from customer noncompliance with the obligations assumed. This risk is mainly derived from economic and financial factors.

The Company established a reserve for expected credit losses that represents the best estimate of potential losses related to trade and other receivables.

The Company has the following credit risk concentration with respect to its interest in all receivables as of December 31, 2021, and 2020 and revenue per year.

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Percentages to total trade receivables:		
Customers		
Raizen Argentina S.A.	53%	25%
Trafigura Argentina S.A.	2%	25%
Camuzzi Gas Pampeana, S.A.	1%	13%
	<u>For the year ended December 31, 2021</u>	<u>For the year ended December 31, 2020</u>
Percentages to revenue from contracts with customers per product:		
Crude oil		
Trafigura Argentina S.A.	40%	46%
Raizen Argentina S.A.	26%	17%
Valero Marketing and Supply Company	10%	-%
ENAP Refinerías S.A.	6%	12%
Trafigura Pte LTD	5%	17%
Natural Gas		
Generación Mediterránea S.A.	15%	-%
Cía. Administradora del Mercado Mayorista Eléctrico S.A.	10%	-%
Rafael G. Albanesi S.A.	11%	22%
Camuzzi Gas Pampeana S.A.	3%	29%
Metroenergía S.A.	1%	13%

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No other individual customer has an interest in total trade receivables or revenue exceeding 10% for the years reported.

The Company keeps no securities as insurance. It assesses risk concentration with respect to trade and other receivables as high because its customers are concentrated as detailed below.

Below is the information on the credit risk exposure of the Company's trade receivables:

<u>As of December 31, 2021</u>	<u>To fall due</u>	<u><90 days</u>	<u>90–365 days</u>	<u>>365 days</u>	<u>Total</u>
Days past due					
Estimated total gross amount at default	23,729	1,495	406	—	25,630
Expected credit losses	—	—	(406)	—	(406)
					<u>25,224</u>

<u>As of December 31, 2020</u>	<u>To fall due</u>	<u><90 days</u>	<u>90–365 days</u>	<u>>365 days</u>	<u>Total</u>
Days past due					
Estimated total gross amount at default	18,236	5,024	3	—	23,263
Expected credit losses	—	—	(3)	—	(3)
					<u>23,260</u>

The credit risk of liquid funds and other financial investments is limited since the counterparties are banks with high credit ratings. If there are no independent risk ratings, the risk control area assesses the customer's solvency based on prior experiences and other factors.

18.6.1.3 Liquidity risk

Liquidity risk is related to the Company's capacity to finance its commitments and carry out its business plans with stable financial sources, indebtedness level and the maturity profile of the financial payable. The Company's Finance department makes cash flow projections.

During the year ended December 31, 2020, and as the Company's response to the effects of COVID-19 the Company and its subsidiaries Vista Argentina, Vista Holding I and Vista Holding II entered into several agreements to refinance 45,000 of the syndicated loan; deferral of payment of 4,500 originally due in 2020 to 2022; and incorporate several definitions and financial commitments were changed to consolidate the Group's liquidity during this period of high global uncertainty.

Company Management supervises the updated projections on liquidity requirements to ensure the sufficiency of cash and liquid financial instruments to meet operating needs. The aim is to ensure that the Company does not violate the indebtedness levels or restrictions, if applicable, of any credit line. These projections consider the plans to finance the Company's payable, compliance with restrictions and, if applicable, external regulatory or legal requirements, such as, for example, restrictions in the use of foreign currency.

Excess cash flow and the amounts above the working capital requirement are managed by the Company's Finance department that invests the surplus in mutual funds and money market funds by choosing instruments with timely due dates and currencies and proper credit quality and liquidity to provide sufficient margin according to the aforementioned projections.

The Company diversifies its sources of funding between banks and capital markets and is exposed to refinancing risk upon expiry.

Below is the assessment of the Company's liquidity risk as of December 31, 2021, and 2020:

	<u>As of December 31, 2021</u>	<u>As of December 31, 2020</u>
Current assets	375,070	267,836
Current liabilities	385,738	333,738
Liquidity index	0.972	0.803

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The following table includes an analysis of the Company’s financial liabilities grouped according to their maturity dates and considering the remainder period until contractual expiry date as from the date of the financial statements.

The amounts included in the table are no discounted contractual cash flows.

As of December 31, 2021	Financial liabilities except borrowings	Borrowings	Total
To fall due:			
Less than 1 year	146,148	163,222	309,370
From 1 to 2 years	58,372	157,792	216,164
From 2 to 5 years	9,688	214,491	224,179
Over 5 years	4,051	75,468	79,519
Total	218,259	610,973	829,232

As of December 31, 2020	Financial liabilities except borrowings	Borrowings	Total
To fall due:			
Less than 1 year	124,802	190,227	315,029
From 1 to 2 years	5,733	170,004	175,737
From 2 to 5 years	12,127	179,555	191,682
Total	142,662	539,786	682,448

18.6.1.4 Other risksAccess to the foreign exchange market in Argentina

Below is the regulatory framework set by the Central Bank of Argentina (“BCRA” by Spanish acronym) during the year ended December 31, 2021, whereby it introduced certain restrictions and adjustments on hoarding and consumption of currencies other than the Argentine peso, and on the acquisition of currency that may be accessed by the Company:

(i) Communiqué “A” 7196, as supplemented

On January 6, 2021, through Communiqué “A” 7196 (as amended by Communiqué “A” 7422 [hereinafter, “Communiqué 7422, as revised”]), the BCRA introduced a series of measures to loosen regulations aimed at favoring the swap or financing of private-sector payables abroad. Some of these measures are:

- a) the extension from 30 (thirty) to 45 (forty-five) calendar days of the expiry term to access the market for settling the principal and interest of financial payables abroad; or debt securities registered in an Argentine public registry denominated in foreign currency;
- b) fund arising from the collection of exports of goods and services made by the debtor may be accumulated in foreign or Argentine accounts to secure the settlement of the due dates of the debt agreed as from January 2021.

(ii) Communiqué “A” 7218

On February 4, 2021, through Communiqué “A” 7218, (as amended by Communiqué 7422, as revised), the BCRA granted access to the exchange market to settle principal and interest of financial payables provided that the debtor evidence that the foreign currency was entered into Argentina and converted into Argentine pesos in the exchange market for an amount equal to the nominal amount of the financial payable abroad.



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It also set forth that entities may also provide residents with access to the exchange market to settle abroad principal and interest of debt securities registered abroad, issued as from February 5, 2021, and that were partly subscribed in foreign currency in Argentina, provided that the following conditions are fully met:

- a) debtors show that they registered exports before debt securities were issued or that the placement funds were used to meet commitments abroad. If at least one of the aforementioned conditions is not met, the issuance has the BCRA's prior approval.
- b) the average life of debt securities should not be less than 5 (five) years.
- c) the first payment of principal should not be registered before the 3 (three) years of issuance date.
- d) the local subscription should not exceed 25% (twenty-five percent) of the total subscription.
- e) as of the date of access, all funds subscribed abroad and in Argentina should be converted into Argentine pesos in the exchange market.

(iii) Communiqué "A" 7416

On December 9, 2021, the BCRA issued Communiqué "A" 7416, whereby it extended the term of the restrictions to access the exchange market for certain financial payables.

In this sense, the BCRA requires that the Argentine banks and companies operating in the private sector that: (i) carry payables abroad (including negotiable obligations and borrowings), and (ii) have principal payments scheduled from January 1, 2022, through June 30, 2022, (the "relevant period") submit a refinancing plan to the BCRA according to the following criteria:

- a) the net amount for which the debtor may access the foreign exchange market within the original terms should not exceed 40% of the principal amount that fell due in the relevant period, and
- b) the remainder 60% of principal payable during the relevant period should be refinanced by the original creditors through the extension of the principal payments that provide the new debt with an average life not lower than 2 years.

In addition, the refinancing system will be considered met when the debtor accesses the exchange market to settle principal for an amount exceeding 40% of original principal, provided that such debtor has a "certificate of increased exports of goods in 2021" issued in the context of the Communiqué, as revised, or has settlements in the exchange market as from October 9, 2020, for: (i) issuances of debt securities registered abroad or other financial debts abroad, and (ii) issuances of debt securities registered in a public registry in Argentina denominated in foreign currency that meet the conditions set forth in Communiqué 7422, as revised.

(iv) Communiqué "A" 7327

On June 10, 2021, BCRA Communiqué "A" 7327 further extended the restrictions to access the exchange market for the performance of certain transactions with securities.

To access the exchange market until then, the requesting entity had to: (i) declare that it had not conducted certain transactions with securities during the prior 90 days, and (ii) undertake not to carry out such transactions during the subsequent 90 days.

The swaps of securities for other external assets were added to the transactions already included in the declaration before Communiqué "A" 7327 was issued (sales in Argentina of securities settled in foreign currency and their transfers to depository entities abroad).

Communiqué 7422, as revised, established that such sworn statement should also evidence the acquisition in Argentina, settled in Argentine pesos, of securities issued by nonresidents as from October 29, 2021.



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(v) Communiqué “A” 7340

On August 12, 2021, through Communiqué “A” 7340, the BCRA sets forth that the sales of securities settled in foreign currency should be paid using any of the following methods:

- a) Through the transfer of funds from and to sight accounts in the client’s name in local financial institutions; or
- b) by a wire transfer to bank accounts in the client’s name in a foreign entity that is not organized in countries or territories that do not apply or do not sufficiently apply the Financial Action Task Force Recommendations.

Therefore, settling these transactions through the payment in foreign currency bills or through the deposit in custodian or third-party accounts would no longer be permitted in any case.

(vi) Communiqué “A” 7385

On October 28, 2021, through Communiqué “A” 7385 (as subsequently amended by Communiqué 7422, as revised, and Communiqué “A” 7433 of January 6, 2022), the BCRA introduced new amendments (effective as from November 1, 2021) in the supplementary provisions related to the payments of imports of goods established in foreign trade and foreign exchange regulations.

It included, among others, an exception to access the foreign exchange market to make payments at sight or payments of trade payables with no customs entry registration without the need to obtain the BCRA’s prior authorization, provided that the following conditions were met:

- a) the transaction is related to payments of imports of supplies to be used in manufacturing goods in Argentina;
- b) the payments made using this option do not exceed, in the current calendar month and in the set of entities, the amount resulting from the average of total imports of supplies of goods computable under point 10.11.1 (import payment formula versus value of goods imported) over the last twelve calendar months, net of the outstanding amount to be settled for payments with a pending customs entry registration subject to delay recorded by the importer (it is expressly stated that such cap shall not apply when the client is a trust created by a provincial government to facilitate the acquisition of supplies by goods manufacturers), and
- c) the entity has a client’s sworn statement evidencing compliance with the aforementioned conditions and that the imports computed are supplies, and the entity also checks that the computable amount declared is consistent with BCRA data available in the online system implemented to such end.

Moreover, on January 5, 2022, through Federal Public Revenue Agency (AFIP by Spanish acronym) General Resolution No. 5135/2022 implemented a comprehensive system for monitoring payments of services abroad (“SIMPES” by Spanish acronym), applicable to the payment of certain services rendered by nonresidents. This system applies to natural persons, undivided estates and artificial persons that are required to make payments abroad on their own account or on account of third parties, or act as payment originators, for settling own or third-party obligations.

In this sense, the BCRA sets that the liable parties should provide the information expressly requested in the SIMPES and permit that such information be submitted to the BCRA for assessment.

Financial institutions should verify that the client has an approved declaration through the SIMPES to enable access to the foreign exchange market to make the related payment. This requirement shall not apply to (i) certain services as is the case of freight, passenger transportation, travel and other payments with card, health services provided by travel assistance companies and government services; (ii) payments made by (a) the public sector and (b) all organizations in which the Argentine government holds a majority interest in the capital or in corporate decisions; (iii) trusts created with contributions from the federal public sector; (iv) financial institutions for imports of own services, or (v) entities for settling letters of credit or bills endorsed or granted through January 6, 2022.



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As of December 31, 2021, the Company implemented the necessary actions to comply with the aforementioned communiqués and continues to monitor new changes in the regulatory framework and the impact of settling payables in currencies other than the Argentine peso.

Note 19. Inventories

	As of December 31, 2021	As of December 31, 2020
Materials and spare parts	8,739	7,743
Crude oil stock (Note 6.2)	5,222	6,127
Total	13,961	13,870

Note 20. Cash, bank balances and other short-term investments

	As of December 31, 2021	As of December 31, 2020
Mutual funds	126,204	30,886
Money market funds	106,915	167,553
Cash in banks	78,098	2,875
Government bonds	3,796	1,633
Total	315,013	202,947

Cash and cash equivalents include cash on hand and at bank and investments maturing within 3 (three) months. For the consolidated statement of cash flows purposes below is the reconciliation between cash, bank and short-term investments and cash and cash equivalents:

	As of December 31, 2021	As of December 31, 2020
Cash, bank balances and other short-term investments	315,013	202,947
Less		
Government bonds	(3,796)	(1,633)
Cash and cash equivalents	311,217	201,314

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Note 21. Capital stock and capital risk management**21.1 Capital stock**

The following chart shows a reconciliation of the movements in the Company's capital stock for the years ended December 31, 2021, 2020 and 2019:

	Series A Publicly traded shares	Series A Private Offering	Series B	Series C	Total
Amount as of December 31, 2018	423,017	90,238	—	—	513,255
Number of shares	60,909,315	9,500,000	—	2	70,409,317
Net value of Series A shares on February 13, 2019	55,000	—	—	—	55,000
Number of shares	5,500,000	—	—	—	5,500,000
Net value of Series A shares on July 25, 2019	91,143	—	—	—	91,143
Number of shares	10,906,257	—	—	—	10,906,257
Series A shares to be granted in LTIP	—	1	—	—	1
Number of shares	—	317,932	—	—	317,932
Amounts as of December 31, 2019	569,160	90,239	—	—	659,399
Number of shares	77,315,572	9,817,932	—	2	87,133,506
Series A shares to be granted in LTIP	—	1	—	—	1
Number of shares	—	717,782	—	—	717,782
Amounts as of December 31, 2020	569,160	90,240	—	—	659,400
Number of shares	77,315,572	10,535,714	—	2	87,851,288
Series A shares to be granted in LTIP	—	1	—	—	1
Number of shares	—	778,591	—	—	778,591
Reduction of share capital adopted at the Ordinary General Shareholders' meeting on December 14, 2021	(72,695)	—	—	—	(72,695)
Number of shares	—	—	—	—	—
Amounts as of December 31, 2021	496,465	90,241	—	—	586,706
Number of shares	77,315,572	11,314,305	—	2	88,629,879

1) Series A Publicly Traded Shares

On August 15, 2017, the Company concluded its IPO in the BMV; as a result, 65,000,000 Series A ordinary shares were issued for 650,017 less issuance costs for 9,988. These Series A ordinary shares were swapped during the first 24 months of the IPO or upon choosing the shareholders when the initial business combination was approved.



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The funds received were invested in a security deposit account located in the United Kingdom (the “escrow account”) with Citibank N.A. London branch acting as depository. The Company used those amounts in connection with the Initial Business Combination or for reimbursements to Series A shareholders that exercised their redemption rights.

After the initial recognition, the funds received from the Series A shares, net of offer expenses, were measured subsequently at their amortized cost using the effective interest rate method. Profits and losses were recognized in profit or loss when the liabilities are written off, as well as through the amortization process through the method of the effective interest rate.

On April 4, 2018, the Company conducted its initial business combination for 653,781 less issuance costs for 26,199, and these funds are related to amounts accumulated in the escrow account.

About 31.29% of holders of Series A redeemable shares exercised the abovementioned right of reimbursement; thus, 20,340,685 shares were redeemed for 204,590. Funds were provided by cash deposited in the escrow account. The remainder holders of Series A redeemable shares decided not to exercise their right of renewal (see Note 34); as a consequence, 442,491 were capitalized net of offering expenses paid for 6,700 that were capitalized as of that date. Moreover, on that same date, the Company paid deferred offering expenses related to the IPO for 19,500. The capitalization of 442,491 generated no cash flows, whereas offering expenses were paid using revenue held in the escrow account.

On February 13, 2019, the Company completed the sale of 5,500,000 Series A shares and 5,000,000 warrants to purchase Series A shares for an amount of 55,000 agreed upon with Kensington Investments B.V., according to a forward purchase agreement and the subscription commitment.

On July 25, 2019, the Company made a public offer in Mexico and the United States by placing 10,906,257 Series A shares as follows:

- (i) An international offer in the United States and other countries other than Mexico of 10,091,257 American Depositary Shares (“ADS”), each representing a Series A share at a price of 9.25 US/ADS. ADS are listed in the NYSE under ticker symbol “VIST”; and
- (ii) A simultaneous offer in Mexico of 815,000 Series A shares at a price in Mexican pesos equal to US 9.25 per Series A share.

For the global offer, the Company obtained funds net of issuance expenses for 91,143.

2) Series A Private Offering

On December 18, 2017, the Shareholders’ Meeting approved an increase in variable capital stock for 1,000 through the subscription of 100,000,000 Series A shares as the result of a potential initial business combination.

On April 4, 2018, 9,500,000 Series A shares were fully paid and subscribed for 95,000 through a share subscription process approved by the shareholders. In addition, 500,000 Series A ordinary shares were committed for 5,000 as part of the same subscription process. The costs related to the share subscription process stood at 4,073.

As disclosed in Note 34, on March 22, 2018, the Company’s shareholders approved that 8,750,000 be maintained in Treasury to implement the LTIP at the discretion of the plan administrator based on the independent experts’ opinion.

The remainder Series A ordinary shares issued on December 18, 2017, that were not used to complete the aforementioned share subscription process or LTIP were settled on April 4, 2018, according to the terms approved by the shareholders on December 18, 2017. As part of the LTIP, the Company will sign a trust agreement (the “administrative trust”) to deposit Series A shares to be used by virtue of such agreement.



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During the year ended December 31, 2021, 2020 and 2019, 778,591, 717,782 and 317,932 Serie A shares were issued as part of the LTIP granted to Company employees.

On December 14, 2021, the Shareholders' Meeting approved the reduction of the variable portion of the Company's capital stock of 72,695, for the absorption of accumulated losses as of September 30, 2021, shown on the Company's nonconsolidated financial statements. This transaction did not require the cancellation of Series A shares as they have no nominal value, likewise, this operation did not generate any tax effect in Mexico.

As of December 31, 2021, 2020, and 2019, the Company's variable capital stock amounts to 88,629,877, 87,851,286, and 87,133,504 fully subscribed and paid Series A shares with no face value, respectively, each entitled to one vote. As of December 31, 2021, 2020, and 2019, the Company's authorized capital includes 40,162,362, 40,940,953, and 41,658,735 Series A ordinary shares held in Treasury, that may be used with warrants, forward purchase agreements and LTIP.

3) Series B

Before the Company's initial global offer, through shareholders' unanimous resolutions dated May 30, 2017, it was decided, among other issues, that the variable portion of the Company's equity be increased by 25,000 through the issuance of ordinary shares with no nominal value.

On April 4, 2018, these shares were converted into Series A shares.

4) Series C

The variable portion of capital stock is an unlimited amount according to the Company's bylaws and laws applicable, whereas the fixed amount is divided into 2 Class C shares.

21.2 Capital risk management

Upon managing its capital, the Company aims at protecting its capacity to continue operating as a going concern and generate profit for its shareholders and benefits for other stakeholders, as well as maintain an optimal capital structure.

To such end, the Company can adjust the amount of dividends paid to shareholders or repay capital; issue new shares; or implement programs to repurchase shares or sell assets to reduce the payable amount. The Company monitors its capital based on the leverage ratio. This ratio is calculated by dividing: (i) the net debt (borrowings and liabilities for total leases less cash, banks and short-term investments) by (ii) total equity (shareholders' equity plus reserves disclosed in the statement of financial position).

The leverage ratio as of December 31, 2021, and 2020, is as follows:

	As of December 31, 2021	As of December 31, 2020
Total borrowings and lease liabilities	638,047	563,467
Less: Cash, bank balances and other short-term investments	(315,013)	(202,947)
Net debt	323,034	360,520
Total equity	565,259	508,518
Leverage ratio	57.00%	71.00%

No changes were made in capital management objectives, policies or processes for the years ended December 31, 2021, and 2020.



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Note 22. Provisions

	As of December 31, 2021	As of December 31, 2020
Noncurrent		
Well plugging and abandonment	28,920	23,349
Environmental remediation	737	560
Total noncurrent	29,657	23,909
	As of December 31, 2021	As of December 31, 2020
Current		
Well plugging and abandonment	1,876	584
Environmental remediation	862	1,141
Contingencies	142	359
Total current	2,880	2,084

22.1 Provision for well plugging and abandonment

According to applicable regulations in the countries where the Company (either directly or indirectly through its subsidiaries) conducts oil and gas exploration and production activities, it should carry costs related to well plugging and abandonment. As of December 31, 2021, the Company created a trust to plug and abandon wells in Mexico; however, it did not grant any asset as security to settle these obligations in Argentina.

The provision for well plugging and abandonment represents the present value of dismantling costs related to oil and gas properties expected to be incurred through the end of each concession, when oil and gas producing wells are expected to cease operations. These provisions were created based on the operator's or the Company's internal estimates, as appropriate.

Assumptions based on the current economic context were made, so the Company considers that it is a reasonable basis to estimate future liabilities. These estimates are reviewed periodically to consider substantial changes in assumptions. However, the actual costs of well plugging and abandonment will ultimately depend on future market prices for the plugging and abandonment works needed. Moreover, wells will probably be plugged and abandoned when plots of land cease to produce at economically feasible rates. They will also depend on oil and gas future prices, which are uncertain by nature.

The discount rate used in calculating the provision as of December 31, 2021, ranges between 10.8% and 14.9% whereas it ranges between 9.32% and 12.42% as of December 31, 2020.

The Company conducted a sensibility analysis related to the discount rate. The increase or decrease of such rate by 1% would have no significant impact on well plugging and abandonment.

Below are the changes in the provision for well plugging and abandonment for the year:

	As of December 31, 2021	As of December 31, 2020
Amounts at beginning of year	23,933	21,748
Discount for well plugging and abandonment (Note 11.3)	2,546	2,584
Increase / (Decrease) in the change in capitalized estimates (Note 13)	2,112	(366)
Decrease from transfer of interest in CASO (Note 1.3)	(630)	—
Increase from acquisition of AFBN assets (Note 1.5)	2,773	—
Foreign exchange differences	62	(33)
Amounts at end of year	30,796	23,933



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22.2 Provision for environmental remediation

The Company performs environmental impact assessments for new projects and investments, and the environmental requirements and restrictions imposed on these new projects had no major adverse effects on the Company's businesses to date.

The Company conducted a sensibility analysis related to the discount rate. The increase or decrease of such rate by 1% would have no significant impact on the environmental remediation obligation.

Below are the changes in the provision for environmental remediation for the year:

	As of December 31, 2021	As of December 31, 2020
Amounts at beginning of year	1,701	2,499
Increases (Note 10.2)	1,029	463
Foreign exchange differences	(1,131)	(1,261)
Amounts at end of year	1,599	1,701

22.3 Provision for contingencies

The Company (directly or indirectly through its subsidiaries) is part of commercial, tax and labor litigations and claims arising from the ordinary course of business. Upon estimating the amounts and likelihood of occurrence, the Company considered its best estimate with the assistance of its legal and tax advisors.

The assessment of the estimates may change in the future due to new developments or unknown events upon assessing the provision. Consequently, the adverse resolution of the proceedings and claims assessed could exceed the provision set.

The Company's total claims and legal actions amount to 217, and 428, from which it has estimated a probable loss of 142, and 359, as of December 31, 2021, and 2020, respectively.

Moreover, as of December 31, 2021, and 2020, the Company is involved in certain labor, civil and commercial claims for 75 and 69, respectively, for which no provision has been booked as it is unlikely that a cash outflow will be required to settle the obligation (see Note 29 to obtain further information on the main contingencies of December 31, 2021, and 2020).

The Company, considering its legal counsel's opinion, estimates that the provision amount is sufficient to cover potential contingencies. It has booked a provision or disclosed all claims or other issues in these consolidated financial statements, either individually or in the aggregate.

Below are the changes in the provision for contingencies for the year:

	As of December 31, 2021	As of December 31, 2020
Amounts at beginning of year	359	322
Increases (Note 10.2)	652	267
Foreign exchange differences	(345)	(230)
Amounts incurred for payments	(524)	—
Amounts at end of year	142	359

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Note 23. Employee benefits

Below are the main characteristic of the benefit plans originally granted to certain employees:

The plan applies to Company employees that meet certain conditions, such as, for example, having participated uninterruptedly in the defined benefit plan, and that, having joined the Company before May 31, 1995, they have the required number of years in service and are therefore eligible to a certain amount according to plan provisions.

It is based on the last computable salary and the number of years worked after deducting the benefits from the Argentine pension system managed by the Federal Social Security Administration (“ANSES” by Spanish acronym).

Upon retirement, these employees are entitled to a monthly payment at constant value that is updated every year-end by the IPC published by the Argentine Institute of Statistics and Census (“INDEC by Spanish acronym). If the variation exceeds 10% during a certain year, the payment will be adjusted temporarily once the percentage is exceeded.

The plan is backed by assets deposited exclusively by the Company and with no employee contributions to the trust fund. Fund assets may be invested by the Company in monetary market instruments denominated in US dollars or certificates of deposit to preserve accumulated capital and obtain returns in line with a moderate risk profile. Funds are mainly invested in US bonds, Treasury bonds and trade notes with quality ratings.

The Bank of New York Mellon is the trustee, and Willis Towers Watson is the business agent. Should there be an excess (duly certified by an independent actuary) of funds to be used to settle the benefits granted under the plan, the Company will be entitled to use it, in which case the trustee should be notified.

The following charts summarize the components of net expenses and the obligation recognized in the consolidated financial statements:

	Year ended December 31, 2021	Year ended December 31, 2020
Cost of the current services	(28)	(60)
Cost of interest	(219)	(190)
Total	(247)	(250)

	As of December 31, 2020		
	Present value of the obligation	Asset's plan	Net liabilities
Amounts at beginning of year	(12,351)	7,882	(4,469)
<i>Items classified as loss or profit</i>			
Cost of services	(60)	—	(60)
Cost of interest	(587)	397	(190)
<i>Items classified in other comprehensive income</i>			
Actuarial remediation (losses)	735	(275)	460
Benefit payments	798	(798)	—
Payment of contributions	—	798	798
Amounts at end of year	(11,465)	8,004	(3,461)

	As of December 31, 2021		
	Present value of the obligation	Asset's plan	Net liabilities
Amounts at beginning of year	(11,465)	8,004	(3,461)
<i>Items classified as loss or profit</i>			
Cost of services	(28)	—	(28)
Cost of interest	(610)	391	(219)
<i>Items classified in other comprehensive income</i>			
Actuarial remediation (losses)	(4,394)	(119)	(4,513)
Benefit payments	1,081	(1,081)	—
Payment of contributions	—	399	399
Amounts at end of year	(15,416)	7,594	(7,822)



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The fair value of asset's plan as of every year end per category, is as follows:

	As of December 31, 2021	As of December 31, 2020
Cash and cash equivalents	7,594	—
US Government bonds	—	8,004
Total	7,594	8,004

Below are the estimated payments of benefits expected for the next 10 (ten) years. The amounts in the chart show nondiscounted cash flows; thus, they do not reconcile with the obligations booked as of year-end:

	As of December 31, 2021	As of December 31, 2020
Less than 1 year	1,204	901
1 to 2 years	1,232	889
2 to 3 years	1,213	899
3 to 4 years	1,213	884
4 to 5 years	1,198	885
6 to 10 years	5,752	4,239

Below are the significant actuarial estimates used:

	As of December 31, 2021	As of December 31, 2020
Discount rate	5%	5%
Asset rate of return	5%	5%
Salary rise	1%	1%

The following sensitivity analysis shows the effect of a variation in the discount rate and salaries increase on the obligation amount.

Should the discount rate be 1% higher (lower), the defined benefit obligation would decrease by 1,298 (increase by 1,526) as of December 31, 2021.

Should the expected salary rise increase (decrease) by 1%, the defined benefit obligation would go up by 91 (go down by 87) as of December 31, 2021.

This sensitivity analysis was determined based on reasonably possible changes in the related assumptions as of every reporting year-end based on a change in an assumption with the rest held constant. This is unlikely to occur in actual facts and the changes in some assumptions may be related. Therefore, the analysis may not be representative of the actual change in the defined benefit obligation. The methods and types of assumptions used in preparing the sensitivity analysis did not change with respect to the previous year.

Moreover, upon filing the previous sensitivity analysis, the present value of the defined benefit obligation was calculated using the projected unit credit method as of every reporting year-end, which is the same as the method applied to calculate the defined benefit obligation liability recognized in the statement of financial position.



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There were no changes in the methods and assumptions used in preparing prior-year sensitivity analyses.

Note 24. Salaries and payroll taxes

	As of December 31, 2021	As of December 31, 2020
<u>Current</u>		
Provision for gratifications and bonus	12,102	7,029
Salaries and social security contributions	5,389	4,479
Total current	17,491	11,508

Note 25. Other taxes and royalties

	As of December 31, 2021	As of December 31, 2020
<u>Current</u>		
Royalties	9,547	4,152
Tax withholdings	873	843
VAT	33	46
Other	919	76
Total current	11,372	5,117

Note 26. Trade and other payables

	As of December 31, 2021	As of December 31, 2020
<u>Noncurrent</u>		
Accounts payables:		
Payables to partners for joint operations ⁽¹⁾	50,159	—
Total noncurrent accounts payables	50,159	—
Total noncurrent	50,159	—
<u>Current</u>		
Accounts payables:		
Suppliers	119,255	117,409
Total current accounts payables	119,255	117,409
Other accounts payables:		
Payables to partners for joint operations ⁽¹⁾	19,007	664
Extraordinary fee for Gas IV Plan (Note 2.5.3.2)	220	—
Extraordinary fee for the RI program (Note 2.5.3.1)	—	546
Total other current accounts payables	19,227	1,210
Total current	138,482	118,619

⁽¹⁾ As of December 31, 2021, including 50,159 and 18,913 in noncurrent and current accounts, respectively, related to the carry agreement mentioned in Note 1.5, recognized at present value.

Except as mentioned above, due to the short-term nature of current trade and other payables, their carrying amount is deemed to be the same as its fair value. The carrying amount of noncurrent trade and other payables does not differ considerably from its fair value.

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Note 27. Related parties transactions and balances

Note 2.3 provides information on the Company's structure.

Key management personnel remuneration

Below are the amounts recognized in the consolidated statements of profit or loss and other comprehensive income related to Company key personnel:

	As of December 31, 2021	As of December 31, 2020	As of December 31, 2019
Short-term benefits	11,626	7,273	9,080
Share-based payment transactions	8,875	8,699	9,175
Total compensation paid to key personnel	20,501	15,972	18,255

Note 28. Aleph Midstream S.A.

As of December 31, 2018, the Company owned all Aleph shares. On June 27, 2019, VISTA signed an investment agreement with an affiliate of Riverstone (related party) and an affiliate of Southern Cross Group (jointly, the "partners"), to invest in Aleph, a midstream company operating in Argentina.

Under this agreement, it was agreed that a group of assets be spun off and transferred to Aleph in exchange for equity through a spin-off merger agreement as defined below:

On July 17, and 18, 2019, the Board of Vista Argentina and Aleph, respectively, decided to begin formalities to carry out the spin-off merger as follows: (i) the spin off by Vista Argentina of a portion of equity ("spin-off equity") so that Aleph may implement an infrastructure project for processing and transporting hydrocarbons, such as crude oil and gas in the Neuquén Basin, Argentina, including, among other assets and liabilities: (1) the crude oil treatment plant located in Entre Lomas, the gas treatment plant located in Entre Lomas, the crude oil treatment plant located in 25 de Mayo-Medanito SE, the production water treatment facilities related to the crude oil treatment plants in Entre Lomas and 25 de Mayo-Medanito SE; (2) the pipelines that connect these plants with the trunk crude oil transportation system operated by Oldelval S.A. and trunk gas transportation system operated by Transportadora del Gas del Sur S.A., and (ii) the absorption by Aleph of the spun-off equity; and (iii) the assumption and continuation by Aleph of the Company's activities and obligations related the spun-off equity.

As from the spin-off date, Aleph can assume the exploitation of the assets spun off by Vista Argentina.

On February 26, 2020, the Company's Board approved certain changes in the Company's interests in Aleph's capital structure. The Company entered into an agreement with the partners to repurchase their interests in Aleph's subscribed and outstanding capital for 37,500 (an amount equal to the capital amount actually contributed by Aleph to the partners). It made such payment on March 31, 2020, and Aleph became a wholly owned subsidiary of the Company as from that date.

On May 28, 2021, VISTA's Board finally decided to render ineffective the spin-off/merger agreement with Aleph due to the changes in the variables considered upon agreeing the reorganization.

Note 29. Commitments and contingencies

For a description of the Company's commitments and contingencies related to its oil and gas properties, see Note 30.3 and 30.4.

29.1 Asociación de Superficialarios de la Patagonia ("ASSUPA" by Spanish acronym)

On July 1, 2004, Vista Argentina was notified of a claim filed against it. In August 2003, ASSUPA filed a lawsuit against 18 (eighteen) companies operating exploitation concessions and exploration permits in the Neuquén basin, including Vista Argentina.



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ASSUPA claims remediation for the environmental damages supposedly caused by hydrocarbon exploitation activities, the creation of an environment restoration fund, and the implementation of measures to prevent future environmental damages. The plaintiff called the meeting of the Argentine government, the Argentine Federal Council for the Environment (“COFEMA” by Spanish acronym), the Provinces of Buenos Aires, La Pampa, Neuquén, Río Negro and Mendoza, and the National Ombudsman. The plaintiff requested, as a precautionary measure, that the accused parties refrain from conducting activities that harm the environment. Both the subpoena of the National Ombudsman and the preliminary request were rejected by the Argentine Supreme Court of Justice. The Company responded the claim by requesting its dismissal and opposing to the plaintiff’s request.

On December 30, 2014, the Argentine Supreme Court of Justice issued two interlocutory orders. The order related to the Company supported the claim of the Provinces of Neuquén and La Pampa and declared that all environmental damages related to local and provincial situations were outside the scope of its original jurisdiction and that only “interjurisdictional situations” (such as the Río Colorado basin) would fall under its jurisdiction. The Argentine Supreme Court of Justice also rejected the precautionary measures and other related proceedings. Vista Argentina, considering the legal counsel’s opinion, concluded that it is unlikely that a cash outflow be required to settle this obligation.

As of the date of issuance of these financial statements, before the case is opened for trial, the parties are answering the notices served regarding the prior exceptions and challenges against the evidence filed, which are pending resolution.

Note 30. Operations in hydrocarbon consortiums

30.1 General considerations

Hydrocarbon areas are operated by granting exploration permits or exploitation concessions by the federal or provincial government based on the free availability of hydrocarbons produced.

30.2 Oil and gas areas and interests in joint operations

As of December 31, 2021, 2020, and 2019, the Company, through its subsidiaries, is the owner and part of the joint operations and consortia for oil and gas exploration and production, as shown below:

Name	Location	Equity interest			Operator	Up to year
		2021	2020	2019		
Argentina						
25 de Mayo - Medanito S.E.	Río Negro	100%	100%	100%	Vista Argentina	2026
Jagüel de los Machos	Río Negro	100%	100%	100%	Vista Argentina	2025
Bajada del Palo Este	Neuquén	100%	100%	100%	Vista Argentina	2053
Bajada del Palo Oeste	Neuquén	100%	100%	100%	Vista Argentina	2053
Entre Lomas	Río Negro	100%	100%	100%	Vista Argentina	2026
Entre Lomas	Neuquén	100%	100%	100%	Vista Argentina	2026
Agua Amarga - “Charco del Palenque”	Río Negro	100%	100%	100%	Vista Argentina	2034
Agua Amarga - “Jarilla Quemada”	Río Negro	100%	100%	100%	Vista Argentina	2040
Coirón Amargo Sur Oeste	Neuquén	—%	10%	10%	Shell Argentina S.A.	2053
Coirón Amargo Norte	Neuquén	84.62%	84.62%	55%	Vista Argentina	2036
Acambuco - “San Pedrito”	Salta	1.5%	1.5%	1.5%	Pan American Energy	2036
Acambuco - “Macueta”	Salta	1.5%	1.5%	1.5%	Pan American Energy	2040
Sur Río Deseado Este	Santa Cruz	—%	16.9%	16.9%	Alianza Petrolera Argentina S.A.	2021
Águila Mora	Neuquén	90%	90%	90%	Vista Argentina	2054
Aguada Federal	Neuquén	50%	—%	—%	Wintershall	2050
Bandurria Norte	Neuquén	50%	—%	—%	Wintershall	2050
Mexico						
Area CS-01	Tabasco	100%	50%	50%	Vista Holding II	2047
Area A-10	Tabasco	—%	50%	50%	Jaguar	2047
Area TM-01	Veracruz	—%	50%	50%	Jaguar	2047

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Below is the summarized financial information on the joint operations involving the Company, which assets, liabilities, revenue and expenses are not fully consolidated in the Company's financial statements. The summarized financial information disclosed below represents the amounts under IFRS of the related interests adjusted by the Company for accounting purposes.

	As of December 31, 2021	As of December 31, 2020
Assets		
Noncurrent assets	88,927	11,465
Current assets	6,432	3,967
Liabilities		
Noncurrent liabilities	57,088	1,353
Current liabilities	23,913	3,509

	Year ended December 31,2021	Year ended December 31,2020	Year ended December 31,2019
Revenue from contracts with customers	3,200	2,490	4,522
Operating costs	(4,513)	(4,914)	(9,103)
Selling expenses	(256)	(4)	(106)
General and administrative expenses	(953)	(1,760)	(1,488)
Exploration expenses	(446)	(646)	(667)
Other operating income and expenses	(8,076)	(1,385)	(74)
Financial results, net	(457)	56	(961)
Total	(11,501)	(6,163)	(7,877)

30.3 Concessions and changes in working interests in oil and gas exploitation properties**30.3.1 Entre Lomas area**

Vista Argentina (formerly known as Petrolera Entre Lomas S.A. or "PELSA") is the operator and holder of all hydrocarbon exploitation concessions in Entre Lomas ("ELO"), located in the Provinces of Río Negro and Neuquén. Concession agreements, renegotiated in 1991 and 1994, respectively, granted the free availability of crude oil and natural gas produced, and were effective through January 21, 2016.

On December 9, 2014, Vista Argentina reached a renegotiation agreement with the Province of Río Negro for the concession of 100% of ELO area, approved by Provincial Decree No. 1,706/2014, whereby the concession was extended for 10 (ten) years through January 2026, and undertook, among other conditions, to pay a fixed bonus and a contribution to the social development and institutional consolidation, a supplementary contribution equal to 3% of oil and natural gas production, and a major reserve and resource development and exploration plan, and environmental remediation.

Moreover, Neuquén's provincial government agreed to extend ELO concession agreement related to the Province of Neuquén for 10 (ten) years through January 2026. Pursuant to the extension agreement, Vista Argentina agreed to invest ARS 237 million in future exploitation and exploration activities to be developed in the aforementioned operating concession. Royalties increased from the prior 12% rate to 15% and could go up to 18%, depending on future increases in the selling price of hydrocarbons produced.

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(Amounts expressed in thousands of US Dollars)**30.3.2 Bajada del Palo Oeste and Bajada del Palo Este areas**

On December 21, 2018, through Decree No. 2,357/18, the Province of Neuquén approved the division and conversion of the operating concession in Bajada del Palo; in two unconventional hydrocarbon operating concessions (“CENCH” by Spanish acronym) so-called Bajada del Palo Este and Bajada del Palo Oeste for 35 (thirty-five) years, including the payment of 12% royalties for the new production of unconventional formations. This decree replaces the conventional operating concession initially granted.

In turn, Vista Argentina paid the following items to the Province of Neuquén: (i) an exploitation bonus for 1,168; (ii) an infrastructure bonus for about 2,796; and (iii) 3,935 as corporate social responsibility. Vista Argentina also paid 1,102 as stamp tax and committed to a major reserve development and exploration plan in the area (for further information on investment commitments, see Note 30.4).

On June 28, 2021, as mentioned in note 1.2, Vista Argentina entered into a farmout agreement with Trafigura, whereby it undertook to develop, initially, 5 (five) pads made up of 4 (four) wells each in Bajada del Palo Oeste area.

By virtue of the farmout agreement, a joint venture was established and Trafigura was entitled to contractual rights for 20% of hydrocarbon output in the pads under the agreement and bear 20% of investment costs, as well as royalties, direct taxes, and remainder operating and midstream costs.

Vista Argentina maintains the operation in Bajada del Palo Oeste and 100% ownership of CENCH.

30.3.3 Agua Amarga area

Vista Argentina is the owner and operator of “Charco del Palenque” and “Jarilla Quemada” operating lots in Agua Amarga, located in the Province of Río Negro.

In 2007, Vista Argentina obtained the exploration permit in Agua Amarga, Province of Río Negro, through Provincial Decree No. 557/07, and the related agreement was signed on May 17, 2007. Based on the results of the exploration conducted in Agua Amarga, the Province of Río Negro granted the operating concession of Charco del Palenque through Provincial Decree No. 874 on October 28, 2009, as amended by Decree No. 922 of November 13, 2009, for 25 (twenty-five) years.

The enforcement authority of the Province of Río Negro accepted the addition of Meseta Filosa to Charco del Palenque concession previously granted through Provincial Decree No. 1,665 of November 8, 2011, published in the Official Bulletin No. 4,991 on December 1, 2011.

Then, the enforcement authority of the Province of Río Negro approved the addition of Charco del Palenque Sur to Charco del Palenque concession previously granted through Provincial Decree No. 1,199 of August 6, 2015. Besides, on that same day, Provincial Decree No. 1,207 granted the operating concession of Jarilla Quemada lot to Vista Argentina.

The operating concession on “Charco del Palenque” lot is effective through 2034 and the operating concession of “Jarilla Quemada” lot is in place until 2040.

30.3.4 Coirón Amargo Norte and Coirón Amargo Sur Oeste

Originally, the Joint operating agreement (“JOA”) Coirón Amargo owned an area located in the Province of Neuquén made up of an operating concession (“Coirón Amargo Norte”) and an evaluation lot (“Coirón Amargo Sur”) due in 2036 and 2017, respectively.

On July 11, 2016, the partners of UT Coirón Amargo signed agreements to assign their interests whereby the area was divided in three independent lots: Coirón Amargo Norte (“CAN”), CASO and Coirón Amargo Sur Este (“CASE.”)

Coirón Amargo Norte

CAN was made up of APCO Oil & Gas S.A.U. (“APCO SAU”, currently Vista Argentina) with a 55% working interest, Madalena Energy Argentina S.R.L. (“Madalena”) with a 35% working interest, and Gas y Petróleo de Neuquén S.A. (“G&P”) with the remainder 10%. Vista Argentina is the operator as from the date. The operating concession expires in 2036.

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According to the Operating Committee' minutes of December 28, 2017, the carry agreement was signed; thus, the contributions made and to be made will be recognized as higher assets or expenses, as the case may be, in terms of the amounts actually disbursed by them, regardless of contractual equity interests.

As from that date and until June 2020, Vista Argentina recognized its 61.11% interest in this joint operation, which is made up of its 55% contractual equity interest plus the 6.11% incremental portion acquired from G&P.

On July 7, 2020, due to the default in payment by partner Madalena and in agreement with Coirón Amargo Norte JOA, Vista Argentina, together with its partner GyP decided to remove Madalena from the agreement by subscribing addendum VIII to the venture agreement for the exploration and exploitation of CAN.

Ministry of Energy and Natural Resources Resolution No. 71/20 approved addendum VIII to the venture agreement and Decree No. 1,292/2020 of November 6, 2020, ratified such approval retroactively. Consequently, the Company, through its subsidiary Vista Argentina, increased its interest in the aforementioned JOA from 55% to 84.62% for no consideration.

As from that date, and maintaining the abovementioned carry system, the Company recognizes all its interests in this joint operation in its consolidated financial statements.

Coirón Amargo Sur Oeste

The partners of this joint operation were initially APCO SAU (currently Vista Argentina) with a 45% interest, O&G Development Ltd. S.A. ("O&G", currently Shell Argentina S.A. or "Shell") with 45%, and G&P with the remainder 10%.

On August 22, 2018, Vista Argentina assigned to O&G, a subsidiary owned by Royal Dutch Shell plc. ("Shell"), a 35% nonoperated interest in CASO through the swap agreement described in Note 30.3.5.

On September 25, 2018, through Decree No. 1,578/18, CASO evaluation plot became a CENCH for 35 (thirty-five) years, maturing in 2053.

As mentioned in Note 1.3. through Decree No. 1,027/2021 of June 24, 2021, the Province of Neuquén approved the amendment of the venture agreement whereby Vista Argentina assigned its 10% working interest in the venture agreement over CASO area to Shell with retroactive effects as of April 1, 2021. Therefore, as of the date of issuance of these financial statements, Vista Argentina has no interests whatsoever in CASO area.

30.3.5 Águila Mora

On August 22, 2018, APCO SAU (currently Vista Argentina) signed an assignment agreement (the "Águila Mora swap agreement") whereby:

- (i) Vista Argentina assigned to O&G a 35% nonoperated working interest in CASO's oil & gas properties;
- (ii) O&G assigned to Vista Argentina a 90% operated working interest in Águila Mora's oil and gas properties, plus a contribution up to 10,000 to refurbish its existing water infrastructure to benefit Shell and Vista Argentina operations.

Águila Mora swap agreement obtained the approvals from the Province of Neuquén on November 22, 2018. Therefore, as from that date, the Company retained a 10% working interest in CASO's oil and gas properties and acquired a 90% working interest in Águila Mora's oil and gas properties, becoming the operator according to the swap agreement. This transaction was measured at the fair value of the interest held by the participant assigned to O&G, and no profit or loss was booked as the result of the transaction.

Vista Argentina was notified of Decree No. 2,597 granted by the Governor of the Province of Neuquén whereby G&P was granted the unconventional operating concession of Águila Mora area for 35 (thirty-five) years as from November 29, 2019 (renewable at due date provided that certain conditions are met for successive 10 (ten) year periods), replacing the unconventional exploration permit previously granted.



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Vista Argentina maintains for such area a carry agreement for the interest in G&P and includes all its interests in this joint operation in the consolidated financial statements (for further information on investment commitments, see Note 30.4).

30.3.6. Jagüel de los Machos

Jagüel de los Machos is an operating concession located in the Province of Río Negro.

Presidential Decree No. 1,769/90 granted a 25 (twenty) year operating concession on Jagüel de los Machos area to Compañía Naviera Pérez Companc S.A.C.F.I.M.F.A. (predecessor of Pampa Energía S.A.). Then, through Province of Río Negro Decree No. 1,708/08, the operating concession was extended for 10 (ten) additional years, through September 6, 2025.

On April 4, 2018, Pampa Energía S.A. assigned to Vista Argentina 100% of its working interest in Jagüel de los Machos operating concession, and the Province of Río Negro issued Decree No. 806/19 approving such assignment on July 11, 2019.

30.3.7. 25 de Mayo – Medanito S.E.

25 de Mayo – Medanito S.E. is an operating concession located in the Province of Río Negro.

Presidential Decree No. 2,164/91 converted the agreement concerning 25 de Mayo-Medanito SE area into an operating concession for 25 years in favor of Compañía Naviera Pérez Companc S.A.C.F.I.M.F.A. (predecessor of Pampa Energía S.A.). Then, through Province of Río Negro Decree No. 1,708/08, the operating concession was extended for 10 (ten) additional years, through October 28, 2026.

On April 4, 2018, Pampa Energía S.A. assigned to Vista Argentina 100% of its interest in operating concession 25 de Mayo – Medanito SE, and the Province of Río Negro issued Decree No. 806/19 approving such assignment on July 11, 2019.

30.3.8. Acambuco

The Company has a 1.5% working interest in operating concession Acambuco, located in the Northwest basin, Province of Salta. The operating concession operator is Pan American Energy LLC (Sucursal Argentina) with a 52% working interest. The remainder partners are YPF S.A., Shell Argentina S.A., and Northwest Argentina Corporation with an equity of 22.5%, 22.5% and 1.5%, respectively.

The operating concession Acambuco includes two operating plots:

- (i) San Pedrito, which was declared to be marketable on February 14, 2001, and expires in 2036.
- (i) Macueta, which was declared to be marketable on February 16, 2005, and expires in 2040.

30.3.9. Sur Río Deseado Este

On March 21, 2021, the 25 (twenty-five) year term of Sur Río Deseado Este concession in the Golfo San Jorge basin, Province of Santa Cruz, in which Vista Argentina had a 16.94% interest, expired. The operator was Alianza Petrolera Argentina S.A. (“Alianza”) with a 79.05% interest, and SECRA S.A. had the remaining 4% interest. Moreover, Vista Argentina had a 44% interest in an exploration agreement in a portion of Sur Río Deseado concession; the operator of such agreement is Quintana E&P Argentina S.R.L.

As of the date of these financial statements, Alianza is going through the administrative formalities to complete the process to restore the area to the Province of Santa Cruz. The expenses required by such process should be assumed by the partners according to their interests in the area. Therefore, as of the date of issuance of these financial statements, Vista Argentina has no interest whatsoever in the operating concessions of Sur Río Deseado Este; and the results of assets and liabilities disposal it recognized in “Other operating income” under “Gain from assets disposal” for a total amount of 13 (see Note 10.1).



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30.3.10 Aguada Federal

As mentioned in Note 1.5, on September 16, 2021, the Company, through its subsidiary Vista Holding I, acquired 100% of the shares directly and indirectly held in ConocoPhillips Argentina Ventures SRL (known to date as “Vista AFBN S.R.L”).

AFBN owns 50% of the nonoperated interest in the nonoperated concession of Aguada Federal granted by the Province of Neuquén that expires in 2050. As of the date of acquisition, this area had no pending investment commitments and was operated by Wintershall, the owner of the remainder 50%.

In addition, on January 17, 2022, the Company, through its subsidiary Vista Argentina, acquired the remainder 50% of the interest operated in Aguada Federal concession from Wintershall (see Note 35).

Aguada Federal is located in a black oil window in Vaca Muerta. A total of 6 horizontal wells were drilled, and hydrocarbons were extracted from all of them.

As of December 31, 2021, and 2020, there were no certified proved reserves in the area. The Company estimates that there are up to 150 locations of new wells (at 100%) to be drilled in this area.

30.3.11 Bandurria Norte

As mentioned in Note 1.5, on September 16, 2021, the Company, through its subsidiary Vista Holding I, acquired 100% of the shares directly and indirectly held in ConocoPhillips Argentina Ventures SRL (known to date as “Vista AFBN S.R.L”).

AFBN owns 50% of the nonoperated interest in the nonoperated concession of Bandurria Norte granted by the Province of Neuquén that expires in 2050. As of the date of acquisition, this area had no pending investment commitments and was operated by Wintershall, the owner of the remainder 50%.

In addition, on January 17, 2022, the Company, through its subsidiary Vista Argentina, acquired the remainder 50% of the interest operated in Bandurria Norte concession from Wintershall (see Note 35).

Bandurria Norte is located in a volatile oil window in Vaca Muerta. A total of 6 horizontal wells were drilled, and hydrocarbons were extracted from all of them.

As of December 31, 2021, and 2020, there were no certified proved reserves in the area. The Company estimates that there are up to 150 locations of new wells (at 100%) to be drilled in this area.

30.3.12 Oil and gas properties in Mexico

On October 29, 2018, the Company through its Mexican subsidiary Vista Holding II completed the acquisition, of the 50% working interest in the following oil and gas properties, which mature in 2047:

- (i) Area CS-01 (operated);
- (ii) Area A-10 (not operated); and
- (iii) Area TM -10 (not operated).

On August 3, 2020, the CNH approved the transfer of control of the operation in CS-01 area; hence, the Company, through its Mexican subsidiary Vista Holding II, was appointed as the operator.

On December 1, 2020, Vista Holding II reached an agreement with Jaguar and Pantera, both organized under the laws of Mexico, regarding the assignment of all interest held by Vista Holding II in the hydrocarbon exploration and extraction license agreements in A-10 and TM-01 area to Pantera and Jaguar, respectively, as well as the assignment of Jaguar’s interest in area CS-01 to Vista Holding II.



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On March 25, 2021, the CNH approved the assignment of all interests in Jaguar's rights over CS-01 area in favor of Vista Holding II. On April 29, 2021, the CNH approved the assignments of all equity interests held by Vista Holding II in TM-01 area to Jaguar, and in A-10 area to Pantera.

As mentioned in Note 1.4, on August 23, 2021, the Company, through Vista Holding II, transferred these assets and, consequently, (i) increased its working interest from 50% to 100% in CS-01 operated area, and (ii) transferred all its working interests in TM-01 and A10 area to Jaguar and Pantera, respectively.

30.4 Investment commitment

As of December 31, 2021, the Company has the following commitments pending execution:

A- Argentina

(i) in 25 de Mayo-Medanito SE and Jagüel de los Machos (Province of Río Negro), to drill and complete 1 (one) extension well, and 1 (one) exploration well for an estimated cost of 3,240;

(ii) in ELo (Province of Río Negro), to drill and complete 4 (four) development wells and 1 (one) extension well for an estimated cost of 11,220;

(iii) in 25 de Mayo-Medanito SE and Jagüel de los Machos (Province of Río Negro), to drill and complete 13 (thirteen) workovers, and to abandon 21 (twenty-one) wells for an estimated cost of 8,613;

(iv) in ELo (Province of Río Negro), to complete 11 (eleven) workovers, and to abandon 3 (three) wells for an estimated cost of 5,773;

(v) in Bajada del Palo Este, to drill 5 (five) horizontal wells with its related facilities for an estimated cost of 51,900; and

(vi) in Águila Mora, to drill 2 (two) horizontal wells with its related facilities and the reactivation of an existing well (AM.x-3) for an estimated cost of 32,750.

B- Mexico

(i) to drill and complete 6 (six) wells in CS-01 for an estimated cost of 14,700.

30.5 Well exploration costs

There are no balances or activity for costs of exploration wells for the years ended December 31, 2021, 2020 and 2019.

Note 31. Transport Concession

31.1 General considerations

Section 28, Argentina's National Hydrocarbons Law, sets forth that all operating concession holders are entitled to obtain a concession for transporting hydrocarbons. In compliance with section 6, Presidential Decree No. 115/19, the transportation concessions granted after the issuance of this decree will have complete independence and autonomy from the operating concession giving rise to it so that the operating concession does not interfere or hinder by any means the term of the transportation concession. The transportation concession holder will be entitled to enter into capacity reservation agreements freely pursuant to the terms of this decree. The assignment method, prices and volumes of these agreements may be negotiated freely between the transportation concession holder and the related shippers.

31.2 Federal transportation concession

On November 22, 2019, Argentina's Government Department of Energy issued Resolution No. 753/19 whereby it provided Vista Argentina with a crude oil transportation concession for the oil pipeline that will extend from Borde Montuoso oilfield (in Bajada de Palo Oeste, Province of Neuquén) to La Escondida pumping station (related to Allen-Puerto Rosales oilfield, Province of Río Negro), operated by Oleoductos del Valle Sociedad Anónima. In that same act, Vista Argentina assigned the concession to Aleph as part of the agreement mentioned in Note 28.

The national transportation concession is extended through December 19, 2053.



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It will transport production from Bajada de Palo Oeste, Bajada del Palo Este, Coirón Amargo Norte, Charco del Palenque and ELo, located in the Provinces of Neuquén and Río Negro

31.3 Entre Lomas crude oil transportation concession

On December 6, 2019, the Province of Río Negro issued Decree No. 1,821/19 whereby it provided Vista Argentina with a hydrocarbon transportation concession related to ELo concerning the oil pipeline connecting the crude treatment plant located in Charco Bayo oilfield in ELo (the “PTC Elo”) to its interconnection with the crude oil trunk transportation system in La Escondida operated by Oleoductos del Valle S.A. in the Province of Río Negro, including the PTC ELo within the transportation concession.

The transportation concession was granted for a term equal to the remainder term of the operating concession of the related ELo area; i.e., until January 21, 2026.

It will transport production from ELo, Bajada del Palo Oeste, Bajada del Palo Este, Coirón Amargo Norte, ELo and Charco del Palenque.

31.4 25 de Mayo-Medanito SE transportation concession

On December 6, 2019, the Province of Río Negro issued Decree No. 1,822/19 whereby it provided Vista Argentina with a hydrocarbon transportation concession related to 25 de Mayo-Medanito SE, Province of Río Negro, concerning the oil pipeline connecting the crude treatment plant located in 25 de Mayo-Medanito SE (Río Negro) (“PTC MED”) to its interconnection with the crude oil trunk transportation system in Medanito operated by Oleoductos del Valle S.A. in the Province of Río Negro, including PTC MED within the transportation concession.

The transportation concession was granted for a term equal to the remainder term of the operating concession of the related 25 de Mayo-Medanito area; i.e., until October 26, 2026.

It will transport production from 25 de Mayo- Medanito SE and Jagüel de los Machos.

31.5 Entre Lomas gas transportation concession

On December 6, 2019, the Province of Río Negro issued Decree No. 1,823/19 whereby it provided Vista Argentina with a hydrocarbon transportation concession related to ELo concerning the gas pipeline connecting the gas treatment plant located in Charco Bayo oilfield in ELo (the “PTG ELo”) to its interconnection with the gas trunk transportation system operated by Transportadora del Gas S.A. (“TGS”) in the Province of Río Negro, including the PTG ELo within the transportation concession.

The transportation concession was granted for a term equal to the remainder term of the operating concession of the related ELo area, i.e., until January 21, 2026.

It will transport production from ELo, Bajada del Palo Oeste, Bajada del Palo Este, Coirón Amargo Norte and Charco del Palenque.

Note 32. Business combination

Due to the exclusion of the partner of Madalena Energy Argentina S.R.L. as mentioned in note 30.3.4, Vista Argentina acquired a 29.62% of working interest in addition to its 55%, up to 84.62%, in CAN’s concessions for no consideration, which gave rise to net assets for 1,383 and subsequent profit in the same amount, that was booked in “Other operating income” under “Bargain purchase on business combination” (see Note 10.1).

This transaction was booked as a business combination under IFRS using the acquisition method and is included in the consolidated financial statements as from the date in which the Company gained control of the additional working interest.



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Note 33. Tax regulations

A-Argentina

On December 23, 2019, Law No. 27.541 on Social Solidarity and Production Reactivation in the Context of a Public Emergency, and its Administrative Order No. 58/2019, was published in the Official Bulletin. The reforms introduced are aimed at reactivating the economic, financial, fiscal, administrative, social security, tariff, energy, health and social areas, and empower the Argentine Executive to carry out the formalities and efforts needed to recover and ensure the sustainability of sovereign debt.

The main measures contained in the law and administrative order are:

33.1 Income tax

Law No. 27,430 established as follows: (i) the income tax rate for Argentine companies would be reduced gradually for undistributed earnings from 35% to 30% for years beginning January 1 through December 31, 2019, and up to 25% for the year beginning January 1, 2020; and (ii) tax on dividends or profit distributed to beneficiaries residing abroad is distributed based on the following considerations: (a) dividends from profit accrued during the years beginning January 1, 2018 through December 31, 2019, will be subject to a 7% withholding; and (b) dividends from profit accrued during the years beginning January 1, 2020, will be subject to a 13% withholding.

The reform introduced by Law No. 27,541 suspended such change in rates and maintained original 30% and 7% rates for income tax and tax on dividends, respectively, until the fiscal years beginning on or after January 1, 2021.

Moreover, Law No. 27.468 established that a third of the positive or negative adjustment for inflation applicable to the three first fiscal years beginning January 1, 2019, be distributed to the year in which the adjustment was determined and the remaining two thirds to the two subsequent tax periods. This reform amended this distribution and established that a sixth of the positive or negative adjustment for the first and second year beginning January 1, 2019, be charged to the year in which the adjustment is determined and the remainder five sixths, in equal parts, to the five subsequent tax periods, whereas for years beginning January 1, 2021, 100% of the adjustment may be deducted/levied in the year in which it is determined.

On June 16, 2021, the Argentine government issued Law No. 27,630, which introduces changes in corporate income tax rate effective for fiscal years beginning January 1, 2021. It establishes the application of gradual rates according to the level of net accumulated taxable profit. Based on Management estimates, the rate applicable to the Company stands at 35%.

33.2 Tax for an inclusive and solidary Argentina (“PAIS”)

This emergency tax is levied on the acquisition of foreign currency for five fiscal years at a 30% rate.

This tax may not be used as payment towards any other tax and is levied on the following cases: (i) purchase of bills and foreign currency for hoarding purposes; (ii) change in currency to pay the acquisitions of assets or services and contracts for works made abroad irrespective of the method of payment used; (iii) acquisition of services abroad purchased from travel and tourism agencies in Argentina; or (iv) acquisition of passenger transportation services to be used abroad.

33.3 Export duties

On May 19, 2020 Presidential Decree No. 488/2020 sets forth that export duties will be: (i) 0% if the international price for ICE Brent 1st line is equal to or lower than US 45; or (ii) 8% if the international price for ICE Brent 1st line is equal to or higher than US 60. Should international price range between US 45 and US 60, the formula contained in the aforementioned decree should be used.



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33.4 Energy system

The law empowers the Argentine executive to:

- i) Maintain electricity and natural gas rates under national jurisdiction and begin a renegotiation process of the comprehensive rate review in place or begin an extraordinary review as from the entry into force of the law for a 180-day term aimed at decreasing the burden on households, businesses and industries for 2020. The provinces are also invited to adhere to these policies to maintain the rates schedules and extraordinary renegotiation or review of the charges of the provincial jurisdictions.
- ii) Administratively intervene the ENRE (Electric power regulatory entity) and ENARGAS (Argentine gas regulatory agency) for 1 (one) year.

In the use of the powers delegated, the government announced the suspension of electricity and gas rates for the 180 days provided for in the law.

B- Mexico

33.5 Income tax

On October 1, 2019, the Mexican government approved the 2020 tax reform, which becomes effective as from January 1, 2020. This reform includes the following:

- (i) It limited the deductibility of net interest for the year, equal to the amount resulting from multiplying the taxpayer's adjusted taxable profit by 30%. There is an exception with a cap of 20 million Mexican pesos for deductible interest at the group level in Mexico.
- (ii) It amended the Mexican Tax Code to add new circumstances by virtue of which partners, shareholders, directors, managers or any other person in charge of a company's management are considered joint and severally liable. These new circumstances apply when operating with blacklisted companies or individuals that issue electronic invoices considered inexistent transactions due to the lack of assets, personnel, infrastructure or material capacity; or when the taxpayer is not included in the Mexican Taxpayer Registry ("RFC" by Spanish acronym) or when the tax domicile is changed without filing the related notice with tax authorities in a timely manner.

The 2020 tax reform includes the requirement to disclose "reportable schemes" by tax advisors or taxpayers. These schemes are defined as those that generate, or may generate, a tax benefit and include: (i) restructurings; (ii) transmission of NOLs; (iii) transfer of depreciated assets that may also be depreciated by the acquirer; (iv) the use of NOLs about to become statute-barred; and (v) abuse in the application of tax treaties with foreign residents, among others.

This reform also proposes that tax evasion be considered an organized crime with the related criminal penalties.

The Company's Management concluded that this reform had no major effects on the financial information as of December 31, 2021, and 2020.

Note 34. Share-based payments

On March 22, 2018, the Company's shareholders authorized the implementation of the LTIP to retain key employees and empowered the Board of Directors to manage this plan. Shareholders also decided to set aside 8,750,000 Series A shares to be used in the plan.

According to the LTIP approved by the Board, this plan is effective as from April 4, 2018, and the Company manages the plan through an administrative trust.

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The plan has the following benefits paid to certain executives and employees that are considered share-based payments:

34.1 Stock Options (Equity Settled)

The stock option plan grants the participant the right to acquire a number of shares during a certain term. Stock options will be vested as follows: (i) 33% during the first year; (ii) 33% during the second year, and (iii) 34% during the third year in relation to the date in which stock options are granted to participants. Once acquired, stock options may be exercised up to 5 or 10 years as from grant date. The plan establishes that the value of the shares to be granted will be determined using Black & Scholes model.

34.1.1 Movements for the year

The following table shows the number of stock options and the weighted average exercise price (“WAEP”) for the year and the movements for the years:

	Year ended December 31, 2021		Year ended December 31, 2020		Year ended December 31, 2019	
	Number of rights to buy	WAEP	Number of rights to buy	WAEP	Number of rights to buy	WAEP
At beginning of year	5,668,825	6.0	3,994,004	7.8	1,330,541	10.0
Granted during the year	3,455,284	2.9	1,711,307	2.1	2,704,003	6.7
Cancelled during the year	—	—	(36,486)	10.0	(40,540)	10.0
At end of year	9,124,109	4.9	5,668,825	6.0	3,994,004	7.8

The following table shows the inputs used for the plan for the year:

	2021	2020	2019
Dividend yield (%)	0.0%	0.0%	0.0%
Expected volatility (%)	34%	34%	40%
Risk-free interest rate (%)	1.4%	0.7%	2.5%
Expected life of share options (years)	10	10	5
Weighted average exercise price (US)	2.9	2.10	6.7
Model used	Black-Scholes	Black-Scholes	Black-Scholes

The remainder life of stock options is based on historical data and current expectations and is not necessarily an indication of the potential exercise patterns. Expected volatility shows the assumption that historical volatility in a period similar to the life of options is an indication of future trends, that may not be necessarily the actual result.

The weighted average fair value of options granted during the year ended December 31, 2021, 2020 and 2019 stood as 1.2, 0.9, and 2.6, respectively.

According to IFRS 2, stock option plans are classified as settled transactions at grant date. This assessment is the result of multiplying the total number of Series A shares to be deposited in the administrative trust and the price per share.

For the year ended December 31, 2021, 2020 and 2019, compensation expense booked in the consolidated statements of profit or loss and other comprehensive income stood at 4,377, 4,251, and 3,529, respectively.

34.2 Restricted Stock (Equity Settled)

One or more shares that are given to the participants of the plan for free or a minimum value once the conditions are achieved. Restricted Stock is vested as follows: (i) 33% the first year; (ii) 33% the second year; and (iii) 34% the third year with respect to the date in which the Restricted Stock are granted to the participants.



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34.2.1 Movements for the year

The following table shows the number of Series A shares and WAEP for the year and the movements during the year:

	Year ended December 31, 2021		Year ended December 31, 2020		Year ended December 31, 2019	
	Number of Series A shares	WAEP	Number of Series A shares	WAEP	Number of Series A shares	WAEP
At beginning of year	3,769,299	5.4	2,207,012	7.8	854,750	10.0
Granted during the year	1,993,039	2.9	1,581,037	2.1	1,356,762	6.7
Cancelled during the year	—	—	(18,750)	6.7	(4,500)	10.0
At end of year	5,762,338	4.5	3,769,299	5.4	2,207,012	7.8

According to IFRS 2, stock option plans are classified as settled transactions at grant date. This assessment is the result of multiplying the total number of Series A shares to be deposited in the administrative trust and the price per share.

For the years ended December 31, 2021, 2020 and 2019, compensation expense booked in the consolidated statements of profit or loss and other comprehensive income stood at 6,215, 6,243, and 7,126, respectively. Series A shares issued during the year are disclosed in Note 21.

All shares are considered outstanding shares for both basic and diluted earnings (loss) per share since they are entitled to dividends provided that they are reported by the Company.

Note 35. Subsequent events

The Company assessed events subsequent to December 31, 2021, to determine the need of a potential recognition or disclosure in these consolidated financial statements. The Company assessed such events through April 26, 2022, date in which these financial statements were made available for issue.

- On January 3 and 20, 2022 Vista Argentina paid principal and interest for a total amount of 50,600 corresponding to Syndicated Loan.
- On January 3, 2022, Vista Argentina signed a collateralized loan agreement with Banco Santander International for an amount of 13,500; at an annual fixed interest rate of 2.45% and expiration date as of January 4, 2027.
- On January 4, 2022, Vista Argentina paid interest for an amount of 198 corresponding to loan agreement signed with Banco Santander International in July 2021.
- On January 14, 2022, Vista Argentina signed a loan Agreement with ConocoPhillips BV for an amount of 25,000; at an annual rate LIBOR + 2%, and expiration date as of September 16, 2026.
- On January 17, 2022, the Company, through its subsidiary Vista Argentina, acquired a 50% operated working interest in the Aguada Federal and Bandurria Norte concessions (“the Assets”), from Wintershall. Vista has agreed to pay a purchase price of 140,000, of which 90,000 was payable on the date of the transaction, and the remaining 50,000 will be payable in 8 (eight) equal quarterly instalments starting April 2022. Additionally, the transaction effectively cancels the carry consideration of 77,000 the Company had assumed on September 16, 2021, mentioned in Note 1.5.

Through the Transaction, Vista acquires 25,231 net acres, increasing its total acreage in Vaca Muerta to 183,084 acres; and also add up to 150 new well locations to its Vaca Muerta portfolio, totaling up to 850 identified new well locations.

The effective date of the Transaction is January 1, 2022. However, the final closing shall take place upon the issuance of a decree by the Province of Neuquén approving the assignment of the Assets to Vista.

On April 1, 2022, Vista Argentina paid the first instalments to Wintershall for an amount of 6,250.

- On January 20 and 21, 2022 Vista Argentina paid principal and interest for a total amount of 892 corresponding to loan agreement signed with Banco Santander International in January, 2021.
- On January 31, 2022 Vista Argentina paid principal and interest for a total amount of 1,788 corresponding to loan agreement signed with Banco BBVA Argentina S.A.



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- On February 7, 2022, Vista Argentina paid interest for a total amount of 1,071 corresponding to ON II. Likewise, Vista Argentina completely canceled ON IV for an amount in Argentine pesos equivalent to 7,495.
- On February 21, 2022, Vista Argentina paid interest for a total amount of 882 corresponding to ON III.
- On March 2, 2022, Vista Argentina paid interest for a total amount of 3,053 corresponding to ON XI and ON XII.
- On March 4, 2022, Vista Argentina paid interest for a total amount of 80 corresponding to ON VI.
- On March 10, 2022, Vista Argentina paid interest for a total amount of 724 corresponding to ON VII and ON VIII.
- On March 18, 2022, Vista Argentina paid interest for a total amount of 754 corresponding to ON IX and ON X.
- On March 29 and 30, 2022, Vista Argentina completely paid the loan agreement signed with Bolsas y Mercados Argentinos S.A. for an amount in Argentine pesos equivalent to 10,208.
- On April 4, 2022, Vista Argentina paid interest for a total amount of 164 corresponding to loan agreement signed with Banco Santander International in July 2021 and January 2022.
- On April 26, 2022, the Shareholders' meeting, based on the Company's individual financial statements, approved the creation of a legal reserve and the creation of a repurchase of own shares reserve for an amount up to US\$ 23.84 million to be used for the purchase of the Company's own shares during 2022. If the maximum amount of funds set aside for the purchase are not entirely used by December 31, 2022, the Company may use the remaining amount to repurchase its own shares during 2023.

There are no other events or transactions between the closing date and the date of issuance of these consolidated financial statements that could significantly affect the Company's financial position or profit or loss.

Note 36. SUPPLEMENTARY INFORMATION ON OIL AND GAS ACTIVITIES (UNAUDITED)

The following information on oil and gas activities was prepared according to the method established in ASC No. 932 "Extractive Activities – Oil & gas", amended by ASU 2010—03 "Oil and Gas Reserve Estimation and Disclosure," published by the Financial Accounting Standard Board ("FASB") in January 2010 to align current estimation and disclosure requirements with the requirements in the final rules and interpretations issued by the Security and Exchange Commission ("SEC"), published on December 31, 2008. This information includes the Company's oil and gas production activities in Argentina and Mexico.

Costs incurred

The following table shows capitalized costs and expenses incurred in the years ended December 31, 2021, 2020 and 2019. The acquisition of properties includes the costs incurred to acquire proved or unproved oil and gas properties. Exploration costs include the costs required to retain undeveloped properties, seismic acquisition costs, seismic data interpretation, geologic modelling, costs of drilling exploration wells and drilled well testing. Development costs include drilling costs and equipment for development wells, the construction of facilities for hydrocarbon extraction, treatment and storage and all the costs needed to maintain facilities for existing developed reserves.

	Year ended December 31, 2021		Year ended December 31, 2020		Year ended December 31, 2019	
	Argentina	Mexico	Argentina	Mexico	Argentina	Mexico
Acquisition of properties						
Proved	—	—	—	—	—	—
Unproved	(69,693)	—	—	—	—	278
Total acquisition of properties	(69,693)	—	—	—	—	278
Exploration	—	(561)	—	(646)	(9)	(667)
Development	(280,686)	(13,475)	(186,030)	(2,031)	(146,935)	(601)
Total costs incurred	(350,379)	(14,036)	(186,030)	(2,677)	(146,944)	(990)

VISTA incurred no costs in entities recognized under the equity method during the aforementioned periods.



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Capitalized cost

The following table shows capitalized costs during the years ended December 31, 2021, 2020, and 2019, for proved and unproved oil and gas reserves, and accumulated depreciation:

	Year ended December 31, 2021		Year ended December 31, 2020		Year ended December 31, 2019	
	Argentina	Mexico	Argentina	Mexico	Argentina	Mexico
Proved properties ⁽¹⁾						
Machinery, facilities, software licenses and other	37,519	476	34,407	485	29,757	40
Oil and gas properties and wells	1,614,708	34,698	1,258,223	—	1,040,250	—
Works in progress	84,978	6,267	76,924	2,632	74,924	601
Unproved properties			—	15,359	—	29,403
Gross capitalized costs	1,737,205	41,441	1,369,554	18,476	1,144,931	30,044
Cumulative depreciation	(549,885)	(281)	(364,964)	(94)	(222,847)	(3)
Total net capitalized costs	1,187,320	41,160	1,004,590	18,382	922,084	30,041

⁽¹⁾ Including capitalized amounts related to well plugging and abandonment and impairment loss/reversal.

VISTA incurred no costs in entities recognized under the equity method during the aforementioned periods.

Results of operations

The following breakdown of results of operations summarizes income and expenses directly related to oil and gas production for the years ended December 31, 2021, 2020 and 2019. Income tax for these periods was calculated using statutory tax rates.

	Year ended December 31, 2021	Year ended December 31, 2020	Year ended December 31, 2019
Revenue from contracts with customers	652,187	273,938	415,976
Total revenue	652,187	273,938	415,976
Production costs excluding depreciation			
Operating costs	(107,123)	(88,018)	(114,431)
Royalties	(86,241)	(38,908)	(61,008)
Total production costs	(193,364)	(126,926)	(175,439)
Exploration expenses	(561)	(646)	(676)
Discount for well plugging and abandonment liabilities	(2,546)	(2,584)	(1,723)
Reversal / Impairment of long-lived assets	14,044	(14,438)	—
Depreciation, depletion and amortization	(191,313)	(147,674)	(153,001)
Operating (loss) before income tax	278,447	(18,330)	85,137
Income tax	(83,534)	5,499	(25,541)
Oil and gas operating (loss)	194,913	(12,831)	59,596

VISTA incurred no costs in entities recognized under the equity method during the aforementioned periods.

Estimated oil and gas reserves

Proved reserves as of December 31, 2021, 2020, and 2019, are net reserves attributable to Vista audited by DeGolyer and MacNaughton for the assets located in Argentina, and Netherland Sewell & Associates for the assets located in Mexico.

Proved oil and gas reserves are the quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. In some cases, substantial investments may be required in related wells and facilities to recover proved reserves.

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(Amounts expressed in thousands of US Dollars)

The Company considers that its remaining estimated volumes of oil and gas proved recoverable reserves are fair and that these estimates were prepared according to SEC regulations and ASC 932, as amended. Consequently, crude oil prices used in determining proved reserves were the average price during the 12 months prior to the end date of December 31, 2021, 2020, and 2019, respectively, determined as an unweighted average of the first day of the month for each month within these periods. Moreover, since there are no natural gas prices available in the benchmark market in Argentina, VISTA used the average gas prices for the year to determine gas reserves. In addition, for certain gas volumes, Vista will obtain an incentive price subsidized by the Argentine government through Plan Gas IV. A weighted average price is estimated for certain areas per subsidized and unsubsidized volume.

The independent audits carried out by DeGolyer and MacNaughton, and Netherland Sewell & Associates covered all the estimated reserves located in the areas operated and not operated by the Company in Argentina and Mexico, respectively. DeGolyer and MacNaughton, and Netherland Sewell & Associates audited the proved estimates of oil and natural gas reserves according to Rule 4-10 of Regulation S-X issued by the SEC, and according to the provisions for disclosing oil and gas reserves under FASB ASC Topic 932. We provided DeGolyer and MacNaughton, and Netherland Sewell & Associates with all the information requested during the audit processes. In Argentina royalties paid to the provinces have not been deducted from reported proved reserves. Gas includes gas sale and consumption.

The volumes of liquid hydrocarbons represent crude oil, condensate, gasoline and LNG to be recovered in field separation and plant processing and are reported in million barrels (“MMBbl”) The volumes of natural gas represent expected gas sales and the use of fuel in the field and are reported in billion cubic feet (“Bcf”) (10⁹) in standard conditions of 14.7 psia and 60°F. Gas volumes arise from the separation and processing in the field, which are reduced by injection, venting and shrinkage, and include the volume of gas consumed in the field for production. Natural gas reserves were converted into liquid equivalent using the conversion factor of 5.615 cubic feet of natural gas per 1 barrel of liquid equivalent.

The following tables show proved oil reserves, net (including crude oil, condensate oil and LNG) and natural gas reserves, net, as of December 31, 2021, and 2020, according to VISTA’s interest percentage in the related concessions:

Proved reserves as of December 31, 2019

Argentina	<u>Crude oil ⁽¹⁾</u>	<u>Natural Gas</u>	<u>Natural Gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	30.2	108.0	19.2
Proved undeveloped	40.6	64.0	11.4
Total proved reserves	70.8	172.0	30.6

Mexico	<u>Crude oil ⁽¹⁾</u>	<u>Natural Gas</u>	<u>Natural Gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	0.1	0.7	0.2
Proved undeveloped	0.1	0.1	0.0
Total proved reserves	0.2	0.8	0.2

Proved reserves as of December 31, 2020

Argentina	<u>Crude oil ⁽¹⁾</u>	<u>Natural Gas</u>	<u>Natural Gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	37.6	86.1	15.3
Proved undeveloped	61.8	73.9	13.1
Total proved reserves	99.4	160.0	28.4



VISTA ENERGY, S.A.B. DE C.V.

Notes to the Consolidated Financial Statements
(Amounts expressed in thousands of US Dollars)

Mexico	<u>Crude oil (1)</u>	<u>Natural Gas</u>	<u>Natural Gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	0.2	0.7	0.1
Proved undeveloped	0.0	0.0	0.0
Total proved reserves	0.2	0.7	0.1

Proved reserves as of December 31, 2021

Argentina	<u>Crude oil (1)</u>	<u>Natural Gas</u>	<u>Natural Gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	48.2	90.8	16.2
Proved undeveloped	95.1	99.4	17.7
Total proved reserves	143.3	190.2	33.9

Mexico	<u>Crude oil (1)</u>	<u>Natural Gas</u>	<u>Natural Gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	0.3	0.2	0.0
Proved undeveloped	3.0	6.0	1.1
Total proved reserves	3.3	6.2	1.1

(1) It refers to crude oil, condensate, and LNG.

The following table shows the reconciliation of the Company's reserve data between December 31, 2018 and December 31, 2019:

Argentina	<u>Crude oil (4)</u>	<u>Natural Gas (5)</u>	<u>Natural Gas</u>
Proved reserves (developed and undeveloped)	(MMBbl)	(Bcf)	(MMBbl equivalent)
Reserves as of December 31, 2018	34.2	131.6	23.4
Increase (decrease) attributable to:			
Review of prior estimates (1)	2.4	17.8	3.2
Extension and discoveries (2)	41.0	43.0	7.6
Production for the year (3)	(6.8)	(20.4)	(3.6)
Reserves as of December 31, 2019	70.8	172.0	30.6

(1) Revision of previous estimates material increments were related to well performance in the following concessions: Entre Lomas (+0.9 MMBbl and +11.6 Bcf), Acambuco (+1.0 Bcf), Bajada del Palo Este (+0.2 MMBbl and +1.0 Bcf) and Jagüel de los Machos (+1.0 MMBbl and +1.3 Bcf). Additionally, there was an addition of 0.3 MMBbl and 0.6 Bcf in the Coirón Amargo Sur Oeste concession related to a change in well design, an addition of 1.6 MMBbl and 2.3 Bcf related to the Bajada del Palo Oeste shale oil project due to well performance of the first 4-well pad, and an addition of 3.0 Bcf related to gas projects in the Bajada del Palo Oeste conventional block. The abovementioned increments were partially offset by higher declines related to well performance in the following concessions: 25 de mayo – Medanito (-0.5 MMBbl and -1.0 Bcf), Charco del Palenque (-0.2 MMBbl and -0.2 Bcf), Coirón Amargo Norte (-0.1 MMBbl and -0.1 Bcf) and the Bajada del Palo Oeste conventional block (-0.8 MMBbl). Additionally, 1.7 Bcf corresponding to the Jarilla Quemada block were removed from proven reserves due to lower commodity prices.

(2) The material increments of 41.2 MMBbl and 43.8 Bcf in proved reserves is related to the Vaca Muerta shale oil development in the Bajada del Palo Oeste concession. Proved developed reserves increased 3.4 MMBbl and 3.5 Bcf, due to the tie-in of a second 4-well pad that was not previously booked as proved undeveloped reserves. Proved undeveloped reserves for the same project increased 37.6 MMBbl and 39.5 Bcf, corresponding to eleven 4-well pads (44 new well locations). Additionally, 0.2 MMBbl and 0.8 Bcf correspond to the operation in Mexico.

(3) Considers Vista Argentina production at WI, except for Aguila Mora production (oil production of 35 bbl./d).

(4) It refers to crude oil, condensate, and LNG.

(5) Natural gas consumption represented 14.1% of consumption plus natural gas sale reported reserves volumes as of December 31, 2019.



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(Amounts expressed in thousands of US Dollars)

	<u>Crude oil</u> (MMBbl)	<u>Natural Gas</u> (Bcf)	<u>Natural Gas</u> (MMBbl equivalent)
Mexico			
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2018	—	—	—
Increase (decrease) attributable to:			
Extension and discoveries	0.2	0.8	0.2
Reserves as of December 31, 2019	0.2	0.8	0.2

The following table shows the reconciliation of the Company's reserves data between December 31, 2019 and December 31, 2020:

	<u>Crude oil (1)</u> (MMBbl)	<u>Natural Gas (6)</u> (Bcf)	<u>Natural Gas</u> (MMBbl equivalent)
Argentina			
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2019	70.8	172.0	30.6
Increase (decrease) attributable to:			
Review of prior estimates (2)	4.4	(25.1)	(4.6)
Extensions and discoveries (3)	30.8	27.9	5.0
Purchases of onsite proved reserves (4)	0.3	0.6	0.1
Production for the year (5)	(6.9)	(15.4)	(2.7)
Reserves as of December 31, 2020	99.4	160.0	28.4

(1) It refers to crude oil, condensate, and LNG.

(2) The conversion of proved undeveloped reserves to prove developed reserves is related to the start of production of the two pads (eight wells) classified as proved undeveloped reserves targeting Vaca Muerta unconventional reservoir in Bajada del Palo Oeste concession.

The performance revisions of proved developed crude oil and condensate reserves are related to an increased performance above the type curve of two pads (eight wells) drilled in 2020 targeting Vaca Muerta unconventional reservoir in Bajada del Palo Oeste concession (+2.1 MMBbl); the increased performance of conventional reservoirs in Bajada del Palo Oeste concession (+1.1 MMBbl); the extension of the economic life of conventional reservoirs in Bajada del Palo Oeste concession due to the development of Vaca Muerta unconventional reservoir in the concession (+0.9 MMBbl), and the effect of an increased performance in other concessions (+0.3 MMBbl).

The revisions of proved developed natural gas reserves are related to a lower performance of the gas wells in ELo Río Negro concession (-15.5 Bcf) and a lower performance of the gas wells of the conventional reservoirs in Bajada del Palo Oeste concession (-6.0 Bcf), which were partly offset by an extension in the economic life of conventional reservoirs in Bajada del Palo Oeste concession due to the development of the unconventional reservoir in Vaca Muerta (+4.1 Bcf). The performance revisions of undeveloped proved reserves are related to a greater standard well for the unconventional development of Vaca Muerta in Bajada del Palo Oeste concession due to the increased performance of two pads (eight wells) which production started in 2020 (+2.0 Bcf), and the effect of greater performance of the other areas (+1.6 Bcf).

Performance revisions of undeveloped proved reserves in Vaca Muerta unconventional reservoir in Bajada del Palo Oeste concession are related to increased performance of the standard well as compared to the pads drilled in 2020 for (+1.1 MMBbl). Other undeveloped proved reserves were revised due to the removal in the development plan of three well locations targeting Lotena conventional formation in Bajada del Palo Oeste concession (-8.3 Bcf); four wells in Charco del Palenque (-0.4 MMBbl and -0.5 Bcf); four wells in ELo Río Negro (-0.3 MMBbl and -3.0 Bcf); a well in Jagüel de los Machos (-0.1 MMBbl and -0.1 Bcf), and three wells in 25 de Mayo-Medanito SE (-0.3 MMBbl and -0.1 Bcf).

(3) The extensions are related to the addition of proved developed acreage related to the drilling of an unproved pad (four wells) targeting Vaca Muerta unconventional reservoir in Bajada del Palo Oeste concession.

These extensions are related to 7 additional pads (26 wells) classified as proved undeveloped due to the successful preformation in Vaca Muerta unconventional reservoir in Bajada del Palo Oeste concession.

(4) Purchases related to the acquisition of additional interests in Coirón Amargo Norte concession (from 55.0% to 96.8%).

(5) Considering Vista Argentina's production.

(6) Natural gas consumption stood at 13.5% as of December 31, 2020.



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VISTA OIL & GAS, S.A

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Mexico	<u>Crude oil (1)</u>	<u>Natural Gas</u>	<u>Natural Gas</u>
	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2019	0.2	0.8	0.1
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	—	0.1	—
Production for the year ⁽³⁾	—	(0.2)	—
Reserves as of December 31, 2020	0.2	0.7	0.1

⁽¹⁾ It refers to crude oil, condensate, and LNG.



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- (2) The performance revisions of proved developed oil and condensate reserves are related to an enhanced performance of CS-01 and A-10 areas. The performance revisions of proved developed natural gas reserves are related to an enhanced performance of CS-01 area.
- (3) Considering Vista Holding II's output.

The following table shows the reconciliation of the Company's reserve data between December 31, 2020, and December 31, 2021:

Argentina	<u>Crude oil (1)</u>	<u>Natural Gas (6)</u>	<u>Natural Gas</u>
	(MMbbl)	(Bcf)	(MMbbl equivalent)
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2020	99.4	160.0	28.4
Increase (decrease) attributable to:			
Review of prior estimates (2)	3.8	(5.4)	(0.9)
Extensions and discoveries (3)	53.5	53.7	9.6
Purchases of onsite proved reserves (4)	(2.2)	(1.9)	(0.3)
Production for the year (5)	(11.2)	(16.2)	(2.9)
Reserves as of December 31, 2021	143.3	190.2	33.9

- (1) It refers to crude oil, condensate, and LNG.
- (2) The changes due to revisions of prior estimates of total proved oil reserves (+3.8 MMbbl) are mainly related to an extension of the economic cap applicable to the different concessions (+3.3 MMbbl) due to increased prices of liquid hydrocarbon (from USD 41.97 per barrel to USD 54.99 per barrel of condensate and C5+, and from USD 19.16 per barrel to USD 26.87 per barrel of LPG) and an enhanced performance of Bajada del Palo Oeste unconventional wells (+2.6 MMbbl), partly offset by a lower performance of the base production of Bajada del Palo Oeste (-0.6 MMbbl), 25 de Mayo-Medanito (-0.6 MMbbl), ELo Río Negro (-0.5 MMbbl) and Coirón Amargo Norte (-0.4 MMbbl) conventional wells.
- The changes due to revisions of prior estimates of proved natural gas reserves (-5.4 bcf) are mainly related to the revision of the type curve of proved undeveloped reserves in Lotena formation (-4.9 Bcf) after profit (loss) from drilling wells in 2021; a lower performance of Borde Montuoso conventional wells in Bajada del Palo Oeste (-4.0 Bcf); of Charco Bayo gas wells in ELo Río Negro (-2.3 Bcf) concession; the lower performance of the new dry gas well drilled in 2021 in Bajada del Palo Oeste concession (-1.8 bcf), and a change in the development plan in gas reservoirs in conventional fields (-1.1 bcf), partly offset by an enhanced performance of Bajada del Palo Oeste unconventional wells (+2.9 Bcf) and an extension of the economic cap applicable to the different concessions (+5.8 bcf) due to higher commercial gas prices (from USD 2.81 per cubic feet to USD 3.92 per cubic feet).
- (3) The changes in total proved reserves due to the extension and discovery of oil (+53.5 MMbbl) and natural gas (+53.7 bcf) are mainly related to the extension of proved undeveloped acreage thanks to the addition of 11 (eleven) pads (44 wells) classified as proved undeveloped due to the successful drilling in Vaca Muerta unconventional formation in Bajada del Palo Oeste concession (46.2 MMbbl and 46.5 bcf) and to the extension of proved developed acreage related to the drilling of 2 (two) unproved pads (8 (eight) wells related to PAD 35 and PAD 44) in Vaca Muerta unconventional formation in Bajada del Palo Oeste concession under the farmout agreement with Trafigura (7.3 MMbbl and 7.2 bcf).
- (4) The changes due to purchases/sales of oil (-2.2 MMbbl) and natural gas (-1.9 bcf) reserves are related to the sale of the interest (10%) in CASO (-1.4 MMbbl of oil and -1.0 Bcf of natural gas) mentioned in Note 1.3, and the farmout agreement mentioned in Note 1.2 related to PAD 12 (4 wells) in Vaca Muerta unconventional formation in Bajada del Palo Oeste concession (-0.9 MMbbl of oil and -0.9 Bcf of natural gas), partly offset by the acquisition of the 50% interest in Aguada Federal concession (+0.1 MMbbl of oil).
- (5) Considering Vista Argentina's output.
- (6) Natural gas consumption stood at 12.9% as of December 31, 2021.



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	Crude oil ⁽¹⁾ (MMBbl)	Natural Gas (Bcf)	Natural Gas (MMBbl equivalent)
Mexico			
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2020	0.2	0.7	0.1
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	1.5	3.0	0.5
Purchases of onsite proved reserves ⁽³⁾	1.7	2.4	0.4
Production for the year ⁽⁴⁾	(0.1)	—	—
Reserves as of December 31, 2021	3.3	6.2	1.1

- (1) It refers to crude oil, condensate, and LNG.
- (2) The revisions of proved developed oil, condensate and natural gas reserves are related to the development plan approved by the CNH, as well as the drilling and completion of Vernet-1001 wells.
- (3) The changes due to purchases/sales of oil (+1.7 MMBbl) and natural gas (+2.4 bcf) are mainly related to the transfer of assets in Mexico, whereby Company increased its equity to 100% in CS-01 area (see Note 1.4).
- (4) Considering Vista Holding II's output.

Standardized measure of future discounted cash flow (net)

The following table describes estimated future cash flows from the future production of proved developed and undeveloped reserves of crude oil, condensate, LNG and natural gas. As established by SEC Modernization of Oil and Gas Reporting rules and ASC 932 of the FASB Accounting Standards Codification ("ASC") relating to Extractive Activities - Oil and Gas (formerly SFAS No. 69 Disclosures about Oil and Gas Producing Activities), these cash flows were estimated using the twelve-month average of the first day-of-the-month benchmark prices as adjusted for location and quality differentials and using a 10% annual discount factor. Future development and abandonment costs include estimated drilling costs, development and exploitation facilities and abandonment costs. These future development costs were estimated based on VISTA assessments. Future income tax was calculated by applying the statutory tax rates effective in Argentina in each period.

This standardized measure is not intended to be, and should not be, interpreted as an estimate of the market value of the Company's reserves. The purpose of this information is to provide standardized data to help the users of the financial statements to compare different companies and make certain projections. This information does not include, among others, the effect of future changes in price costs and tax rates, which past experience shows that they are likely to occur, and the effect of the future cash flows of reserves that have not been classified as proved reserves yet, of a discount factor that best represents the value of money over time and of the risks inherent in oil and gas production. These future changes may have a major impact on future net cash flows disclosed below. Therefore, this information does not necessarily show the Company's perception on future discounted cash flow, net, of the hydrocarbon reserve.

	As of December 31, 2021 ⁽¹⁾	As of December 31, 2020 ⁽¹⁾	As of December 31, 2019 ⁽¹⁾
Future cash flows	8,506	4,533	4,457
Future production costs	(2,638)	(1,921)	(1,927)
Future development and abandonment costs	(1,294)	(788)	(748)
Future income tax	(1,432)	(418)	(410)
Undiscounted future net cash flows	3,142	1,406	1,372
10% annual discount	(1,630)	(668)	(597)
Standardized measure of discounted future net cash flows ⁽²⁾	1,512	738	775

- (1) Amounts expressed in millions of US Dollars ("MM US").
- (2) The standardized measure of future discounted cash flow (net) is related to the estimated value of reserves in Argentina. The table does not include the estimated value of the reserves in Mexico's areas (24,4 MM US and 1,2 MM US as of December 31, 2021 and 2020, respectively).



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Changes in the standardized measure of future discounted cash flow (net)

The following table shows the changes in the standardized measure of future discounted cash flow, net, for the years ended December 31, 2021, 2020 and 2019:

	Year ended December 31, 2021 ⁽¹⁾	Year ended December 31, 2020 ⁽¹⁾	Year ended December 31, 2019 ⁽¹⁾
Standardized measure of future discounted cash flow, net, at beginning of year	738	775	608
Net changes in selling prices and production costs related to future production ⁽²⁾	783	(241)	(103)
Net changes in estimated future development costs ⁽³⁾	28	(231)	(525)
Net changes from revisions of workload estimates ⁽⁴⁾	44	20	(1)
Net changes from extensions, discoveries and improvements ⁽⁵⁾	1,006	362	306
Cumulative discount	116	118	352
Net changes from on-site purchases and sales of minerals ⁽⁶⁾	(40)	2	—
Other			58
Sales of crude oil, LNG and natural gas produced, net of production costs	(429)	127	6
Estimated development costs previously incurred	(263)	(206)	151
Net changes in income tax ⁽⁷⁾	(471)	12	(77)
Changes in the standardized measure of future discounted cash flow for the year	774	(37)	167
Standardized measure of future discounted cash flow at end of year	1,512	738	775

⁽¹⁾ Amounts expressed in millions of US Dollars.

⁽²⁾ For the year ended December 31, 2021, mainly affected by an increase in the prices of oil, condensate, gas and LPG, which increased from US 41.97 per barrel to US 54.99 per barrel of oil, condensate and C5+; from US 19.16 per barrel to US 26.87 per barrel of LPG, and from US 2.81 per cubic feet to US 3.92 per cubic feet of commercial gas. Also, for the year ended December 31, 2020, mainly affected by a decrease in effective oil prices, which fell from 55.9 US/bbl as of December 31, 2019, to 42.0 US/bbl as of December 31, 2020, partly offset by a 13.9% reduction in average production-related costs. Additionally, for the year ended December 31, 2019, mainly driven by a decrease in prevailing oil prices from 65.4 US/bbl. by December 31, 2018 to 55.9 US/bbl. by December 2019 partially offset by a reduction in average production costs of 25.1%.

⁽³⁾ For the years ended December 31, 2021, and December 31, 2020, related to revisions of development costs in Bajada del Palo Oeste unconventional area. For the year ended December 31, 2019, due to incorporation of a development plan for unconventional developed reserves in Bajada del Palo Oeste. Due to the development plan in Charco del Palenque (addition of two new locations), Entre Lomas Río Negro (reclassification of two probable gas workovers to prove developed).

⁽⁴⁾ For the year ended December 31, 2021, mainly affected by the extension of the economic caps of assets due to the increase in oil, condensate, gas and LPG prices, which increased from US 41.97 per barrel to US 54.99 per barrel of oil, condensate and C5+; from US 19.16 per barrel to US 26.87 per barrel of LPG, and from US 2.81 per cubic feet to US 3.92 per cubic feet of commercial gas, partly offset by a greater decline in certain conventional gas assets. Also, for the year ended December 31, 2020, related to an enhanced performance of drilled wells in Bajada del Palo Oeste in Vaca Muerta unconventional formation above the estimated type well. Due to a decrease in proved undeveloped conventional reserves compensated by an increase in proved developed reserves from December 31, 2018 to December 31, 2019.

⁽⁵⁾ For the year ended December 31, 2021, mainly related to the extension of the proved area due to the addition of 44 proved undeveloped wells from the drilling activity conducted in Bajada del Palo Oeste area in Vaca Muerta formation with positive outcomes. For the year ended December 31, 2020 and 2019, due to the addition of proved reserves in unconventional Bajada del Palo Oeste, and the beginning of the development of Vaca Muerta formation in Bajada del Palo Oeste.



- (6) For the year ended December 31, 2021, related to the farmout agreement whereby Trafigura was granted a 20% interest in certain Bajada del Palo Oeste wells in Vaca Muerta formation (see note 1.2), and the sale of the 10% interest in CASO concession (see note 1.3). For the year ended December 31, 2020, related to the increase in the interest in Coirón Amargo Norte area (see Note 32). Without acquisitions for the year ended December 31, 2019
- (7) For the year ended December 31, 2021, the changes are caused by the rise in income tax due to higher revenue mainly expected from the extensions and increases in hydrocarbon prices. For the year ended December 31, 2020 and 2019, due to decreasing/increasing expected cash inflows and changes in the income rate applicable to Argentine companies (see Note 33.1).



VISTA ENERGY, S.A.B. DE C.V.

BY-LAWS

CHAPTER I

**CORPORATE NAME, CORPORATE DOMICILE, CORPORATE PURPOSE,
TERM AND NATIONALITY**

ARTICLE ONE. The corporate name of the company is **Vista Energy**, and it shall be followed by the words *Sociedad Anónima Bursátil de Capital Variable* or its abbreviation, “*S.A.B. de C.V.*” (the “Company”).

ARTICLE TWO. The corporate domicile of the Company is Mexico City, United Mexican States (“Mexico”). However, the Company may establish agencies, offices, warehouses, branches or facilities within Mexico or abroad, as well as establish conventional domiciles in Mexico or abroad, without implying thereby a change of its corporate domicile.

ARTICLE THREE The corporate purpose of the Company is to:

- (a) acquire, by any legal means, any type of assets, stock, partnership interests, equity interests or interests in any kind of commercial or civil companies, associations, partnerships, trusts or any kind of entities within the energy sector, whether such entities are Mexican or foreign, at the time of their inception or at a later time as well as sell, assign, transfer, negotiate, encumber or otherwise dispose of or pledge such assets, stocks, equity interests or interests;
- (b) participate as a partner, shareholder or investor in all kinds of businesses or entities, whether commercial or civil, associations, trusts, or of any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of incorporated companies, as well as to exercise the corporate and economic rights derived from such participation and to buy, vote, sell, transfer, subscribe, hold, use, encumber, dispose, modify or auction under any title, such shares, equity interests or other kind of interests, as well as participations of all kind in entities subject to applicable law, as it is necessary or convenient;
- (c) issue and place shares representing the capital stock of the Company, publicly or privately, having obtained the previous authorization by the competent authorities or institutions when needed and in accordance with the Mexican Securities Market Law, the General Law on Commercial Companies, the Negotiable Instruments and Credit Transactions Law and/or other applicable provisions, as requested, in domestic or foreign securities markets;



- (d) issue and place warrants as referred in articles 65, 66 section I, 67 and other applicable of the Securities Market Law, publicly or privately and on shares representing the Company's capital stock or any other kind of securities, having obtained the previous authorization by the competent authorities or institutions when needed and in accordance with the Mexican Securities Market Law, the General Law on Commercial Companies, the Negotiable Instruments and Credit Transactions Law, the general provisions that the National Banking and Securities Commission issued for such purposes and/or other applicable legal provisions, as requested, in national or foreign securities markets;
- (e) issue and place negotiable instruments, debt instruments or any other security, be it public or private, having obtained the previous authorization by the competent authorities when needed or institutions and in accordance with the Mexican Securities Market Law, the General Law on Commercial Companies, the Negotiable Instruments and Credit Transactions Law the general provisions that the National Banking and Securities Commission issued for such purposes and/or other applicable legal provisions, as requested, in national or foreign securities markets;
- (f) issue any unsubscribed shares, held in treasury, for their subsequent placement in accordance with article 53 of the Mexican Securities Market Law and the applicable legal provisions;
- (g) acquire its own shares, in accordance with applicable legislation;
- (h) make capital reductions through loss absorption, cash reimbursements for the benefit of shareholders or in any other means permitted by the applicable law;
- (i) enter into all kinds of agreements, contracts and documents, including without limitation, credit, broker, purchase and sale, supply, distribution, consignment, agency, commission, mortgage, bailment, barter, lease, sublease, management, services, technical assistance, consulting, commercialization, joint venture or co-investment, association and other agreements, as may be necessary or appropriate, pursuant to the laws of any jurisdiction and regardless of the name they are given,;
- (j) grant, manage, acquire, and sell all types of credit rights in favor of any individual or legal entity;
- (k) render and receive any kind of services directly or indirectly through third parties, to and with any kind of persons, individuals or legal entities, including governmental agencies within Mexico or abroad, including without limitation, professional services related to activities such as: sales, engineering, repair and/or maintenance, inspection, technical support, management, consultancy, supervision, control, health, security, accounting, finance, training, research, operation, development and courier services;



- (l) acquire, sell, lease, rent, sublease, use, enjoy, possess, license and dispose of, under any legal form, all types of real estate, immovable and personal properties, equipment and goods, including as bailor and bailee, and to hold rights over such properties, including all types of machinery, equipment, accessories, offices and other supplies necessary or convenient;
- (m) carry out by itself or on behalf of third parties, training, research and development programs of any kind necessary or convenient;
- (n) receive and grant any kind of guaranties, personal and/or *in rem*, as a result of any loans or financing granted by the Company and/or as deemed necessary or convenient, as well as grant deposits or any other kind of guaranties;
- (o) incur and assume obligations of any nature under the capacity as joint and several obligor (*obligado solidario*);
- (p) issue, execute, accept, endorse, certify, acquire, sell, exchange, guarantee and, in general, subscribe and manage all kinds of negotiable instruments, including bonds, notes, commercial papers, debentures, participation certificates, promissory notes, regardless of the name they are given and of the laws to which they are subject, with the authority to obligate itself for the benefit of third parties in connection with negotiable instruments and carry out all kinds of credit transactions and guaranties;
- (q) execute any type of derivative transactions of any nature in accordance with applicable law;
- (r) open, manage and cancel bank accounts and any other accounts;
- (s) acquire, possess, use, register, renew, assign, and dispose of any kind of patents, brands, commercial names, franchises and any and all types of intellectual or industrial property rights;
- (t) request, obtain, license, assign, use, exploit and dispose of any type of permit, license, concession, franchise and/or authorization issued by federal, state or municipal authorities, both Mexican and foreign, and to carry out acts relating thereto;
- (u) act as representative agent, intermediary, beneficiary, commission agent, mediator, advisor or in any other capacity in favor of any type of person, individual or legal entity;



- (v) in general, execute and carry out, within Mexico or abroad, on its own behalf or on behalf of third parties, with individuals or entities, including any governmental agency, any kind of contracts, agreements or acts, whether principal or accessory, civil or commercial, or of any other nature, as necessary or convenient; and
- (w) carry-out any acts required or permitted by applicable legislation.

ARTICLE FOUR. The term of existence of the Company shall be indefinite.

ARTICLE FIVE. The Company is organized under the laws of Mexico. Any foreigner who, either at the incorporation of the Company or at any time thereafter, acquires shares or any interest in the Company, formally undertakes before the Ministry of Foreign Affairs to be considered as a Mexican national with respect to its interests in the Company, as well as the property, rights, concessions, participation or interests held by the Company, and the rights and obligations deriving from the agreements to which the Company is a party, and further undertakes not to invoke the protection of its government with respect to such interest, under the penalty upon the breach of such undertaking, of forfeiting such interest in favor of the Mexican Nation.

CHAPTER II

CAPITAL STOCK AND SHARES

ARTICLE SIX. The capital stock of the Company is variable. The fixed portion of the capital stock of the Company not subject to the right of withdrawal is the amount of Ps.3,000.00, represented by 2 Series "C" ordinary, nominative shares with no expression of their par value. The variable portion of the capital stock is unlimited and will be represented by Series "A" Shares, which will be ordinary, nominative, with no expression of their par value, and granting equal economic and corporate rights, as well as equal obligations to their holders. The Series "A" Shares may be subscribed and paid for by Mexican or foreign individuals or corporations alike, as well as by any other foreign entities, whether they have or not legal personality.

Ordinary Shareholders Meetings may approve the issuance of (i) other types of shares, including those conferring special or limited rights to their holders or imposing additional obligations on them; and/or (ii) securities with respect to such shares.

The entirety of the shares in which the capital stock is divided can be freely subscribed.

Each series of shares grants the same rights and obligations, including economic rights, and as a result all holders of the shares participate equally, without any distinction, in any dividend, repayment, amortization or distribution of any nature in the terms herein.



Notwithstanding the above and with the prior authorization of the National Banking and Securities Commission, the Company may issue shares with no voting rights, with limited corporate rights or with limited vote, as long as such shares do not exceed 25% of the capital stock that the National Banking and Securities Commission determines as placed among the public in general, on the date of the relevant public offering, in accordance with article 54 of the Securities Market Law or any other provision that may substitute it from time to time, and other applicable legal provisions.

Non-voting shares shall not count for determining the necessary quorum to call to order the General Shareholders' Meeting. Limited or restricted voting shares will count only in determining the necessary quorum to call to order shareholders' meetings in which their vote is needed or the special meetings.

Resolutions adopted at any General Shareholders' Meeting in which the issuance of non-voting or restricted or limited voting shares is approved, shall set forth the rights, limitations, restrictions, and all other characteristics corresponding to such shares.

ARTICLE SEVEN. The Company may issue unsubscribed shares, which shall be kept in the Company's treasury to be delivered as they are subscribed and paid, including as a result of the conversion of securities convertible to shares, or the conversion of a series of shares for another specific series, upon previous resolution by the General Shareholders' Meeting.

Likewise, the Company may issue unsubscribed shares for their placement among the public in general, in accordance with the terms and as long all conditions foreseen for such purposes in article 53 of the Securities Market Law are fulfilled, including the obtainment of the authorization from the National Banking and Securities Commission for public offering.

The preferred subscription right referred in article 132 of the General Law on Commercial Companies, is not applicable in the event of capital increases made (i) in terms of article 53 of the Securities Market Law or any other provision that substitutes it; (ii) in terms of an issuance of securities that are convertible into Company's shares; (iii) in terms of a conversion of a series of shares to another specific series upon previous resolution by the General Shareholders' Meeting; (iv) as a result of the merger of the Company, whether as subsisting or disappearing company; or (v) as a consequence of the placement of repurchased shares in terms of applicable law.

ARTICLE EIGHT. The Company may acquire shares representing its capital stock or negotiable instruments or other instruments which represent such shares, without applying the prohibition referred to on the first paragraph of article 134 of the General Law on Commercial Companies, as long as: (i) the acquisition of its own shares is made through a domestic stock exchange, (ii) the acquisition and, in such an event, sale



through an exchange, is made at market price, except for public offerings authorized by the National Banking and Securities Commission, (iii) the acquisition of its own shares is collected from shareholders equity, in which case the acquired shares may be held by the Company without need of a capital decrease, or, collected from its capital stock, in which case they shall be converted into unsubscribed shares to be held in treasury by the Company, without the need of a resolution by the General Shareholders' Meeting. In every case, the amount of subscribed capital shall be announced when the authorized capital represented by issued but unsubscribed shares is made public, (iv) the General Shareholders' Meeting expressly resolves on, for each tax year, the maximum amount of funds that may be used for the acquisition of its own shares, or negotiable instruments or other securities representing such shares, with the sole limitation that the total amount of funds destined for such purposes shall not exceed the sum of the Company's total net profits, including withheld profits from previous years; (v) the Company is up to date on compliance with its payment obligations derived from debt instruments registered before the National Securities Registry, and (vi) the acquisition and sale of the Company's shares, or the negotiable instruments representing them, under no circumstance shall give way to exceed the percentages referred to in article 54 of the Securities Market Law or to the noncompliance of maintaining the listing requirements of the stock exchanges in which they trade.

The Board of Directors is authorized to name the persons responsible for the acquisition and placement of its own shares.

As long as the shares, or negotiable instruments representing them, belong to the Company, such securities may not be represented nor voted in Shareholders' Meetings, nor the corporate and economic rights they entail exercised in any way.

The acquisition and sale of shares provided herein, the reports regarding such transactions shall be filled before the General Ordinary Shareholders' Meeting, the disclosure provisions regarding financial information, as well as the manner and terms in which such transactions are disclosed to the National Banking and Securities Commission, to the relevant stock exchange and the public in general, are subject to the terms set forth in the Securities Market Law and the general provisions issued by the National Banking and Securities Commission.

ARTICLE NINE. In the event of a situation which may imply a change of Control (as defined below), the following provisions shall be considered:

For purposes herein, the following terms will have the following meanings:

“Shares” means any and all shares which represent the capital stock of the Company, of any Class, Series or denomination, or any instrument, security, right (separable or



not, represented or not by any instrument, or resulting from contractual provisions or not from any other instrument), or instrument issued or created based on, referenced to, or whose underlying value is such shares, including ordinary shareholding certificates, deposit certificates or negotiable instruments on such shares, independently from the applicable legislation or the market in which they are placed or in which they were executed or granted, or any rights granted on such shares or convertible in, or exchangeable for, such shares, including instruments and financial derivative transactions, options, warrants and convertible obligations or any similar or equivalent right or instrument, or any complete or partial right with respect or relating to shares representing the capital stock of the Company.

“Voting Agreement” has the meaning set forth herein.

“Affiliate” means (i) regarding Persons that are not individuals, all Persons that directly or indirectly through one or more agents, who Control, are Controlled or are otherwise under the common Control of the first Person, and (ii) regarding any individual, means any past, present or future spouse and any direct or indirect ancestor or descendant, including parents, grandparents, children, grandchildren and siblings, as well as any trust or equivalent agreement executed with the purpose of benefiting any of such individuals.

“Competitor” means any Person dedicated, directly or indirectly, through any mean or Person, vehicle or agreement, predominantly to the Company’s business, provided that the Board of Directors of the Company will be entitled to agree, case by case, to exceptions to the definition of Competitor, through resolutions adopted in terms of these By-Laws.

“Consortium” means the group of Entities, independently from the jurisdiction under which they are incorporated or existing, bound between them by one or more Person (individual) that, conforming or not a Group of Persons, have control of the former.

“Control”, “to Control” or “Controlled” (including the terms “Controlling” and “under common Control”) means regarding any Person, through a Person or Group of Persons, of any nature, regardless of the name they are given (including a Consortium or Business Group) and independently from the jurisdiction under which they are incorporated or existing, (i) the authority to impose, directly or indirectly, by any means, resolutions or decisions, or vetoing or blocking such resolutions or decisions, in any direction, in the General Shareholders’ or Partners’ Meeting, or equivalent colligate bodies, or naming or removing the majority of the directors, managers, executive officers or their equivalent, from such Person; (ii) maintain the ownership of any type of Shares or rights related to them which allow, directly or indirectly, to exercise he vote on more than 50% of the Shares, of any nature, with voting rights of such a Person, and/or (iii) the authority to conduct, determine, influence, veto or impede, directly or



indirectly, the policies and/or decisions of the Board of Directors or of the management, the strategy, the activities, the transactions or the main policies of such a Person, be it through the ownership of securities, by written or verbal agreement or contract, or by any other mean, regardless of whether such control is apparent or implicit.

“Group of Persons” means the Persons, including Consortiums or Business Groups, that have, written or verbal, apparent or implicit, direct or indirect (at any level), agreements, of any nature, to make decisions in the same direction or act in the same manner. It is presumed, unless otherwise proved, that there is a “Group of Persons” when:

- (i) individuals have cognation, affinity or civil kinship up to the fourth degree, spouses, concubines; and
- (ii) the Entities, regardless of the jurisdiction under which they are incorporated, that are a part of the same Consortium or Business Group and the person or group of persons that has Control over such Entities.

“Business Group” means the group of Entities, regardless of the jurisdiction under which they are incorporated or existing, organized under direct or indirect capital stock ownership structures, bound by an agreement, or in any other manner, in which one Entity, of any type, maintains Control of such Entities.

“Significant Influence” means the ownership of rights, of any kind and regardless of the name they are given, that allow, directly or indirectly, by any means, including through a Consortium, Group of Persons or Business Group, exercising voting rights on at least 20% of the capital stock of the Entity.

“20% Ownership” means the ownership or holding, individually or jointly, directly or indirectly, through any Person of at least 20% of the capital stock or its equivalent in an Entity or of any right which such Person or Persons grants the authority to vote on 20% or more of the capital stock of an Entity.

“30% Ownership” means the ownership or holding, individually or jointly, directly or indirectly, through any Person, of 30% or more of the capital stock or its equivalent in an Entity or of any right which such Person or Persons grants the authority to vote or exercise similar rights on 30% or more of the capital stock of an Entity.

“Person” means any individual, Entity or any of its Subsidiaries or Affiliates, of any nature, however they are named, whether they are or aren’t legally existing, and under the legislation of any jurisdiction, or any Consortium, Group of Persons or Business Group which acts or pretends to act in a joint, concentrated or coordinated manner for the purposes herein.



“Entity” means any entity, partnership, limited liability company, company, association, co-investment, joint venture, trust, non-incorporated or legally incapacitated organization or governmental authority or any other economic or commercial association incorporated under any jurisdiction.

“Related Persons” means the Persons that, in regard to the Company, are under any of the following assumptions:

- (i) the Persons that have the Control or Significant Influence in the Entity that, in such an event, is a part of the Business Group or Consortium to which the Company belongs, as well as the relevant directors, managers or executive officers of the Persons which are a part of such Consortium or Business Group;
- (ii) the Persons that have Authority of Command regarding a Person that is a part of a Consortium or Business Group to which, in such an event, the Company belongs;
- (iii) the spouse, concubine and the individuals that have cognation, affinity or civil kinship up to the fourth degree, with individuals that are under the assumptions set forth in subsections (i) and (ii) above, as well as the partners of, or joint co-owners with, the individuals mentioned in such subsections with which business relations are held,
- (iv) the Entities that are a part of the Consortium or Business Group to which, in such an event, the Company belongs; and
- (v) the Entities over which the persons referred to in subsection (i) to (iii) above, exercise Control or Significant influence.

“Authority of Command” means the *de facto* capacity of decisively influencing the agreements taken by the Shareholders’ Meeting or the meetings of the Board of Directors or in the management, direction and execution of the Entity’s or Entities’ business that, in such an event, is a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls. It is presumed that a person has authority of command in an Entity, except when proved otherwise, in the following assumptions:

- (a) the shareholders or partner that have Control of an Entity or of the Entities that are a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls;



- (b) the individuals which have links with the Entity or the Entities that are a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls, though lifetime, honorary or any other position with analogous or similar titles;
- (c) the Persons that have transmitted the Control over and Entity or Entities that are a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls, under any title or gratuitously or at a sub-market or sub-accounting value, in favor of individuals with which it has cognation, affinity or civil kinship up to the fourth degree, the spouse or concubine; and
- (d) those who instruct directors or relevant executive officers of the Entity or the Entities that are a part of the Business Group or Consortium to which such an Entity belongs or in which it has Significant Influence or exercises Control, in the making of decision or in the execution of transactions in an Entity that is a part of a Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls.

“Strategic Partner” has the meaning assigned to such term in Article Ten herein.

“Subsidiary” means regarding any Person, any entity or any other organization in which a Person owns the majority of the shares which represent the capital stock or equity interests or any other kind of interests with voting rights, or the voting Control of such an entity and/or organization, be it directly or indirectly, or regarding a Person who has the right to name the majority of the directors (or equivalent management body) or its manager.

Securities Acquisition Authorization by the Board of Directors.

Every direct or indirect acquisition, of Shares, or attempt of acquisition of Shares, of any nature and regardless of the name it is given, under any title or legal structure, with the intention of carrying-out, be it in one or several simultaneous or successive transactions or acts of any legal capacity, with no time limitation between them, be it through a or not, in Mexico or abroad, including structured transactions such as mergers, corporate restructures, spin-offs, consolidations, allocations or guaranties executions or other similar transactions or legal acts (any such operation, an “Acquisition”), by one or more Persons, Related Persons, Group of Persons, Business Group or Consortium, requires for its validity the previous, written and favorable resolution by the Board of Directors, each time that the number of Shares that is to be acquired, when added to the Shares owned previously within the Company, if such is the case, results in the acquiring party holding a percentage of the capital stock equivalent or equal to 10%. Once such percentage is reached any subsequent



Acquisition of Shares by any such Person, Related Persons, Business Group or Consortium, through which they acquire additional Shares of the Company which represent 2% or more, shall be notified to the Company's Board of Directors in the Company's corporate domicile (through the Chairman of the Board with a copy to the Secretary who is not a member of the Board of Directors of the Company). For the avoidance of doubts, no additional authorization is required to carry-out such acquisitions or to execute a Voting Agreement until the ownership percentage in the capital stock is equal or greater than a 20% Ownership.

Previous favorable opinion is also requested from the Board of Directors, in writing, for the execution of written or oral agreements, regardless of their name or title or classification, as a consequence of which voting association, block voting, or binding or joint vote mechanisms or covenants are formed or adopted or certain Shares are combined or shared in any other manner, which implies a change in Control in the Company or an 20% Ownership in the Company (each, a "Voting Agreement" and jointly, the "Voting Agreements"), except for temporary Voting Agreements that are executed in connection with a general shareholders' meeting, with the purpose of appointing minority members of the Board of Directors.

For such purposes, the Person who individually, or jointly with Related Persons, or, the Group of Persons, Business Group or Consortium which intends to carry-out any Acquisition or executing any Voting Agreement, shall comply with the following:

1. The interested party or parties shall file a written authorization request to the consideration of the Board of Directors. Such request shall be directed and delivered, undoubtedly, to the Chairman of the Board of Directors, with a copy to the Secretary who is not a member of such Board, in the Company's domicile. The aforementioned request shall be delivered under oath and shall contain the following information:
 - (i) the number and class or series of Shares of the applicable Person or Persons and/or any Related Persons thereof, or, the Group of Persons, Business Group or Consortium (A) be it an owner or co-owner, directly or through any Person or Related Person, and/or (B) regarding the Shares over which a Voting Agreement has been executed;
 - (ii) the number and class or series of Shares that it intends to acquire, through the Acquisition, whether directly or indirectly, by any means, or that is the subject of a Voting Agreement, plus the minimum price payable per Share intended to be acquired through the Acquisition;
 - (iii) (A) the percentage which the Shares mentioned in subsection (i) above represents of the total of Shares issued by the Company, and (B) the percentage that the sum of the Shares referred to in subsections (i) and (ii) above represent



from the total amount of Shares issued by the Company, provided that for such purposes they may consider the total number of shares reported by the Company to the stock exchange in which they are listed;

- (iv) the identity and nationality of the Person or Persons, Group of Persons, Consortium or Business Group that intends to carry-out the Acquisition or execute a Voting Agreement, provided that if any of them is an Entity, the identity and nationality of each of the partners, shareholders, founders, beneficiaries or any equivalent thereto that in the end has, direct or indirect Control of such Entity, shall be specified;
- (v) the reasons and objectives due to which they intend to carry-out an Acquisition or execute a Voting Agreement, particularly mentioning if they intend to acquire, directly or indirectly, (A) additional shares to those referred in the authorization request; (B) a 20% Ownership; (C) Control of the Entity; or (D) Significant Influence in the Company, as well as the intended role with respect to the policies and management of the Company, and any amendment they would like to propose with respect to the policies and management of the Company;
- (vi) if they have direct or indirect ownership (and the amount of such ownership) in the capital stock or in the management and operation of a Competitor or any Related Person to a Competitor, or if they have any economic relationship with a Competitor or with any Related Person to a Competitor, or if any of their Related Persons is a Competitor;
- (vii) if they have the authority to acquire Shares or execute a Voting Agreement, in accordance with what is provided herein and in the applicable legislation, in such an event, if they are in the process of obtaining any consent or authorization, from any person, and the terms and deadlines in which they expect to obtain them;
- (viii) the origin of the funds they intend to use to pay the price of the Shares requested; provided that in funds obtained from financing, the requesting party shall specify the identity and nationality of the Person providing such funds and if such Person is a Competitor or a Related Person to a Competitor, and the documentation that evidences corresponding the financing agreement and the terms and conditions of such financing. The Board of Directors may request from the Person that sends such a request, if considered necessary to guarantee the payment of the corresponding acquisition price and before granting authorization in accordance with the above, additional evidence regarding the financing agreement (including evidence that there are no conditions under such an agreement) or, the formation or granting of a (A) bail, (B) guarantee



trust, (C) irrevocable letter of credit, (D) deposit, or (E) any other type of guarantee, up to the equivalent amount of 100% of the price of the Shares that are to be acquired or that are the subject matter of the corresponding transaction or agreement, naming the shareholders, directly or through the Company, as beneficiaries, with the purposes of securing the compensation of the losses and lost profits that the Company or its shareholders may suffer as a consequence of the incorrect information presented or of the request, or for any action or omission of the petitioner, directly or indirectly, or as a consequence of the impossibility to complete the relevant transaction, for any cause, related or not to the financing;

- (ix) the identity and nationality of the financial institution that would act as broker, in the event that the corresponding Acquisition is through public offering;
- (x) in such an event, if it is a public offering, copy of the offering memorandum or similar document, that has the intention of being used for the acquisition of the Shares or pertaining to the corresponding transaction or agreement, complete as of such date, and a representation stating if such has been authorized by the competent authorities (including the National Banking and Securities Commission); and
- (xi) a domicile in Mexico City, Mexico, to receive notices regarding the filled request.

In the event that the Board of Directors resolves, due to the impossibility of knowing certain information upon receiving the corresponding request, that such information may not yet be disclosed or for other reasons, the Board of Directors may, at its entire discretion, waive the compliance of one or more of the aforementioned requirements

2. Within the 15 business days following the date upon which the request referred to in paragraph 1 above has been received, the Chairman or non-member Secretary shall call to a Meeting of the Board of Directors to consider discuss and resolve the matter of the requested authorization. Calls to meetings of the Board of Directors shall be made in writing and sent in accordance with the provisions set forth herein.

3. The Board of Directors may request from the Person intending to carry-out the Acquisition or execute the corresponding Voting Agreement, additional documentation and clarifications as it sees fit to adequately analyze the request, to agree upon the authorization request it has been filed, provided that any request of such nature on behalf of the Board of Directors shall be made during the subsequent 20 calendar days following the receipt of the request, and provided that such request will not be considered as final and complete until the Person who intends to carry-out the Acquisition or execute the Voting Agreements, files all the additional information and make all the clarifications requested by the Board of Directors.



The Board of Directors shall resolve any authorization request it receives in the terms herein within a 90 calendar day term following the delivery of the request or on the date in which such request is finalized as stated in the paragraph above.

The Board of Directors shall issue a resolution approving or rejecting the request; provided that in case the Board of Directors does not issue its resolution within the aforementioned 90-day period, the request shall be deemed as rejected. In any case, the Board of Directors will act in accordance with the guidelines set forth in the second paragraph of the "General Provisions" stated below and shall justify their decision in writing.

4. To consider a meeting of the Board of Directors duly called to order, by first or subsequent call, to deal with any matter regarding an authorization request or agreement referred herein, the assistance of at least 66% of its incumbent members or their alternates is required. The resolutions taken will be valid when taken by 66% of the members of the Board of Directors.

5. In the event that the Board of Directors authorizes the requested Share Acquisition or the execution of a proposed Voting Agreement, and such acquisition, transaction or agreement implies or results in (i) the acquisition of a 30% Ownership or more without resulting in a change of Control, in addition to any authorization request provided in this Article, the Person or Group of Persons intending to carry out the Acquisition or celebrate the Voting Agreement, shall carry out a tender offer for the percentage of the Company's capital stock equivalent to the proportional amount of outstanding Shares intended to be purchased or for 10%, whichever is greater, previous to the acquisition of the Shares or the execution of the respective Voting Agreement subject to authorization, under the conditions authorized, in its case, by the Board of Directors; or (ii) a change of Control, additionally to any request of authorization set forth herein, the Person or Group of Persons desiring to carry out the Acquisition or execute the Voting Agreement, prior to the Acquisition or execution of the Voting Agreement for which they are requesting authorization, shall make a tender offer for 100% of the outstanding Shares, in accordance with the terms approved by the Board of Directors.

The tender offer referred in the paragraph above shall be completed within 90 days following the date on which the authorization was granted by the Board of Directors, provided that such term may be extended by an additional 60 calendar days in the understanding that any relevant governmental authorizations required for such purposes are still pending.



The price to be paid for each of the Shares will be the same, regardless of their class or series.

In the event that the Board of Directors receives, at or before the Acquisition has concluded of the execution of a Voting Agreement is finalized, an offer from a third party, stated in a request to carry-out an Acquisition of at least the same amount of Shares, in better terms for the owners and shareholders of the Company (including type of compensation and price), the Board of directors will have the authority to consider and, in such an event, authorize such a second request, suspending the authorization previously granted, and submitting to the consideration of such a Board of Directors both requests, in order for the Board of Directors to approve the request it considers convenient, provided, that any approval shall have no effects on the obligation of carrying out a tender offer pursuant to Article Nine herein and the applicable law.

6. Share Acquisitions that do not imply (A) the acquisition of a 20% Ownership, or (B) a change of Control, may be registered in the Stock Registry Book of the Company, once duly authorized by the Board of Directors and once such transactions have concluded. Share Acquisitions or Voting Agreements that imply (A) the acquisition of a 20% Ownership, or (B) a change of Control, may be registered in the Stock Registry Book of the Company until the moment upon which the tender offer referred to herein has been concluded. Consequently, in this case it will not be possible to exercise the rights arising from the Shares until such tender offer is concluded.

7. The Board of Directors may deny its authorization for a requested acquisition or for the execution of a proposed Voting Agreement, in which case it will inform in writing, the basis and reasons for such denial, The requesting party will have the right to request and hold a meeting with the Board of Directors, or with an ad-hoc committee appointed by the Board of Directors, to explain, extend or clarify the terms of its request, as well as manifest its position through a written document filed before the Board of Directors.

General Provisions

For the purposes herein, it is to be understood that Shares belong to the same Person, when such Shares are (i) owned by any Related Person, or (ii) owned by any Entity, provided that such Entity is owned by the aforementioned Person. Likewise, it will be deemed as the same Person for the purposes herein, the Person or Group of Persons that jointly or coordinately or concentrated with others acquire shares regardless the legal acts that originated such transaction, whether simultaneous or successive. The Board of Directors, considering the definitions contemplated herein, will resolve if one or more Persons that intend to acquire Shares or execute Voting Agreements shall be considered as the same Person for the purposes set forth herein. In such determination that in fact or in law is held by the Board of Directors may be considered.



In the assessments made to authorization requests referred herein, the Board of Directors shall take into consideration the following factors and any other as deemed pertinent, acting in good faith and in the best interest of the Company and its shareholders and in compliance with their duties of loyalty and diligence in terms of the Mexican Securities Market Law and these By-Laws: (i) the price offered by the potential buyer and the type of compensation planned as part of such offer; (ii) any other relevant terms or conditions included in such offer such as the viability of the offer and the origin of the funds to be used for the Acquisition; (iii) the credibility and moral solvency and reputation of the potential buyer; (iv) the effect of the proposed Acquisition or the proposed Voting Agreement in the business of the Company, including its financial and operational position as well as its business prospects; (v) potential conflicts of interest (including those derived from the Person making the request is a Competitor, or an affiliate of a Competitor, as described in the paragraphs above) in the event that the Acquisition or Voting Agreement is not on 100% of the Shares; (vi) the reasons stated by the potential buyer to carry-out the Acquisition or execute the Voting Agreement; and (vii) the quality, precision and truthfulness of the information provided in the potential buyer's request.

If the Acquisition of Shares or the execution of a Voting Agreement is to take place, without complying with the requirement of obtaining authorization from the Board of Directors, the Shares regarding such Acquisition or in connection with such Voting Agreement will not grant any rights to vote in any Shareholders' Meeting of the Company, at buyer's, group of buyers' or parties' to the relevant contract, agreement or covenant liability. The Shares of such Acquisition or Voting Agreement that have yet to be approved by the Board of Directors shall not be registered in the Company's Stock Registry Book, and the entries made beforehand shall be cancelled, and the Company shall not acknowledge or give any value to the records or listings referred to in article 290 of the Securities Market Law, or any other provision which might substitute it from time to time and other applicable provisions, and shall not be considered as proof of ownership of Shares or grant assistance rights for the Shareholders' Meetings, or no legitimacy for the exercise of any legal action, including those of procedural nature.

The authorizations granted by the Board of Directors as referred herein, will have no effect if the information and documentation on which the authorization was based and granted is not or ceases to be true, complete and/or legal.

In the event of any failure to comply on what is set forth herein, the Board of Directors may adopt, among others, the following measures (i) the reversion of the undertaken transactions, with mutual restitution to the parties thereto, or (ii) the sale of the Shares of such Acquisition, to an interested third party approved by the Board of Directors at the minimum reference price resolved by the Board of Directors.



What is provided herein will not be applicable to (i) Share Acquisitions made through legacy or inheritance, or to affiliates or vehicles wholly controlled by the Person carrying out the transfer, (ii) Share Acquisition or the execution of a Voting Agreement by the Company, or by a trust formed by the Company, (iii) Share Acquisition made by a Strategic Partner, or (iv) the transfer into a control trust or similar entity which the shareholders at any moment in the future may form at the time of an initial public offering of the Company's Shares in Mexico.

The provisions herein will apply in addition to the statutes and general rules regarding the acquisition of securities in the markets in which the Shares, or other securities issued referred to such shares, or rights derived therefrom are listed. In the event that this provision counters, in part or in whole, any laws or general provisions, then the law or the general provisions pertaining to acquisition of securities shall prevail.

This Article will be registered in the Public Registry of Commerce of the Company's domicile and shall be transcribed in the share certificates representing the Company's capital stock, in order to be valid against third parties.

The provisions contained herein may only be amended or removed from the By-Laws, through a favorable resolution of at least 95% of the Company's Shares at the time.

ARTICLE TEN. The Strategic Partners shall hold the shares representing capital stock of the Company, as well as the number and percentage over the total amount of all the outstanding shares representing the capital stock of the Company, at all times, in accordance with the Strategic Partners Agreement entered into by the Company with such Strategic Partners. Pursuant to article 367 of the Securities Market Law, the alienations or acquisitions of the shares representing the capital stock or the credit instruments representing such shares, carried-out by such Strategic Partners under the Strategic Partners Agreement, shall not be subject to the restrictions set forth in article 366 of the Securities Market Law or shall not require to be made through a public offering or auctions authorized by the National Banking and Securities Commission, provided that the Company discloses such circumstance to the stock exchange in which the shares representing its capital stock are listed, through the means that the latter determines. The Strategic Partners Agreement shall set forth the terms and conditions under which such acquisitions or alienations shall be made.



For the purposes set forth herein, the following terms shall have the meanings indicated below:

“Strategic Partners Agreement” means the agreement entered into between the Strategic Partners and the Company pursuant to which, among other things they shall agree upon on terms on which the warrants exercisable for Series “A” Shares shall be acquired in terms of a private placement and the manner in which they will be exercised (including the cashless exercise) and other covenants related to the issuance of new warrants in the event of early termination or any amendment not convened by such Strategic Partners, and lock-up provisions in respect thereof.

“Strategic Partners” means Vista Sponsor Holdings, L.P., Miguel Galuccio, Pablo Vera Pinto, Juan Garoby and Alejandro Cheriñacov

ARTICLE ELEVEN. The capital stock increases shall be made pursuant to resolutions adopted by the General Shareholders’ Meeting.

The increases of capital stock in its fixed portion shall be approved by resolutions adopted in Extraordinary Shareholders Meetings, with a corresponding amendment to these By-Laws, while the increases of capital sock in its variable portion shall be approved by resolution adopted in Ordinary Shareholders Meetings, which shall be formalized before a notary public, without it being necessary that the relevant public deed is recorded before the Public Registry of Commerce of the Company’s corporate domicile.

In said Meetings, as appropriate, any agreements will be taken in order to set forth the terms and conditions in which said increase shall be made, authority that may be delegated to the Board of Directors.

Additionally, capital increases arising from the capitalization of stockholders’ equity accounts may be carried out, pursuant to article 116 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and any other applicable provisions, through payment in cash or in kind, capitalization of liabilities or by any other means allowed by the applicable law. In the increases by means of capitalization of stockholders’ equity accounts, all shares shall have the right to the proportional part that corresponds to them accordingly, without it being necessary to issue new shares representing the increase.

Capital increases, except for those arising from the acquisition by the Company of its own securities, shall be recorded in the Capital Variation Registry Book, which the Company shall open and maintain pursuant to article 219 of the General Law on Commercial Companies, or any other provision that replaces it from time to time, and other applicable provisions.



Except for the assumptions listed in the first paragraph of this Article, shareholders shall have in proportion to the number of shares they hold when the relevant increase is resolved, the preemptive right to subscribe the new shares issued or put into circulation to represent the relevant increase. The foregoing, provided that such preemptive right shall be exercised within 15 calendar days, following the date on which the relevant increase has been published in the electronic system of the Ministry of Economy.

Once the period referred to in the immediately preceding paragraph has expired, and there are still shares pending to be subscribed, these may be offered for their respective subscription and payment, (i) at the price and under the terms and conditions under which they were offered to the shareholders, as resolved by the Board of Directors, or (ii) in any other terms determined by the Board of Directors, to the extent they are not more favorable than those under which the shares were offered to the shareholders.

If in any case, the shares are not subscribed, they may be kept by the Company in its treasury or, otherwise, they may be cancelled, in both cases a prior capital decrease shall be resolved by a Shareholder' Meeting to the extent necessary.

ARTICLE TWELVE. The capital stock of the Company shall be reduced upon resolutions by the Ordinary or Extraordinary Shareholders' Meeting, in accordance with the provisions set forth in this Article, except for (i) the separation of shareholders referred to in article 206 of the General Law on Commercial Companies or any other provision that replace it from time to time, and other applicable legal provisions; and (ii) the acquisition of its own shares by the Company in accordance with the By-Laws and the Securities Market Law and other applicable legal provisions.

In any case, reductions of the capital stock of the Company may only be effected by means of cash reimbursements to the shareholders, in accordance with article 9 of the General Law on Commercial Companies, precisely in the terms resolved by the General Shareholders' Meeting.

Reductions in the fixed portion of the capital stock of the Company shall be made upon resolutions adopted by the Extraordinary Shareholders' Meeting, amending for such purposes the By-Laws of the Company and formalizing the relevant minute before a notary public. On the other hand, reductions in the variable portion of the capital stock shall be made upon resolutions adopted by the Ordinary Shareholders' Meeting, which shall be formalized before a notary public, without it being necessary to record the relevant public deed before the Public Registry of Commerce of the Company's corporate domicile; provided that when the shareholders exercise their separation right



or when the decreases are a result of the acquisition by the Company of shares representing its own capital stock, no resolution from the Shareholders' Meeting will be needed.

Reductions of the capital stock may be resolved to absorb losses in the event that any shareholder exercises its right of separation in terms of article 206 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, as well as a result of the reacquisition by the Company of shares representing its own capital stock pursuant to these By-Laws, or in any other case allowed under the applicable law.

Capital increases to compensate losses will be carried out proportionally among all shares representing the capital stock, without need to cancel shares as they have no expressed par value.

Shareholders who are holders of securities that are a part of the variable portion of the capital stock, may not exercise their right of withdrawal referred to in article 220 of the General Law on Commercial Companies, or any other provision that replaces it from time to time, pursuant to article 50 of the Securities Market Law or any other provision replacing it from time to time, and other applicable legal provisions.

All capital reductions shall be duly registered in the Capital Variations Registry Book pursuant to article 219 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, except for reductions resulting from the acquisition of shares carried-out by the Company.

ARTICLE THIRTEEN. The Company may carry out the redemption of shares with distributable profits without need to reduce the capital stock, provided that, in addition to complying with the provisions of article 136 of the General Law on Commercial Companies or any other provision replacing them from time to time, and other applicable legal provisions, it complies with the following:

- (i) If the redemption is intended to redeem all the shareholders, such redemption shall be made in such a way that once the relevant redemption is carried out, the shareholders shall continue to have the same proportion of shares they had before the relevant redemption took place.
- (ii) If the redemption is intended to redeem shares that are listed in a stock exchange, such redemption will be made through the acquisition of its own shares on such said stock exchange in accordance with the terms and conditions resolved by the corresponding Shareholders' Meeting, which may delegate to the Board of Directors or special deputies the authority to determine the system, prices, terms and other conditions for that end. Once adopted, the relevant resolutions shall be published in the electronic system handled by the Ministry of Economy.



(iii) The redeemed shares and the certificates representing them shall be cancelled, with the corresponding capital decrease.

ARTICLE FOURTEEN. In the event that the Company decides to cancel the registration of its shares before the National Securities Registry, by a resolution adopted in an Extraordinary Shareholders' Meeting, with a favorable vote of at least 95% of the shareholders representing the capital stock of the Company, or by resolution of the National Banking and Securities Commission, prior to such cancellation, the Company shall carry out a tender offer within a maximum period of 180 calendar days counted as of the moment in which the demand or authorization from the National Banking and Securities Commission, as the case may be, becomes effective, in accordance with article 108 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions. That offer shall be directed solely to those Persons not belonging to the group of shareholders that exercise Control over the Company.

Shareholders exercising control (as defined in the Securities Market Law) will be collaterally liable before the Company for the compliance of the provisions of this Article, in case of a cancellation demand from the National Banking and Securities Commission.

In order to comply with the provisions of article 108 of the Mexican Securities Market Law, and pursuant to its article 101, the Board of Directors of the Company shall prepare, no later than the 10th business day after the beginning of the tender offer, hearing the Audit and Corporate Practices Committee, and shall disclose to the investing public, its opinion with respect to the price of the tender offer and the conflict of interests that, as the case may be, each of the members of the Board of Directors has in connection with the offering. Such opinion may be accompanied with another one issued by an independent expert. Likewise, the members of the Board of Directors and the Chief Executive Officer of the Company shall disclose to the public, along with the aforementioned opinion, the decision they will take with respect to the shares or securities referred to shares they own.

ARTICLE FIFTEEN. The provisional certificates and the stock certificates of the Company shall comply with the provisions contained in article 125 of the General Law on Commercial Companies or any other provision replacing it from time to time and other applicable provisions, and shall contain the full text of Articles Five and Nine hereof, and shall be signed by 2 (two) members of the Board of Directors.



In addition, the stock certificates representing the shares may or may not differentiate between the shares representing the minimum fixed portion and those shares representing the variable portion of the capital stock of the Company.

In case of stock certificates deposited in an institution for the securities depository, the Company may, prior approval of the institution for the securities depository, deliver multiple certificates or a single certificate that represent the shares subject to the issuance and deposit, and the institution itself shall prepare the entries necessary to determine the rights of the respective depositors.

In the event mentioned in the immediately preceding paragraph, the certificates representing them will be issued with the mention of being deposited in the institution for the securities deposit in question, without the need to express in the document the name, the address, nor the nationality of the holder.

The Company may issue certificates without adhered coupons. In this case, the records issued by the corresponding institution for the deposit of securities shall serve as such accessory coupons for all legal purposes, in terms of the Securities Market Law.

The certificates may be issued electronically in the form of a data message with advanced electronic signature in accordance with the provisions of the Commercial Code and in accordance with the general provisions issued by the Mexican Central Bank, including, among others, the certificates that may be issued using electronic means, as well as the specific and security characteristics that they shall meet for such purposes. Certificates issued in print media may be electronically substituted in the terms of this paragraph in accordance with the general provisions issued by the Mexican Central Bank.

ARTICLE SIXTEEN. The Company shall keep a Stock Registry Book, in accordance with what is set forth in articles 128 and 129 of the General Law on Commercial Companies, or any other provision replacing them from time to time, as well as article 290 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions. The Shareholders' Meeting or the Board of Directors of the Company shall resolve as registrar agent, the Secretary of the Company, an institution authorized to deposit securities, a Mexican credit institution or any other person.

The Company shall consider as legitimate holder of the shares representing the capital stock of the Company, the person whose name is registered in the Stock Registry Book.

In the event that the shares representing the capital stock of the Company are placed in a securities market, the indication of said circumstance and of the institution for the deposit of securities in which the certificate or certificates representing them will be sufficient for its registration in such book, and, in such case, the Company will



recognize as shareholders those who prove such character with the certificates issued by the relevant institution for the securities deposit, supplemented by the relevant list of holders of shares formulated by those who appear as depositors in the records, in accordance to Article 290 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.

The Stock Registry Book shall be closed from the date on which the certificates are issued pursuant to Article 290 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions, until the next business day following the respective Meeting. During such periods no registration will be made in the said book.

CHAPTER III

SHAREHOLDERS' MEETINGS

ARTICLE SEVENTEEN. The General Shareholders' Meeting is the supreme body and authority of the Company. General Shareholders' Meetings may be Ordinary or Extraordinary, as well as Special Shareholders' Meetings; and shall always be held in the corporate domicile, except for cases of *force majeure* or acts of God.

General Extraordinary Shareholders' Meetings shall be held to approve any of the matters referred to in article 182 of the General Law on Commercial Companies, articles 48, 53 and 108 of the Securities Market Law, or any other provisions replacing them from time to time, and other applicable provisions, as well as those mentioned in Articles Nine and Nineteen of these By-Laws. All other meetings shall be General Ordinary Shareholders' Meetings, including those meetings which deal with increases and reductions to the variable portion of the capital stock.

The Special Shareholders' Meetings shall be those installed to handle any matter that may affect the rights granted to the holders of a series of shares of the Company, and shall be subject to the applicable provisions that were established for the Extraordinary Shareholders' Meetings in these By-Laws, in connection with installation and voting quorum and minutes formalization.

ARTICLE EIGHTEEN. An Ordinary Shareholders' Meeting shall be held at least once each year within the first 4 months following the end of the fiscal year in order to approve the matters listed in the relevant Agenda, the matters referred to in article 181 of the General Law on Commercial Companies, or any other provision replacing it from time to time, as well as the following:

- (i) Discuss, approve or modify the reports of the Chairmen of the Audit Committee and of the Corporate Practices Committee.



- (ii) Discuss, approve or modify the report of the Chief Executive Officer, pursuant to articles 28, Section IV, and 44, Section XI, of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.
- (iii) Discuss, approve or modify the report of the Board of Directors in terms of subparagraph b) of article 172 of the General Law on Commercial Companies, or any other provision replacing it from time to time.
- (iv) Review the opinion of the Board of Directors regarding the content of the Chief Executive Officer's report.
- (v) Decide on the application of profits, if any.
- (vi) Appoint the members of the Board of Directors, the Secretary and Deputy Secretary and the members of the committees, as well as their respective substitutes, as the case may be, and appoint or remove the Chairmen of the Audit Committee and the Corporate Practices Committee.
- (vii) Qualify the Directors who have the nature of independent.
- (viii) As the case may be, designate the maximum amount of corporate funds that may be used for the repurchase of securities issued by the Company.
- (ix) Approve the transactions that the Company intends to carry out in the course of a fiscal year, when such transactions, or a series of transactions considered together on an aggregate basis based on certain shared characteristics (as determined by the Securities Market Law) represent an amount that is 20% or more of the consolidated assets of the Company, determined on the basis of the value of our consolidated assets at the end of the immediately preceding quarter; provided that in such Meetings, the shareholders holding shares with voting rights, including limited or restricted, may vote.
- (x) Any other matter that should be handled by the Ordinary General Shareholders' Meeting in accordance with the applicable law or which is not specifically reserved to an Extraordinary General Meeting.

ARTICLE NINETEEN. The Extraordinary General Meetings shall handle any of the matters referred to in article 182 of the General Law on Commercial Companies, or any other provision replacing it from time to time. In addition, they will handle any of the matters listed below:



- (i) Provide in the By-Laws measures aimed to prevent the acquisition of securities that grant Control of the company.
- (ii) Capital increase under the terms of article 53 of the Securities Market Law, or any other provision replacing it from time to time.
- (iii) Cancellation of the registration of the shares representing the capital of the Company, or the certificates representing them in the National Securities Registry.
- (iv) Amend the Company's By-Laws.
- (v) Cancellation by the Company of shares representing the capital stock with distributable profits and issuance of dividend certificates or limited-voting, preferential or any other kind of shares different from ordinary shares.
- (vi) Other matters for which the applicable law or the By-Laws expressly require a special quorum.

ARTICLE TWENTY. The Shareholders' Meetings may be called by the Board of Directors, the Chairman or the Secretary nonmember of the Board of Directors, by any of the Audit Committee or Corporate Practices Committee. The holders of shares with voting rights, for each 10% holding of the capital stock individually or collectively represented, may request to the Chairman of the Board of Directors or to the relevant Committee, without meeting the percentage set forth in article 184 of the General Law on Commercial Companies, the execution of a Meeting.

In addition, the holder of a share may request a meeting is carried out when one of the assumptions set forth in article 185 of the General Law on Commercial Companies is complied, or any other provision replacing it from time to time, and other applicable provisions. If a call is not made within the 15 days following the request date, a Civil or District Court Judge of the Company's domicile, will make such a call at the request of any interested shareholder, who must prove the ownership of their shares for such purposes.

The calls for the Shareholders' Meetings shall be published in the electronic system established by the Ministry of Economy for such purposes and may be published in one of the newspapers of largest circulation in the corporate domicile of the Company, within at least 15 calendar days, in advance of the date on which the relevant Meeting is intended to take place, in terms of article 186 of the General Law on Commercial Companies or any other provision replacing it from time to time, and other applicable provisions.



From the date of the call, to the date on which the relevant Meeting is held, the Company will make available to the shareholders, in its offices, immediately and free of charge, all the information it deems necessary for the Meeting, including the forms referred to in the section III of article 49 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.

The Shareholders' Meetings may be held without prior call in the event that all the shares representing the capital stock with voting rights or the relevant series of shares (in the event of a Special Meeting) are present or represented at the time of the voting.

Notwithstanding the foregoing and in accordance with the second paragraph of article 178 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, the shareholders may take unanimously resolutions outside of a Meeting, which will have the same validity and effectiveness as if they had been taken in a Shareholders' Meeting, as long as the resolutions are in writing.

ARTICLE TWENTY ONE. The shareholders may be represented at the Shareholders' Meetings by an attorney-in-fact that has a power-of-attorney granted pursuant to the forms referred to in section III of article 49 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions, or pursuant to a power of attorney granted pursuant to applicable law.

To be admitted to the Shareholders' Meetings, the shareholders shall be duly registered in the Stock Registry Book managed by the Company in accordance with article 128 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, or as the case may be, present the certificates issued by Institution for the Securities Deposit (*S.D. Ineval Institución para el Depósito de Valores, S.A. de C.V.*), or any other institution that acts as depositary of securities in terms of the set forth in the Securities Market Law.

To assist to a Special or General Shareholders' Meeting of the Company, the relevant shareholder must prove to the Secretary nonmember of the Board of Directors of the Company, that such a shareholder is not under the assumptions that require approval by the Board of Directors of the Company set forth in article Ninth herein.

ARTICLE TWENTY TWO. The Ordinary and Extraordinary General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors and in his absence, by the person appointed by the Meeting, by the majority votes of the shares present.

The Secretary nonmember of the Board of Directors or the Deputy Secretary shall act as Secretary of the Shareholders' Meetings and in his/her absence, the person appointed by the Shareholders' Assembly by the majority votes of the shares present.



The Chairman of the Meeting shall appoint 1 or more inspectors from the shareholders, shareholders' representatives or invitees attending to the relevant Meeting, who shall determine the existence or absence of a quorum, and shall count the votes cast when the Chairman of the Meeting requests it.

The relevant Meeting's Minutes shall be prepared by the Secretary, and shall be signed by the Chairman and the Secretary of the Meeting, as well as by the individuals who acted as inspectors. Any records regarding such meetings that were not able to transact matters because of a lack of quorum shall also be signed by the Chairman, the Secretary and the inspectors of the relevant meeting.

ARTICLE TWENTY THREE. The Ordinary Shareholders' Meetings shall be considered as legally convened, upon first call, if at least 50% of the ordinary shares representing the outstanding capital stock of the Company, and their resolutions will be valid when they have been approved by simple majority of the represented shares present at such Meeting, that have voting rights. In case of second or further calls, the General Ordinary Shareholders' Meetings shall be legally convened, regardless of the number of shares present or represented at such a Meeting, and the resolutions shall be approved by simple majority of the shares with voting power present or represented at such a Meeting.

The Extraordinary General Shareholders' Meetings shall be considered as legally convened upon first call, if at least 75% of the shares representing the outstanding capital stock of the Company are present or represented at such Meeting. In case of second or further calls, the Extraordinary General Shareholders' Meetings shall be legally convened if more than 50% of the shares representing the outstanding capital stock of the Company are present or represented at such Meeting.

The resolutions taken by an Extraordinary General Meeting, irrespective of whether they are legally convened upon first, second or subsequent call, will be valid if they are adopted by at least half of shares representing the outstanding capital stock of the Company, except for the case provided in (i) article nineteen, paragraph (iii), of these By-Laws, case in which the affirmative vote of 95% of shares representing the outstanding capital stock of the Company present or represented at such Meeting, will be required, and (ii) Article Nineteen, paragraph (iv), of these By-Laws, case in which the affirmative vote of 65% of shares representing the outstanding capital stock of the Company present or represented at such Meeting, will be required.

ARTICLE TWENTY FOUR. The Shareholders' Meetings minutes and the resolutions adopted unanimously by the shareholders in lieu of a Meeting, as applicable, shall be transcribed in the Shareholders' Meetings Minutes' Book. Files containing copies of the minutes from each Meeting or unanimous resolutions along with attendance lists, proxies, calls copies, if any, and documents submitted to discussion, such as Board of Directors reports, financial statements of the Company and other relevant documents shall be formed and kept.



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In the event on which the transcription of any minute of a Meeting or the resolutions adopted unanimously by the shareholders outside of a Meeting cannot be registered in the Meetings' Minutes' Registry Book, such minutes or resolutions shall be formalized before a notary public in Mexico.

The Shareholders' Meetings' minutes, as well as the records regarding such Meetings that were not able to be executed for lack of quorum, shall be signed by the Chairman and Secretary of such Meeting.

ARTICLE TWENTY FIVE. The Company shall grant the following minority rights:

- (a) Pursuant the provisions set forth in section III of the article 50 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions, the holders of the shares with voting rights (even limited or restricted) represented in an Ordinary or Extraordinary General Meeting, for every 10% of the capital stock they hold either individual or jointly, may request to be postponed for 1 time only, for 3 calendar days and without a new call needed, the voting in any matter on which they consider are not sufficiently informed, notwithstanding the percentage provided in the article 199 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions.
- (b) The holders of the shares with voting rights (even limited or restricted) that individually or jointly represent the 20% or more of the capital stock, may judicially oppose to the resolutions adopted in the General Meetings regarding the ones on which they have voting right, notwithstanding the percentage referred to in article 201 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions.
- (c) The shareholders that, individually or jointly, are holders of the shares with voting rights (even limited or restricted or without voting right) that represent the 5% or more of the capital stock, shall execute directly the action of liability against any Directors, Chief Executive Officer or any other relevant officer for failing to comply the diligence and loyalty duties, in favor of the Company or the legal entity that this one manages or in the one that has a significant influence.
- (d) The shareholders that, individually or jointly, hold shares with voting rights (even limited or restricted or without voting right) for each 10% or more of the capital stock represented, shall appoint and/or remove from office through a General Shareholders Meeting, a member of the Board of Directors. Such



member may only be removed from office if all the members of the Board of Directors are removed, in which case the members who were removed shall not be appointed again during the 12 months following from the date of such removal.

CHAPTER IV

MANAGEMENT AND SURVEILLANCE

ARTICLE TWENTY SIX. The management of the Company shall be in charge of a Board of Directors. The Board of Directors shall be formed by a maximum of 21 members, pursuant the relevant resolution adopted by the Shareholders' Meeting, of which at least the 25% shall be independent, pursuant the terms set forth by the articles 24 and 26 of the Securities Market Law, or any other provision replacing it from time to time and other applicable provisions.

For each Director a respective alternate may be appointed, provided, however, that the alternate Directors of the independent Directors shall have the same capacity.

Independent Directors shall mean any of such persons selected by their experience, capacity and professional reputation who comply with the requirements set forth in the article 26 of the Securities Market Law or by any other provision replacing it from time to time and any other provision provided by the National Banking and Securities Commission.

It will correspond to the Ordinary General Shareholders' Meeting to qualify the independence of the Directors. The National Banking and Securities Commission, prior to a hearing right of the Company and the relevant Director concerned, may reject the independence qualification of any Director, when there are existing elements that prove the lack of independence, within a term of 30 business days from the notice made by the Company.

ARTICLE TWENTY SEVEN. The members of the Board of Directors, may be or may not be shareholders of the Company, shall remain in duties until removed and the persons appointed to substitute them take possession of their charges, provided that at all time they shall have legal capacity to perform their duties and shall not be prevented from exercising commerce. Provisions contained in second paragraph of article 24 of the Securities Market Law shall be complied at all times.

The Board of Directors may appoint provisional Directors, without input from a Shareholders' Meeting, in the case of the death or disability of a director or expiration of his or her term. A General Shareholders' Meeting shall ratify such appointments or appoint the new Directors in the Meeting following such event.



The aforesaid, provided, however that the members of the Board of Directors may only be removed by approval of the Ordinary General Shareholders' Meeting.

Members of the Board of Directors appointed by shareholders at the time they authorize the initial public offering of Shares of the Company, shall remain in office at least 24 months after the placement notice of such offering is published by the Company.

ARTICLE TWENTY EIGHT. The members of the Board of Directors of the Company shall be appointed by the majority vote by the shareholders of the Company in an Ordinary General Shareholders Meeting.

ARTICLE TWENTY NINE. Each year, the Shareholders' Meeting or otherwise the Board of Directors, shall choose within its members the Chairman of the Board of Directors. Unless provided otherwise, the Chairman of the Board of Directors shall execute and carry out the resolutions adopted by the Shareholders' Meeting and the Board of Directors without needing any special resolution.

Likewise the Ordinary General Shareholders Meeting or the Board of Directors, as applicable, shall appoint a Secretary and a Deputy Secretary nonmembers of the Board of Directors but shall be subject to the obligations and duties provided in the applicable law.

Temporary or definitive absences in the Board of Directors shall be covered by the relevant alternates. The Chairman of the Board of Directors shall have the quality vote in the event of a tie.

The Chairman of the Board of Directors may be of any nationality, will chair the meetings of the Board of Directors and, in his absence, such meetings will be chaired by one of the Directors appointed by a majority vote of the other attending Directors.

ARTICLE THIRTY. The Board of Directors' Meeting shall be called by the Chairman of the Board of Directors, of the Auditors Committee, of the Corporate Practices Committee, by the Secretary not member of the Board of Directors or by the 25% of the directors by means of written notice, including but not limited to, fax or email, to all the members of the Board of Directors with at least 10 calendar days prior to the date set for execution of the Meeting. In the event that all the Directors are present, the call will not be necessary.

The external auditor may be called in order to assist to any Meeting of the Board of Directors with the right to speak but without a voting right, provided, however, that such auditor will never be present when matters which may imply a conflict of interest of that may comprise his independency are discussed.



The Board of Directors' Meeting shall be held, at least 4 times during each financial year, in the domicile of the Company, nevertheless, they may be held in a different domicile or abroad if a majority of the directors approves it, or also by telephone, video conference or any other means that allows the effective and simultaneous participation of its members.

ARTICLE THIRTY ONE. The minutes of the Board of Directors' Meetings shall be transcribed into the Board of Directors' Meetings' Book and shall be signed by all the persons that assisted or, if it is expressly authorized by agreement in the relevant meeting, just by the Chairman of the Board of Directors of the Company and the Secretary nonmember of the Board of Directors of the Company. From each Meeting of the Board of Directors a file shall be formed by the means of which copies of the minutes of the unanimous resolutions by the Board of Directors, copy of the calls, when applicable, as well as all the relevant documents regarding such Meeting shall be kept.

ARTICLE THIRTY TWO. In order for a Board of Directors' Meeting to be legally convened, the majority of its members shall be present. The Board of Directors shall adopt its resolutions by the majority vote of its Directors.

Resolutions taken outside of the Board of Directors' Meeting by the unanimous vote of the Directors, shall be valid and legally adopted if such resolutions are confirmed by writing and signed by all the members of the Board of Directors. The document in which the written confirmation is evidenced shall be sent to the Secretary of the Company, who will transcribe the relevant resolutions in the corresponding minutes book, and shall indicate that such resolutions were adopted pursuant to these By-Laws.

ARTICLE THIRTY THREE. The Board of Directors shall have the representation of the Company and therefore shall have all the authorities provided in the general powers of attorney for lawsuits and collections, for acts of administration and for acts of ownership, with all the general and special faculties that require a special clause in accordance with the law, in accordance with the terms set forth in the article 2554 of the Civil Code for the Federal District and the correlative provisions of the Civil Codes for each one of the states of Mexico and the Federal Civil Code; therefore, shall represent the Company before all types of administrative and judicial authorities, federal, state or municipal, before the Arbitration and Conciliation Board (*Junta de Conciliación y Arbitraje*) and other labor authorities and arbitrators. The aforementioned powers, include but are not limited to, authorities to:

- (a) perform all transactions and execute, amend and terminate agreements inherent to the corporate purposes of the Company;
- (b) open, manage and cancel bank accounts, including but not limited to, the authority to appoint signatories who may draw funds from such account;



- (c) constitute and withdraw all types of deposits;
- (d) appoint and remove the Chief Executive Officer and its consideration, as well as the policies for the appointment and consideration of the rest of relevant officers;
- (e) grant and revoke general and special powers of attorney;
- (f) open and close branches, agencies and dependencies;
- (g) execute all the resolutions adopted by the Shareholders' Meeting;
- (h) represent the Company in the event that the Company may have an interest or social participation in other companies or entities, as well as to buy or subscribe shares or partnership interests therein, at the time of its incorporation or at any further time;
- (i) file all types of claims and resources, and even "*amparo*" proceedings, to comprise, comprise in arbitrations, to coordinate or absolve positions, assign or encumber assets, recuse and receive payments, to discuss, negotiate, execute and review collective or individual labor agreements;
- (j) initiate criminal claims and complaints in order to grant pardon and assist the Public Prosecutor;
- (k) accept on behalf of the Company mandates of legal entities or persons either national or foreign;
- (l) authorize the Company or its subsidiaries to constitute real and personal guarantees, as well as any fiduciary involvement in order to secure liabilities of the Company and become a joint obligor, guarantor, *aval*, and in general as an obligor to the compliance of third parties liabilities and establish the necessary guarantees in order to secure such compliance;
- (m) approve information and communication policies for the shareholders and the market, among others;
- (n) call for Ordinary and Extraordinary General and Special Meetings and to execute their resolutions;
- (o) create committees as deemed appropriate and appoint the members of the Board of Directors who shall form such committees (except for the appointment and ratification of the persons who perform as Chairman of the Auditing Committee and Corporate Practices Committee, who shall be appointed by the Shareholders Meeting);



- (p) establish the strategies in order to fulfill the purposes of the Company;
- (q) take care of the matters referred-to in article 28 of the Mexican Securities Market Law or any other provision that replaces it from time to time;
- (r) approve the terms and conditions for the public offering and transfer of treasury shares of the Company issued pursuant to Article 53 of the Securities Market Law;
- (s) appoint the person or persons in charge of carrying out the acquisition or placement of shares authorized by the Shareholders' Meeting, pursuant to article 56 of the Mexican Securities Market Law, as well as the terms and conditions of such acquisitions and placements, within the limits set forth by the Mexican Securities Market Law and the Shareholders' Meeting, and inform the Shareholders' Meeting of the result, in any fiscal year, of the exercise of such authorities;
- (t) appoint provisional Directors, pursuant to the provisions of the Mexican Securities Market Law
- (u) approve the terms and conditions of the judicial agreement through which it is intended to finish any liability action for breach of the diligence or loyalty duties of any Director;
- (v) general power of attorney for lawsuits and collections and acts of administration for labor matters, without limitation, to be exercised jointly or separately, with all the general powers and the special powers that require a special clause in accordance with the Law, in terms of the first two paragraphs of Articles 2,554 and 2,574 of the Federal Civil Code and the correlative provisions thereof of the Civil Codes of the various states of the Mexican Republic and of the Federal District, to start and withdraw from all kinds of legal actions, including the "amparo" or "amparo adhesivo" proceedings, file and withdraw criminal complaints, become assistant of the Public Prosecutor (*Ministerio Público*) and to grant pardons in favor of the victim. In accordance with Article 2,587 of the Federal Civil Code and the correlative provisions of the Civil Codes of each one of the States of the United Mexican States and the Federal District, that include but are not limited to withdraw from proceedings, to compromise, submit to arbitration, prepare and answer interrogatories, challenge jurisdictions, and make or receive payments and waivers. The powers granted herein may be exercised before all kinds of individuals or entities, or administrative, judicial or labor authorities, of a federal, state or municipal nature.

In addition, it is hereby granted a power of attorney for lawsuits and collections and for acts of administration for labor matters for the purposes of articles 11, 692



sections I, II and III, related to the articles 786 and 876 of the Federal Labor Law, that include, but are not limited to represent and evidence the Company's capacity in trial and in the conciliation audiences, claims and defenses and in the disclosure audiences, admission and execution of evidence during the procedures, including the presentation of witness evidence in terms of article 787 and 787 of the Federal Labor Law, with authorities to carry out any kind of labor actions, formulate and answer interrogatories, file counterclaims, accept claims and filing of testimonials, to indicate domiciles to receive all kinds of notifications related to the above in terms and for the effects of articles 875, 876 section I and IV, 877, 878, 879 and 880 of the Federal Labor Law, as well as to attend to evidence presentation audiences, in terms of articles 873 and 874 of the Federal Labor Law.

In general, to act as the employer's representative and exercise the powers of attorney granted hereby, for each and all matters involving labor authorities or social services referred to in the Federal Labor Law; likewise, the Board of Directors may appear before the Labor Boards (*Juntas de Conciliación y Juntas de Conciliación y Arbitraje*), either of local or federal jurisdiction. The Board of Directors shall represent the employer for the purposes provided in articles 11, 46 and 47 of the Federal Labor Law and shall be considered as legal representatives of the Company. The Board of Directors shall have the authorities to execute all kinds of agreements and carry out all kinds of actions, including the right to withdraw any evidence or stage of proceeding, to act as representative of the Company in their capacity as managers, in respect to and for all kinds of trials or labor proceedings before any kind of authority, including Labor Inspections (*Inspecciones Laborales*) carried out by any federal or local labor authority.

Also, it is hereby granted a special power of attorney as broad as required by Law, limited to labor issues to prepare, sign and file all kind of writs, including but not limiting to tax returns, notifications and/or any kind of documents related to tax payments, including payroll tax, contributions, overloads, fines and rights payments, as well as to perform and carry out the procedures and filings derived therefrom, and in general, to carry out any kind of activities related to labor issues on behalf of the Company before any kind of labor, tax and/or social security authorities, whether federal, state or municipal, including but not limiting to the Ministry of Labor and Social Security, the Ministry of Finance and Public Credit, the Tax Administration System, the Federal Treasury, the Mexican Social Security Institute, the National Fund Institute of Housing for Employees and the System of Savings for Retirement.



The Board of Directors shall have the necessary authorities to delegate and substitute, either totally or partially, this power of attorney, in favor of the persons designated for such purposes, reserving at all times, their authorities to exercise in general this power of attorney. The Board of Directors shall be authorized to revoke, either totally or partially, the delegated powers of attorney, pursuant to the authorities granted in this section.

- (w) To grant, revoke and cancel general and special powers of attorney within the scope of its authority, granting their substitution and delegation authority, except for those authorities which exercise is limited to the Board of Directors pursuant to the applicable law or these By-Laws, always keeping the exercise of its authority; and
- (x) enter into any and all necessary or convenient legal acts in order to fulfill the purposes of the Company.

The Board of Directors, when applicable, shall additionally have pursuant to the terms set forth in the article 9 of the General Law on Negotiable Instruments and Credit Transactions, a general power-of-attorney to issue, accept and endorse negotiable instruments, as well as to protest them and a general power-of-attorney to open and cancel bank accounts.

ARTICLE THIRTY FOUR. The Secretary nonmember of the Board of Directors shall sign and authorize certified copies or excerpts of the Shareholders' Meetings' Minutes, Board of Directors' Meetings, Capital Variations and Stock Registry Books.

ARTICLE THIRTY FIVE. The General Shareholders' Meeting or the Board of Directors may create the committees they deem necessary for their operation.

In addition, the Board of Directors will have the Auditing Committee and the Corporate Practices Committee in accordance to the Securities Market Law, which are exclusively formed by independent Directors and a minimum of 3 members appointed by the Board of Directors, pursuant the terms set forth in the article 25 of the Securities Market Law, or any other provision replacing it from time to time and other applicable provisions.

The Auditing Committee and the Corporate Practices Committee and the other appointed pursuant this article, shall meet in the form and dates or frequency established by each of such Committees in the first or last meeting held during each year (in the latter case regarding the calendar of meeting to be held during the following year), without the need to call for the members for each meeting when such meetings have been previously scheduled in accordance with the meeting calendar approved by the Committee for such purposes. Provided, however, that in order for the Committees' meetings to be legally convened, a majority of the members shall be present and the resolutions shall be approved by the majority vote of the members of the relevant Committee.



In addition, each Committee shall meet when decided by the Chairman of such Committee, the Secretary non-member of the Board of Directors or any of its members, prior notice with at least 3 business days in advance to all the members of the Committee and the required alternates. The external auditor of the Company may be invited to the meetings of the Committees, as an invitee with voice but not vote. Committee meetings may be held by telephone or video conference, or by any other means that allows the effective and simultaneous participation of its members.

Decisions may be made outside of meetings of the Committees by unanimous written consent of all Committee members signed by all of the members. Likewise, the Committees may meet at any moment, without prior call, in case all of their members are present.

None of the Committees may delegate all of its authorities to any person, but may appoint deputies to implement their resolutions. The chairman of each Committee will be entitled to individually implement such resolutions without needing express authorization. Each Committee created pursuant to this article, shall inform the Board of Directors on an annual basis about the activities it performs or when it considers that facts or actions material for the Company have occurred. A minute shall be prepared of each meeting of a Committee, which shall be transcribed in a special book. The minute shall evidence the attendance of the members of the Committee and the resolutions adopted, and they shall be signed by the individuals present and the President and Secretary.

For all that is not provided herein or in the Securities Market Law, the Committees shall operate pursuant the functioning rules of the Board of Directors.

The Committees shall give notice at least once a year to the Board of Directors regarding the activities they have carried out.

ARTICLE THIRTY SIX. In accordance to the Securities Market Law, Directors, members of the Audit Committee and of the Corporate Practices Committee and the other persons mentioned in the third paragraph of article thirty seven hereto will have, among others, the following responsibilities:

- (i) Duty of diligence: shall act according to the duty of diligence established in article 30 and in the Securities Market Law and shall request the information they deem appropriate of the Company's officers.



- (ii) Duty of loyalty: They shall act according to the duty of loyalty contemplated in article 34 and in the Securities Market Law, or any other provision that replaces it from time to time, and other applicable provisions.

Regarding the provisions contained in the immediately preceding paragraph, as well as in article 35, section VII, and other applicable of the Mexican Securities Market Law, "business opportunities" shall only mean those opportunities submitted to the relevant person (who is obliged by the duty of loyalty referred-to in the immediately preceding paragraph) exclusively in her/his capacity as Director of the Company, Chief Executive Officer or relevant officer of the Company. The above in the understanding that the directors, the Chief Executive Officer and the other relevant officer of the Company must at all times, comply with the duties imposed by the Mexican Securities Market Law and will not have any benefits or liability waivers to free them from their obligations in accordance with the second paragraph of article 37 of such law.

Failure to comply with the Duty of Diligence or the Duty of Loyalty shall make them jointly liable with other Directors who have also failed to comply, for the damages caused to the Company in the cases in which they have acted in bad faith, willfully or illegally.

At all times, provisions contained in second and third paragraphs of article 34 of the Mexican Securities Market Law shall be complied.

- (iii) Liability Action: The liability resulting from the violation of the duty of diligence or the duty of loyalty shall be exclusively in favor of the Company, as the case may be, and may be exercised by the Company or the shareholders who, individually or jointly, hold shares (including limited votes, restricted or non-voting), representing 5% or more of the capital stock.

The foregoing, on the understanding that the members of the Board of Directors or the Committees shall not incur in default when they act in good faith or any responsibility exclusion mentioned in article 40 of the Securities Market Law arises, or any other provision replacing it from time to time, and other applicable provisions.

ARTICLE THIRTY SEVEN. The Shareholders' Meeting, the Board of Directors, as the case may be, may appoint a Chief Executive Officer, who shall be in charge of the management and execution of the Company's businesses, in accordance with article 44 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.



In order to fulfill its functions, it shall have the broadest authorities to represent the Company in acts of administration, lawsuits and collections, including special powers that according to the law require a special clause, as well as any other power granted by the Board of Directors. In case of acts of ownership, it shall comply with the provisions of article 28, section VIII, of the Securities Market Law or any other provision replacing it from time to time, and other applicable provisions.

In order to carry out its functions and activities, as well as for the due fulfillment of its obligations, the Chief Executive Officer may appoint and remove the relevant officers, managers, sub managers, agents and employees of the Company and determine, limit or revoke their faculties, liabilities and compensations, and be assisted by the relevant officers appointed for that purpose and any employee of the Company, provided that both the Chief Executive Officer and such officers shall be subject to the liability established in article 29 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions. Likewise, liability exclusions and limitations referred-to in articles 33 and 40 of the Mexican Securities Market Law, or any other provisions that replace them from time to time, shall be applicable.

In addition, the Chief Executive Officer and other key officers shall be liable in the cases referred-to in second paragraph of article 46 of the Mexican Securities Market Law or any other provision that replaces it from time to time.

The Chief Executive Officer is also required to submit to the audit and corporate practices committees proposals for systems of internal control.

ARTICLE THIRTY EIGHT. The surveillance of the management, conduct and execution of the business of the Company shall be vested in the Board of Directors through the Audit Committee and the Corporate Practices Committee, as well as the entity performing the external audit.

Pursuant to article 41 of the Securities Market Law, or any other provision replacing it from time to time, the Company shall not be subject to the provisions of articles 91, section V, 164 to 171, 172 last paragraph, 173 and 176 of the General Law on Commercial Companies or any other provision replacing them from time to time.

The Chairman of the Audit Committee and the Chairman of the Corporate Practices Committee shall be bound to provide an annual report according to article 43 of the Securities Market Law, or any other provision replacing it from time to time.

- (a) Corporate Practices Committee. Such Committee shall have a minimum of 3 members, which shall be independent and shall be appointed by the Shareholders' Meeting or the Board of Directors as proposed by the Chairman of the Board of Directors, except for the Chairman, who will be appointed and/or removed from office exclusively by the General Shareholders' Meeting,



and shall have the characteristics referred to in article 43, section I, of the Securities Market Law or any other provision replacing it from time to time, and other applicable provisions.

The Corporate Practices Committee shall have the functions referred to in article 42, section I, of the Securities Market Law, or any other provision replacing it from time to time, and the general provisions that, for such effect, the National Banking and Securities Commission dictates, as well as other applicable provisions. These functions include, but are not limited to issuing an opinion to the Board of Directors about the Corporate Practices Committee's duties, requesting opinions from independent experts in connection with corporate matters that must be submitted for approval of the Board of Directors or with respect to which a conflict of interest exists, calling shareholders' meetings and adding issues to their agendas and supporting the Board of Directors in the preparation of reports.

- (b) Audit Committee. It shall have a minimum of 3 members, who shall be independent and shall be appointed by the Shareholder's Meeting or the Board of Directors as proposed by the Chairman of the Board of Directors, except for the Chairman who shall be appointed and/or removed from office exclusively by the General Shareholders' Meeting and will have the characteristics referred to in article 43, section II, of the Securities Market Law.

The Audit Committee shall have the functions referred to in article 42, section II, of the Securities Market Law, or any other provision replacing it from time to time, and the general provisions that, for such effect, dictate the National Banking and Securities Commission, as well as other applicable provisions. These functions include, but are not limited to giving an opinion to the Board of Directors about matters entrusted to the Audit Committee, advise on the engagement of external auditors, discussing the financial statements of the Company with the persons responsible for preparing them, informing the Board of Directors about the state of affairs concerning the internal control and audit systems of the Company, preparing an opinion about accounting criteria and policies and, in general, overseeing the corporate conduct of la Company.

In addition, the Company shall retain an external auditor in order to comply with the provisions of the Securities Market Law.

ARTICLE THIRTY NINE. The members of the Board of Directors and the Committees shall not guarantee the performance of their duties.

ARTICLE FORTY. The company shall indemnify and hold harmless the members, alternates and officers of the Board of Directors, the Audit Committee, the Corporate



Practices Committee, any other Committees created by the Company, the Secretary and the Deputy Secretary non-members of the Board of Directors, and the Chief Executive Officer and other relevant officers, in relation to the performance of their duties, such as any claim, demand, proceeding or investigation initiated in Mexico or in any of the countries in which the Company's shares are registered or listed, other securities issued on the basis of such shares or other fix or variable income securities issued by the Company itself, or in any jurisdiction where the Company or the companies it controls operate, in which such persons may be parties as members of such bodies, owners or alternates, and officials, including the payment of any damages or losses that have been caused and the amounts necessary to arrive, if deemed appropriate, to a transaction, as well as the total fees and expenses of lawyers (reasonably and documented) and other advisors to be retained to ensure the interests of such persons in the aforementioned cases, on the understanding that the Board of Directors shall be the body empowered to resolve, in the aforementioned cases, whether it considers convenient to retain the services of lawyers and other different advisors to those who are advising the Company in the relevant case. This indemnity shall not apply if such claims, demands, proceedings or investigations result from gross negligence, willful misconduct, bad faith or illegally pursuant to the applicable law of the indemnified party concerned. Furthermore, the Company may purchase, in favor of the members of the Board of Directors, the Audit Committee, the Corporate Practices Committee and any other committees formed by the Company, of the Chief Executive Officer or any other relevant officer, the insurance, bond or guarantee which covers the amount of the indemnity for the damages caused by his/her performance within the Company or entities controlled by the Company or in which the Company has significant influence, except in the event of acts of malice or bad faith, or illicit acts in accordance with the Mexican Securities Market Law or other applicable law.

CHAPTER V

FISCAL YEAR, FINANCIAL INFORMATION, AND PROFITS AND LOSSES

ARTICLE FORTY ONE. Unless otherwise provided under applicable law, the fiscal year shall have a duration of 12 calendar months, commencing on January 1st of each year and ending on December 31st of the same year; with the exception of the fiscal year in which the Company is incorporated, which will start on the date of its incorporation and end on December 31st of the corresponding year or in case the Company is liquidated or merged, in which case the fiscal year will end in advance.

ARTICLE FORTY TWO. Within 4 months following the closing date of each fiscal year, the Chief Executive Officer and the Board of Directors shall prepare a report including the financial information and any other information that is necessary in accordance with the applicable legal provisions, within its attributions pursuant to the provisions of the Securities Market Law and such report will be presented by the Board of Directors to the General Shareholder's Meeting



The financial information will be reviewed and commented upon, by the Audit Committee and the Corporate Practices Committee, prior to its presentation to the General Shareholder's Meeting.

ARTICLE FORTY THREE. Each year the shareholders by means of the Ordinary General Shareholders' Meeting will separate from the net profits the percentage indicated by the Shareholders' Meeting, which shall not be less than 5%, to form the legal reserve fund, until such fund is equivalent to, at least, one-fifth of the stock capital.

Such fund will be recreated in the same manner when it is diminished for any reason.

In addition, it shall separate the amounts, when appropriate, to create or increase other capital reserves, whether general or special, and separate the amount that the Shareholders' Meeting determines for the acquisition of the Company's own shares in accordance with applicable law and what is provided herein.

The remaining amount shall be applied as determined by the Shareholders' Meeting.

The rest of the net profits will be applied, at the discretion of the shareholders, in the Ordinary General Shareholders' Meeting.

The losses, if any, will be absorbed in the first instance by the reserves and depleted, by the stock capital.

CHAPTER VI

DISSOLUTION AND LIQUIDATION

ARTICLE FORTY FOUR. The company shall be dissolved upon occurrence of any of the events described in article 229 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions. The dissolution of the Company shall cause the cancellation of the registration of the shares representing the capital of the Company, or the certificates representing them in the National Securities Registry.

ARTICLE FORTY FIVE. Once the Company has been dissolved, it shall be placed in liquidation, which would be in charge of one or more liquidators, who in such case shall act together as agreed by the Shareholders' Meeting. The Shareholders' Meeting will also set the deadline for the exercise of their position(s) as well as the remuneration that will correspond to them.



The liquidator(s) will proceed with the liquidation and the distribution of the remaining, if any, in proportion to the shares held by the shareholders, in accordance to the provisions in the General Law on Commercial Companies.

CHAPTER VII

GENERAL PROVISIONS

ARTICLE FORTY SIX. In all matters not specifically provided herein, the provisions of the General Law on Commercial Companies, the Securities Market Law and general provisions issued by the National Banking and Securities Commission will be applied.

ARTICLE FORTY SEVEN. For the interpretation and compliance of these By-Laws, the shareholders expressly submit to the competent courts of Mexico City, waiving to any other jurisdiction that may correspond to them by virtue of their present or future domiciles or for any other reason.



Description of rights of each class of securities registered under Section 12 of the Securities Exchange Act of 1934

American Depositary Shares (“ADSs”) representing one series A share (or a right to receive one series A share), with no par value (the “Series A Shares”) of Vista Energy, S.A.B. de C.V. (“Vista”), are listed and trade on the New York Stock Exchange and, in connection with this listing (but not for trading), our Series A Shares are registered under Section 12(b) of the Exchange Act. This exhibit contains a description of the rights of (i) the holders of our Series A Shares and (ii) ADS holders. Series A Shares underlying the ADSs are deposited with Banco S3 México S.A., Institución de Banca Múltiple, as custodian for the Bank of New York Mellon (the “Depositary”), as depositary, and holders of ADSs will not be treated as holders of our Series A Shares.

Disclosures under the following items are not applicable to us and have been omitted: debt securities (Item 12.A of Form 20-F), warrants and rights (Item 12.B of Form 20-F) and other securities (Item 12.C of Form 20-F).

Series A Shares

Type and Class of Securities (Item 9.A.5 of Form 20-F)

Our Series A Shares are book-entry ordinary shares with no par value. Each ADS represents one Series A Share (or a right to receive one Series A Share) deposited with Banco S3 Caceis México S.A., Institución de Banca Múltiple, as custodian for the Depositary in Mexico. The amount of Series A Shares issued as of the last of day of the financial year covered by the annual report to which this exhibit is attached is given on the cover page of the annual report.

For a description of arrangements for transfer and restrictions on the free transferability of the Series A Shares, see “Item 10—Additional Information—Memorandum and Articles of Association—Restrictions on the Transfer of Shares” in the annual report to which this exhibit is attached.

Preemptive Rights (Item 9.A.3 of Form 20-F)

For a description of preemptive rights, see “Item 10—Additional Information—Memorandum and Articles of Association—Preferred Subscription Rights” in the annual report to which this exhibit is attached.

Limitations or Qualifications (Item 9.A.6 of Form 20-F)

For a description of certain restrictions, see “Item 10—Additional Information—Memorandum and Articles of Association—Restrictions on the Transfer of Shares” and “Item 10—Additional Information—Memorandum and Articles of Association—Loss of Rights over the Shares” in the annual report to which this exhibit is attached.

Other rights (Item 9.A.7 of Form 20-F)

Not applicable.

Rights of the Shares (Item 10.B.3 of Form 20-F)

See “Item 10—Additional Information—Memorandum and Articles of Association—Voting Rights,” “Item 10—Additional Information—Memorandum and Articles of Association—Redemption,” “Item 10—Additional Information—Memorandum and Articles of Association—Minority Rights,” “Item 10—Additional Information—Memorandum and Articles of Association—Shareholders’ Meetings,” “Item 10—Additional Information—Memorandum and Articles of Association—Dissolution and Liquidation” and “Item 10—Additional Information—Memorandum and Articles of Association—Restrictions on the Transfer of Shares” in the annual report to which this exhibit is attached.



Requirements for Amendments of Articles of Incorporation (Item 10.B.4 of Form 20-F)

See “Item 10—Additional Information—Memorandum and Articles of Association—Shareholders’ Meetings” in the annual report to which this exhibit is attached.

Limitations on the Rights to Own Our Shares (Item 10.B.6 of Form 20-F)

See “Item 10—Additional Information—Memorandum and Articles of Association—Restrictions on the Transfer of Shares” in the annual report to which this exhibit is attached.

Provisions Affecting Any Change of Control (Item 10.B.7 of Form 20-F)

See “Item 10—Additional Information—Memorandum and Articles of Association—Restrictions on the Transfer of Shares” in the annual report to which this exhibit is attached.

Ownership Threshold (Item 10.B.8 of Form 20-F)

See “Item 10—Additional Information—Memorandum and Articles of Association—Restrictions on the Transfer of Shares” in the annual report to which this exhibit is attached.

Differences Between the Law of Different Jurisdictions (Item 10.B.9 of Form 20-F)

See “Item 10—Additional Information—Memorandum and Articles of Association—Loss of Rights over the Shares.” Article Forty Seven of the bylaws provides that “*For the interpretation and compliance of these By-Laws, the shareholders expressly submit to the competent courts of Mexico City, waiving to any other jurisdiction that may correspond to them by virtue of their present or future domiciles or for any other reason.*”

Changes in Our Capital (Item 10.B.10 of Form 20-F)

For a description of changes in our capital stock, see “Item 10—Additional Information—Memorandum and Articles of Association—Movements in Our Capital Stock” in the annual report to which this exhibit is attached.

American Depositary Shares (Item 12.D.1 and 12.D.2 of Form 20-F)

The Bank of New York Mellon, as Depositary, will register and deliver ADSs. Each ADS will represent one Series A Share (or a right to receive one Series A Share) deposited with Banco S3 Caceis México S.A., Institución de Banca Múltiple, as custodian for the Depositary in Mexico. Each ADS will also represent any other securities, cash or other property which may be held by the Depositary. The deposited Series A Shares together with any other securities, cash or other property held by the Depositary are referred to as the deposited securities. The Depositary’s office at which the ADSs will be administered and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

The way in which you own your ADSs (e.g., in a brokerage account versus a registered holder or as a holder of certificated versus uncertificated ADSs) may affect your rights and obligations, and the manner in which, and to the extent which, the Depositary bank’s services are available to you. As a holder of ADSs, you may hold ADSs either (a) directly (i) by having an American Depositary Receipt, also referred to as an ADR, which is a certificate evidencing a specific number of ADSs, registered in your name, or (ii) by having uncertificated ADSs registered in your name, or (b) indirectly by holding a security entitlement in ADSs through your broker or other financial institution that is a direct or indirect participant in The Depositary Trust Company, also referred to as DTC. If you hold ADSs directly, you are a registered ADS holder, also referred to as an ADS holder. This description assumes that you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out about those procedures.

Registered holders of uncertificated ADSs will receive statements from the Depositary confirming their holdings.



As an ADS holder, we will not treat you as one of our shareholders and you will not have shareholder rights. Mexican law governs shareholder rights. The Depositary will be the holder of the Series A Shares underlying your ADSs. As a registered holder of ADSs, you will have ADS holder rights. A deposit agreement among us, the Depositary, ADS holders, and all other persons indirectly holding or beneficially owning ADSs sets out ADS holder rights as well as the rights and obligations of the Depositary. New York law governs the deposit agreement and the ADSs. To exercise any shareholder rights directly, you will, as an ADS holder, need to surrender your ADSs and become a direct shareholder.

The following is a summary of the material provisions of the deposit agreement. For more complete information, you should read the entire deposit agreement and the form of ADR. Directions on how to obtain copies of those documents are provided under "Where You Can Find More Information."

Dividends and Other Distributions

How will you receive dividends and other distributions on the Series A Shares?

The Depositary has agreed to pay or distribute to ADS holders the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, upon payment or deduction of its fees and expenses. You will receive these distributions in proportion to the number of Series A Shares your ADSs represent. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations.

Cash. Whenever we make a cash distribution in respect of the securities on deposit with the custodian, we will deposit the funds with the custodian. The Depositary will convert any cash dividend or other cash distribution we pay on the Series A Shares into U.S. Dollars, if such conversion is permitted under applicable foreign exchange regulations in place at such time, and if it can do so on a reasonable basis and can transfer the U.S. Dollars to the United States. If that is not possible or if any governmental approval is needed and cannot be obtained, the deposit agreement allows the Depositary to distribute the foreign currency only to those ADS holders to whom it is possible to do so. The Depositary will hold the foreign currency it cannot convert for the account of the ADS holders who have not been paid. It will not invest the foreign currency and it will not be liable for any interest.

Before making a distribution, any fees, expenses, withholding taxes, or other governmental charges that must be paid or that are payable by the holders under the terms of the deposit agreement will be deducted. The Depositary will distribute only whole U.S. Dollars and cents and will round fractional cents to the nearest whole cent. If the exchange rates fluctuate during a time when the Depositary cannot convert the foreign currency, you may lose some or all of the value of the distribution.

Shares. The Depositary may distribute additional ADSs representing any shares we distribute as a dividend or free distribution. The Depositary will only distribute whole ADSs. It will sell shares which would require it to deliver a fraction of an ADS (or ADSs representing those shares) and distribute the net proceeds in the same way as it does with cash. If the Depositary does not distribute additional ADSs, the outstanding ADSs will also represent the new shares. The Depositary may sell a portion of the distributed shares (or ADSs representing those shares) sufficient to pay its fees and expenses in connection with that distribution.

Rights to purchase additional shares. If we offer holders of our securities any rights to subscribe for additional shares or any other rights, the Depositary may (i) exercise those rights on behalf of ADS holders, (ii) distribute those rights to ADS holders or (iii) sell those rights and distribute the net proceeds to ADS holders, in each case after deduction or upon payment of its fees and expenses. To the extent the Depositary does not do any of those things, it will allow the rights to lapse. In that case, you will receive no value for them.

The Depositary will exercise or distribute rights only if we ask it to and provide satisfactory assurances to the Depositary that it is legal to do so. If the Depositary will exercise rights, it will purchase the securities to which the rights relate and distribute those securities or, in the case of Series A Shares, new ADSs representing the new shares, to subscribing ADS holders, but only if ADS holders have paid the exercise price to the Depositary.

U.S. securities laws may restrict the ability of the Depositary to distribute rights or ADSs or other securities issued on exercise of rights to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.



Other distributions. The Depository will send to ADS holders anything else we distribute on deposited securities by any means it thinks is legal, fair and practical. If it cannot make the distribution in that way, the Depository has a choice. It may decide to sell what we distributed and distribute the net proceeds, in the same way as it does with cash. Or, it may decide to hold what we distributed, in which case ADSs will also represent the newly distributed property. However, the Depository is not required to distribute any securities (other than ADSs) to ADS holders unless it receives satisfactory evidence from us that it is legal to make that distribution. The Depository may sell a portion of the distributed securities or property sufficient to pay its fees and expenses in connection with that distribution. U.S. securities laws may restrict the ability of the Depository to distribute securities to all or certain ADS holders, and the securities distributed may be subject to restrictions on transfer.

The Depository is not responsible if it decides that it is unlawful or impractical to make a distribution available to any ADS holders. We have no obligation to register ADSs, shares, rights or other securities under the Securities Act. We also have no obligation to take any other action to permit the distribution of ADSs, shares, rights or anything else to ADS holders. This means that you may not receive the distributions we make on Series A Shares or any value for them if it is illegal or impractical for us to make them available to you.

Deposit, Withdrawal and Cancellation

How are ADSs issued?

The Depository will deliver ADSs on your behalf if you or your broker deposits Series A Shares or evidence of rights to receive Series A Shares with the custodian in Indeval. Upon payment of any fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the Depository will register the appropriate number of ADSs in the names you request and will deliver the ADSs to or upon the order of the person or persons that made the deposit.

The issuance of ADSs may be delayed until the depository or the custodian receives confirmation that all required approvals have been given and that the Series A Shares have been duly transferred to the custodian. The depository bank will only deliver whole ADSs.

When you make a deposit of Series A Shares, you will be responsible for transferring good and valid title to the Depository. As such, you will be deemed to represent and warrant that:

- The Series A Shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained;
- all preemptive (and similar) rights, if any, with respect to such Series A Shares have been validly waived or exercised;
- you are duly authorized to deposit the Series A Shares; and
- the Series A Shares presented for deposit will not be “restricted securities” (as defined in the deposit agreement).

If any of the representations or warranties are incorrect in any way, we and the Depository bank may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

How can ADS holders withdraw the deposited securities?

You may surrender your ADSs to the Depository for the purpose of withdrawal. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the Depository will deliver the shares and any other deposited securities underlying the ADSs to the ADS holder or a person the ADS holder designates at the office of the custodian; provided that our Series A Shares deposited in Indeval may only be delivered to an account opened in such institution by an authorized financial institution. Or, at your request, risk and expense, the Depository will deliver the deposited securities at its office, if feasible. However, the Depository is not required to accept surrender of ADSs to the extent it would require delivery of a fraction of a deposited share or other security. The Depository may charge you a fee and its expenses for instructing the custodian regarding delivery of deposited securities, and such delivery would be made to an account in Indeval if the deposited securities are held in such institution.

The Depository may ask you to provide proof of identity and genuineness of any signature and such other documents as the Depository may deem appropriate before it will cancel your ADSs. The withdrawal of the Series A Shares represented by your ADSs may be delayed until the Depository receives satisfactory evidence of compliance with all applicable laws and regulations.



Your Right to Receive the Shares Underlying your ADSs

ADS holders have the right to cancel their ADSs and withdraw the underlying shares at any time except:

- when temporary delays arise because: (i) the Depositary has closed its transfer books or we have closed our transfer books; (ii) the transfer of shares is blocked to permit voting at a shareholders' meeting; or (iii) we are paying a dividend on our shares;
- when you owe money to pay fees, taxes and similar charges; or
- when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of shares or other deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

How do ADS holders interchange between certificated ADSs and uncertificated ADSs?

You may surrender your ADR to the Depositary for the purpose of exchanging your ADR for uncertificated ADSs. The Depositary will cancel that ADR and will send to the ADS holder a statement confirming that the ADS holder is the registered holder of uncertificated ADSs. Upon receipt by the Depositary of a proper instruction from a registered holder of uncertificated ADSs requesting the exchange of uncertificated ADSs for certificated ADSs, the Depositary will execute and deliver to the ADS holder an ADR evidencing those ADSs.

Voting Rights

How do you vote?

ADS holders may instruct the Depositary to vote the number of deposited shares their ADSs represent. If we request the Depositary to solicit your voting instructions (and we are not required to do so), the Depositary will notify you of a shareholders' meeting and arrange to deliver or make voting materials available to you. Those materials will describe the matters to be voted on and explain how ADS holders may instruct the Depositary how to vote. For instructions to be valid, they must reach the Depositary by a date set by the Depositary.

The Depositary will try, as far as practical, subject to the laws of Mexico and of our bylaws or similar documents, to vote or to have its agents vote the Series A Shares or other deposited securities as instructed by ADS holders. If we do not request the Depositary to solicit your voting instructions, you can still send voting instructions, and, in that case, the Depositary may try to vote as you instruct, but it is not required to do so.

Except by instructing the Depositary as described above, you won't be able to exercise voting rights unless you surrender your ADSs and withdraw the shares. However, you may not know about the meeting enough in advance to withdraw the shares. In any event, the Depositary will not exercise any discretion in voting deposited securities and it will only vote or attempt to vote in accordance with instructions received from ADS holders or as described in the following sentence. If (i) we asked the Depositary to solicit your instructions at least 40 days before the meeting date, (ii) the Depositary does not receive voting instructions from you by the specified date and (iii) we confirm to the Depositary that:

- we wish to receive a proxy to vote uninstructed shares;
- we reasonably do not know of any substantial shareholder opposition to a particular question; and
- the particular question is not materially adverse to the interest of shareholders,

the Depositary will consider you to have authorized and directed it to give, and it will give, a discretionary proxy to a person designated by us to vote the number of deposited securities represented by your ADSs as to that question.

We cannot assure you that you will receive the voting materials in time to ensure that you can instruct the Depositary to vote your shares. In addition, the Depositary and its agents are not responsible for failing to carry out voting instructions or for the manner of carrying out voting instructions. This means that you may not be able to exercise your right to vote and there may be nothing you can do if your shares are not voted as you requested.



In order to give you a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to deposited securities, only if we request the Depositary to act, we agree to give the Depositary notice of any such meeting and details concerning the matters to be voted upon at least 40 days in advance of the meeting date. For the avoidance of doubt, if we do not request the Depositary to act, we will only be required to give the Depositary such notice and details at least 15 days in advance.

Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:
US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

US\$.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs

US\$.05 (or less) per ADS per calendar year

Registration or transfer fees

Expenses of the Depositary

Taxes and other governmental charges the Depositary or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the Depositary or its agents for servicing the deposited securities

For:

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property

Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

Any cash distribution to ADS holders

Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the Depositary to ADS holders

Depositary services

Transfer and registration of shares on our share register to or from the name of the Depositary or its agent when you deposit or withdraw shares

Cable and facsimile transmissions (when expressly provided in the deposit agreement)

Converting foreign currency to U.S. dollars

As necessary

As necessary

The Depositary collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The Depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The Depositary may collect its annual fee for Depositary services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The Depositary may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The Depositary may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the Depositary may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the Depositary or share revenue from the fees collected from ADS holders. In performing its duties under the deposit agreement, the Depositary may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the Depositary and that may earn or share fees, spreads or commissions.

The Depositary may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the Depositary or its affiliate receives when buying or selling foreign currency



for its own account. The Depositary makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the Depositary's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

Payment of Taxes

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. We, the Depositary bank and the custodian may withhold or deduct from any distribution the taxes and governmental charges payable by holders and the Depositary may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The Depositary may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the Depositary sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes. You are required to indemnify us, the Depositary and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Tender and Exchange Offers; Redemption; Replacement or Cancellation of Deposited Securities

The Depositary will not tender deposited securities in any voluntary tender or exchange offer unless instructed to do so by an ADS holder surrendering ADSs and subject to any conditions or procedures the Depositary may establish.

If deposited securities are redeemed for cash in a transaction that is mandatory for the Depositary as a holder of deposited securities, the Depositary will call for surrender of a corresponding number of ADSs and distribute the net redemption money to the holders of called ADSs upon surrender of those ADSs.

If there is any change in the deposited securities such as a sub-division, combination or other reclassification, or any merger, consolidation, recapitalization or reorganization affecting the issuer of deposited securities in which the Depositary receives new securities in exchange for or in lieu of the old deposited securities, the Depositary will hold those replacement securities as deposited securities under the deposit agreement. However, if the Depositary decides it would not be lawful and practical to hold the replacement securities because those securities could not be distributed to ADS holders or for any other reason, the Depositary may instead sell the replacement securities and distribute the net proceeds upon surrender of the ADSs.

If there is a replacement of the deposited securities and the Depositary will continue to hold the replacement securities, the Depositary may distribute new ADSs representing the new deposited securities or ask you to surrender your outstanding ADRs in exchange for new ADRs identifying the new deposited securities.

If there are no deposited securities underlying ADSs, including if the deposited securities are canceled, or if the deposited securities underlying ADSs have become apparently worthless, the Depositary may call for surrender or of those ADSs or cancel those ADSs upon notice to the ADS holders.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the Depositary to amend the deposit agreement and the ADRs without your consent for any reason. If an amendment adds or increases fees or charges, except for taxes and other governmental charges or expenses of the Depositary for registration fees, facsimile costs, delivery charges or similar items, or prejudices a substantial right of ADS holders, it will not become effective for outstanding ADSs until 30 days after the



Depository notifies ADS holders of the amendment. At the time an amendment becomes effective, you are considered, by continuing to hold your ADSs, to agree to the amendment and to be bound by the ADRs and the deposit agreement as amended.

How may the deposit agreement be terminated?

The Depository will initiate termination of the deposit agreement if we instruct it to do so. The Depository may initiate termination of the deposit agreement if

- 60 days have passed since the Depository told us it wants to resign but a successor Depository has not been appointed and accepted its appointment;
- we delist the ADSs from an exchange on which they were listed and do not list the ADSs on another exchange;
- we appear to be insolvent or enter insolvency proceedings;
- all or substantially all the value of the deposited securities has been distributed either in cash or in the form of securities;
- there are no deposited securities underlying the ADSs or the underlying deposited securities have become apparently worthless; or
- there has been a replacement of deposited securities.

If the deposit agreement will terminate, the Depository will notify ADS holders at least 90 days before the termination date. At any time after the termination date, the Depository may sell the deposited securities. After that, the Depository will hold the money it received on the sale, as well as any other cash it is holding under the deposit agreement, unsegregated and without liability for interest, for the pro rata benefit of the ADS holders that have not surrendered their ADSs. Normally, the Depository will sell as soon as practicable after the termination date.

After the termination date and before the Depository sells, ADS holders can still surrender their ADSs and receive delivery of deposited securities, except that the Depository may refuse to accept a surrender for the purpose of withdrawing deposited securities or reverse previously accepted surrenders of that kind if it would interfere with the selling process. The Depository may refuse to accept a surrender for the purpose of withdrawing sale proceeds until all the deposited securities have been sold. The Depository will continue to collect distributions on deposited securities, but after the termination date, the Depository is not required to register any transfer of ADSs or distribute any dividends or other distributions on deposited securities to the ADS holder (until they surrender their ADSs) or give any notices or perform any other duties under the deposit agreement except as described in this paragraph.

Limitations on Obligations and Liability to ADR holders

Limits on our obligations and the obligations of the Depository; limits on liability to Holders of ADSs

The deposit agreement expressly limits our obligations and the obligations of the Depository. It also limits our liability and the liability of the Depository. We and the Depository:

- i. are only obligated to take the actions specifically set forth in the deposit agreement without negligence or bad faith, and the Depository will not be a fiduciary or have any fiduciary duty to holders of ADSs;
- ii. are not liable if we are or it is prevented or delayed by law or by events or circumstances beyond our or its ability to prevent or counteract with reasonable care and effort from performing our or its obligations under the deposit agreement;
- iii. are not liable if we or it exercises discretion permitted under the deposit agreement;
- iv. are not liable for the inability of any holder of ADSs to benefit from any distribution on deposited securities that is not made available to holders of ADSs under the terms of the deposit agreement, or for any special, consequential or punitive damages for any breach of the terms of the deposit agreement;
- v. have no obligation to become involved in a lawsuit or other proceeding related to the ADSs or the deposit agreement on your behalf or on behalf of any other person;
- vi. may rely upon any documents we believe or it believes in good faith to be genuine and to have been signed or presented by the proper person;
- vii. are not liable for the acts or omissions of any securities depository, clearing agency or settlement system; and



viii. the Depositary has no duty to make any determination or provide any information as to our tax status, or any liability for any tax consequences that may be incurred by ADS holders as a result of owning or holding ADSs or be liable for the inability or failure of an ADS holder to obtain the benefit of a foreign tax credit, reduced rate of withholding or refund of amounts withheld in respect of tax or any other tax benefit.

In the deposit agreement, we and the Depositary agree to indemnify each other under certain circumstances.

Requirements for Depositary Actions

Before the Depositary will deliver or register a transfer of ADSs, make a distribution on ADSs, or permit withdrawal of shares, the Depositary may require:

- (i) payment of stock transfer or other taxes or other governmental charges and transfer or registration fees charged by third parties for the transfer of any shares or other deposited securities;
- (ii) satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and
- (iii) compliance with regulations it may establish, from time to time, consistent with the deposit agreement, including presentation of transfer documents.

The Depositary may refuse to deliver ADSs or register transfers of ADSs when the transfer books of the Depositary or our transfer books are closed or at any time if the Depositary or we think it advisable to do so.

Direct Registration System

In the deposit agreement, all parties to the deposit agreement acknowledge that the Direct Registration System, also referred to as DRS, and Profile Modification System, or Profile, will apply to the ADSs. DRS is a system administered by DTC that facilitates interchange between registered holding of uncertificated ADSs and holding of security entitlements in ADSs through DTC and a DTC participant. Profile is a feature of DRS which allows a DTC participant, claiming to act on behalf of a registered holder of uncertificated ADSs, to direct the Depositary to register a transfer of those ADSs to DTC or its nominee and to deliver those ADSs to the DTC account of that DTC participant without receipt by the Depositary of prior authorization from the ADS holder to register that transfer.

In connection with and in accordance with the arrangements and procedures relating to DRS/Profile, the parties to the deposit agreement understand that the Depositary will not determine whether the DTC participant which is claiming to be acting on behalf of an ADS holder in requesting registration of transfer and delivery as described in the paragraph above has the actual authority to act on behalf of the ADS holder (notwithstanding any requirements under the Uniform Commercial Code). In the deposit agreement, the parties agree that the Depositary's reliance on and compliance with instructions received by the Depositary through the DRS/Profile System and in accordance with the deposit agreement, will not constitute negligence or bad faith on the part of the Depositary.

Reports and Other Communications

Shareholder Communications; Inspection of Register of Holders of ADSs

The Depositary will make available for your inspection at its office all communications that it receives from us as a holder of deposited securities that we make generally available to holders of deposited securities. The Depositary will send you copies of those communications or otherwise make those communications available to you if we ask it to. You have a right to inspect the register of holders of ADSs, but not for the purpose of contacting those holders about a matter unrelated to our business or the ADSs.

Jury Trial Waiver

The deposit agreement provides that, to the extent permitted by law, ADS holders waive the right to a jury trial of any claim they may have against us or the Depositary arising out of or relating to our Series A Shares, the ADSs or the deposit agreement, including any claim under the U.S. federal securities laws. If we or the Depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable case law.



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However, you will not, by agreeing to the terms of the deposit agreement, be deemed to have waived our or the Depositary's compliance with U.S. federal securities laws and the rules and regulations promulgated thereunder.



Exhibit 8.1

List of Subsidiaries of Vista Energy, S.A.B de C.V.

Subsidiary	Jurisdiction of incorporation	Name under which the subsidiary does business
Vista Energy Argentina S.A.U.	Argentina	Vista Argentina
Vista Oil & Gas Holding I, S.A. de C.V.	Mexico	Vista Holding I
Vista Oil & Gas Holding II, S.A. de C.V.	Mexico	Vista Holding II
Aleph Midstream S.A.	Argentina	Aleph Midstream
Aluvional S.A.	Argentina	Aluvional
AFBN S.R.L	Argentina	AFBN
Vista Holding VII Sarl	Luxemburg	Vista Holding VII



CERTIFICATION

I, Miguel Galuccio, certify that:

1. I have reviewed this annual report on Form 20-F of Vista Energy, S.A.B. de C.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 26, 2022

By: /s/ Miguel Galuccio

Name: Miguel Galuccio

Title: Chief Executive Officer



CERTIFICATION

I, Pablo Manuel Vera Pinto, certify that:

1. I have reviewed this annual report on Form 20-F of Vista Energy, S.A.B. de C.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and
5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 26, 2022

By: /s/ Pablo Manuel Vera Pinto

Name: Pablo Manuel Vera Pinto

Title: Chief Financial Officer



Certification by CEO and CFO pursuant to Section 1350, as adapted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002

The certification set forth below is being furnished to the Securities and Exchange Commission, in connection with Vista Energy, S.A.B. de C.V.'s Annual Report on Form 20-F for the year ended December 31, 2021 (the "Annual Report") solely for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code as adapted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002.

Miguel Galuccio, the Chief Executive Officer and Pablo Manuel Vera Pinto, the Chief Financial Officer of Vista Energy, S.A.B. de C.V. each certifies that, to the best of their knowledge:

1. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Vista Energy, S.A.B. de C.V.

Date: April 26, 2022

By: /s/ Miguel Galuccio
Name: Miguel Galuccio
Title: Chief Executive Officer

By: /s/ Pablo Manuel Vera Pinto
Name: Pablo Manuel Vera Pinto
Title: Chief Financial Officer



DeGolyer and MacNaughton

5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

April 20, 2022

Vista Oil & Gas, S.A.B. de C.V.
Calle Volcán 150, Floor 5
Colonia Lomas de Chapultepec, Alcaldía Miguel Hidalgo
Mexico City, 11000
Mexico

Ladies and Gentlemen:

We hereby consent to the references to DeGolyer and MacNaughton as set forth under the headings “Presentation of Information–Presentation of Oil and Gas Information,” “Item 4. Information on the Company,” and “Item 19. Exhibits” in the Annual Report on Form 20-F of Vista Oil & Gas, S.A.B. de C.V. (Vista) for the year ended December 31, 2021 (the Annual Report). We further consent to the inclusion of our report of third party dated February 1, 2022 (our Report), as Exhibit No. 99.1 in the Annual Report. Our Report contains our opinions regarding our estimates, as of December 31, 2021, of the net proved oil, condensate, natural gas liquids, and gas reserves of certain properties in Argentina in which Vista has represented it holds an interest.

We confirm that we have read the Annual Report and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from our Report or that are within our knowledge as a result of the services performed by us in connection with the preparation of our Report.

Very truly yours,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716



CONSENT OF INDEPENDENT PETROLEUM ENGINEERS AND GEOLOGISTS

We hereby consent to the inclusion in this Form 20-F by Vista Oil & Gas Holding II S.A. de C.V. (the "Company") for the year ended December 31, 2021, of our report dated April 19, 2022, with respect to the estimates of reserves and future net revenue of the Company as of December 31, 2021, and to all references to our firm included in this Form 20-F with the provision that we accept responsibility only to the extent provided in the engagement agreement dated July 20, 2021, between the Company and us.

NETHERLAND, SEWELL & ASSOCIATES, INC.

By: /s/ C.H. (Scott) Rees III, P.E.
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

Dallas, Texas
April 20, 2022



DeGolyer and MacNaughton

5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

February 1, 2022

Vista Oil & Gas S.A.B. de C.V.
Calle Volcán 150, Piso 5
Colonia Lomas de Chapultepec, Alcaldía Miguel Hidalgo
Mexico City, 1100
Mexico

Ladies and Gentlemen:

Pursuant to your request, this report of third party presents an independent evaluation, as of December 31, 2021, of the extent of the estimated net proved oil, condensate, natural gas liquids (NGL), and gas reserves of certain properties in which Vista Oil & Gas S.A.B. de C.V. (Vista) has represented it holds an interest. This evaluation was completed on February 1, 2022. The properties evaluated herein are located in the Neuquén Basin and the Noroeste Basin in Argentina. Vista has represented that these properties account for approximately 97.5 percent on a net equivalent barrel basis of Vista's net proved reserves as of December 31, 2021. The net proved reserves estimates have been prepared in accordance with the reserves definitions of Rules 4-10(a) (1)-(32) of Regulation S-X of the United States Securities and Exchange Commission (SEC). This report was prepared in accordance with guidelines specified in Item 1202 (a)(8) of Regulation S-K and is to be used for inclusion in certain SEC filings by Vista.

Reserves estimates included herein are expressed as net reserves. Gross reserves are defined as the total estimated petroleum remaining to be produced from these properties after December 31, 2021. Net reserves are defined as that portion of the gross reserves attributable to the interests held by Vista after deducting all interests held by others.

Estimates of reserves should be regarded only as estimates that may change as further production history and additional information become available. Not only are such estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.



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Information used in the preparation of this report was obtained from Vista. In the preparation of this report we have relied, without independent verification, upon information furnished by Vista with respect to the property interests being evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. A field examination was not considered necessary for the purposes of this report.

Definition of Reserves

Petroleum reserves estimated in this report are classified as proved. Only proved reserves have been evaluated for this report. Reserves classifications used by us in this report are in accordance with the reserves definitions of Rules 4–10(a)(1)–(32) of Regulation S–X of the SEC. Reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs consistent with the effective date of this report, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.



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(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.



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Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.
- (iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in [section 210.4–10 (a) Definitions], or by other evidence using reliable technology establishing reasonable certainty.



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Methodology and Procedures

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC and with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised June 2019) Approved by the SPE Board on 25 June 2019” and in Monograph 3 and Monograph 4 published by the Society of Petroleum Evaluation Engineers. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Based on the current stage of field development, production performance, the development plans provided by Vista, and analyses of areas offsetting existing wells with test or production data, reserves were classified as proved. The proved undeveloped reserves estimates were based on opportunities identified in the plan of development provided by Vista.

Vista has represented that its senior management is committed to the development plan provided by Vista and that Vista has the financial capability to execute the development plan, including the drilling and completion of wells and the installation of equipment and facilities.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated only to the limits of economic production as defined under the Definition of Reserves heading of this report or the expiration of the concession, as appropriate.

In certain cases, reserves were estimated by incorporating elements of analogy with similar wells or reservoirs for which more complete data were available.

In the evaluation of undeveloped reserves, type- well analysis was performed using well data from analogous reservoirs for which more complete historical performance data were available.



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For the evaluation of unconventional reservoirs, a performance-based methodology integrating the appropriate geology and petroleum engineering data was utilized for this report. Performance-based methodology primarily includes (1) production diagnostics, (2) decline-curve analysis, and (3) model-based analysis (if necessary, based on availability of data). Production diagnostics include data quality control, identification of flow regimes, and characteristic well performance behavior. These analyses were performed for all well groupings (or type-curve areas).

Characteristic rate-decline profiles from diagnostic interpretation were translated to modified hyperbolic rate profiles, including one or multiple b-exponent values followed by an exponential decline. Based on the availability of data, model-based analysis may be integrated to evaluate long-term decline behavior, the effect of dynamic reservoir and fracture parameters on well performance, and complex situations sourced by the nature of unconventional reservoirs.

Data provided by Vista from wells drilled through December 31, 2021, and made available for this evaluation were used to prepare the reserves estimates herein. These reserves estimates were based on consideration of monthly production data available for certain properties only through September 2021. Estimated cumulative production, as of December 31, 2021, was deducted from the estimated gross ultimate recovery to estimate gross reserves. This required that production be estimated for 3 months.

Oil and condensate reserves estimated herein are to be recovered by normal field separation. NGL reserves estimated herein include pentanes and heavier fractions (C₅₊) and liquefied petroleum gas (LPG), which consists primarily of propane and butane fractions, and are the result of low-temperature plant processing. Oil, condensate, C₅₊, and LPG reserves included herein are expressed in thousands of barrels (10³bbl). In these estimates, 1 barrel equals 42 United States gallons. For reporting purposes, oil and condensate reserves have been estimated separately and are presented herein as a summed quantity.

Gas quantities estimated herein are expressed as marketable gas and sales gas. Marketable gas is defined as the total gas produced from the reservoir after reduction for shrinkage resulting from field separation; processing, including removal of the nonhydrocarbon gas to meet pipeline specifications; and flare and other losses but not from fuel usage. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Gas reserves estimated herein are reported as marketable gas and sales gas. Gas quantities are expressed at a temperature base of 60 degrees Fahrenheit (°F) and at a pressure base of 14.696 pounds per square inch absolute (psia). Gas quantities included in this report are expressed in millions of cubic feet (10⁶ft³).



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Gas quantities are identified by the type of reservoir from which the gas will be produced. Nonassociated gas is gas at initial reservoir conditions with no oil present in the reservoir. Associated gas is both gas-cap gas and solution gas. Gas-cap gas is gas at initial reservoir conditions and is in communication with an underlying oil zone. Solution gas is gas dissolved in oil at initial reservoir conditions. Gas quantities estimated herein include both associated and nonassociated gas.

VISTA has represented that it has signed a joint venture agreement (UTE) with Trafigura for the development of 20 horizontal wells in the unconventional reservoirs of the Bajada del Palo Oeste concession. Under this agreement, VISTA granted a 20-percent working interest in these wells to Trafigura and retained the remaining 80-percent working interest and the operatorship.

Primary Economic Assumptions

This report has been prepared using initial prices, expenses, and costs provided by Vista in United States dollars (U.S.\$). Future prices were estimated using guidelines established by the SEC and the Financial Accounting Standards Board (FASB). The following economic assumptions were used for estimating the reserves reported herein:

Oil, Condensate, C₅₊, and LPG Prices

Vista has represented that the oil, condensate, C₅₊, and LPG prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual agreements. Vista supplied differentials to a Brent reference price of U.S.\$68.92 per barrel and the prices were held constant thereafter. The volume-weighted average adjusted product prices attributable to the estimated proved reserves were U.S.\$54.99 per barrel of oil, condensate, and C₅₊ and U.S.\$26.67 per barrel for LPG. These prices were not escalated for inflation.



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Gas Prices

Vista has represented that the gas prices for the properties evaluated herein are defined by contractual agreements based on specific market conditions; in addition, for certain volumes of gas Vista is paid an incentive gas price that is subsidized by the Argentine government through 2024. The incentive gas sales price is U.S.\$3.29 per million Btu for 2021 through 2024. The gas sales price for all other volumes and for 2025 forward is U.S.\$2.85 per million Btu. Vista provided a calorific value for each concession to convert these prices to U.S.\$ per thousand cubic feet. The volume-weighted average adjusted gas price attributable to estimated proved reserves was U.S.\$3.92 per thousand cubic feet.

Operating Expenses, Capital Costs, and Abandonment Costs

Estimates of operating expenses, provided by Vista and based on current expenses, were held constant for the lives of the properties. Future capital expenditures, provided by Vista, were estimated using 2021 values and were not adjusted for inflation. Abandonment costs, which are those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment, were provided by Vista for all properties and were not adjusted for inflation. Operating expenses, capital costs, and abandonment costs were considered in determining the economic viability of the undeveloped reserves estimated herein.

In our opinion, the information relating to estimated proved reserves of oil, condensate, C₅₊, LPG, and gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-6, 932-235-50-7, and 932-235-50-9 of the Accounting Standards Update 932-235-50, *Extractive Industries – Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the FASB and Rules 4-10(a) (1)–(32) of Regulation S-X and Rules 302(b), 1201, 1202(a) (1), (2), (3), (4), (8), and 1203(a) of Regulation S-K of the SEC; provided, however, that estimates of proved developed and proved undeveloped reserves are not presented at the beginning of the year.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as engineers, are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.



DeGolyer and MacNaughton

Summary of Conclusions

The estimated net proved reserves, as of December 31, 2021, of the properties evaluated herein were based on the definition of proved reserves of the SEC and are summarized as follows, expressed in thousands of barrels (10³ bbl) and millions of cubic feet (10⁶ ft³):

	Estimated by DeGolyer and MacNaughton Net Proved Reserves as of December 31, 2021				
	Oil and Condensate (10 ³ bbl)	Marketable Gas (10 ⁶ ft ³)	Sales Gas (10 ⁶ ft ³)	C5+ (10 ³ bbl)	LPG (10 ³ bbl)
	Argentina				
Proved Developed	47,312.4	90,812.7	77,120.4	113.5	740.1
Proved Undeveloped	95,068.2	99,436.1	88,647.8	3.1	26.7
Total Proved	142,380.6	190,248.8	165,768.2	116.6	766.8

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant's ability to recover its reserves, we are not aware of any such governmental actions which would restrict the recovery of the December 31, 2021, estimated reserves.



DeGolyer and MacNaughton

DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. DeGolyer and MacNaughton does not have any financial interest, including stock ownership, in Vista. Our fees were not contingent on the results of our evaluation. This report has been prepared at the request of Vista. DeGolyer and MacNaughton has used all assumptions, data, procedures, and methods that it considers necessary and appropriate to prepare this report.

Submitted,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

/s/ Federico Dordoni

Federico Dordoni, P.E.
Senior Vice President
DeGolyer and MacNaughton

[SEAL]



DeGolyer and MacNaughton

CERTIFICATE of QUALIFICATION

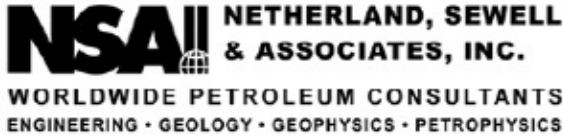
I, Federico Dordoni, Petroleum Engineer with DeGolyer and MacNaughton, 5001 Spring Valley Road, Suite 800 East, Dallas, Texas, 75244 U.S.A., hereby certify:

1. That I am a Senior Vice President with DeGolyer and MacNaughton, which firm did prepare the report of third party addressed to Vista dated February 1, 2022, and that I, as Senior Vice President, was responsible for the preparation of this report of third party.
2. That I attended Buenos Aires Institute of Technology (ITBA) University, and that I graduated with a degree in Petroleum Engineering in the year 2004; that I am a Registered Professional Engineer in the State of Texas; that I am a member of the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers; and that I have in excess of 17 years of experience in oil and gas reservoir studies and reserves evaluations.

[SEAL]

/s/ Federico Dordoni

Federico Dordoni, P.E.
Senior Vice President
DeGolyer and MacNaughton



EXECUTIVE COMMITTEE
 ROBERT C. BARG
 P. SCOTT FROST
 JOHN G. HATTNER
 JOSEPH J. SPELLMAN
 RICHARD B. TALLEY, JR.

CHAIRMAN & CEO
 C.H. (SCOTT) REES III
 PRESIDENT & COO
 DANNY D. SIMMONS

February 8, 2022

Mr. Francisco José Grajales Pérez Rivero
 Legal Representative
 Vista Oil & Gas Holding II S.A. de C.V.
 Volcán 150, Torre Virreyes, Piso 5
 Col. Lomas de Chapultepec, C.P. 11000
 Del. Miguel Hidalgo, Ciudad de México, México

Dear Mr. Grajales:

In accordance with your request, we have estimated the proved reserves and future revenue, as of December 31, 2021, to the Vista Oil & Gas Holding II S.A. de C.V. (Vista II), a subsidiary of Vista Oil & Gas S.A.B. de C.V., interest in certain oil and gas properties located in Block CS-01 in the state of Tabasco, Mexico. We completed our evaluation on or about the date of this letter. It is our understanding that the proved reserves estimated in this report constitute all of the proved reserves owned by Vista II. The estimates in this report have been prepared in accordance with the definitions and regulations of the U.S. Securities and Exchange Commission (SEC) and, with the exception of the exclusion of future income taxes, conform to the FASB Accounting Standards Codification Topic 932, *Extractive Activities—Oil and Gas*. Additionally, these estimates conform to the guidelines of the Comisión Nacional de Hidrocarburos (CNH) and the standards of the Comisión Nacional Bancaria y de Valores (CNBV). Definitions are presented immediately following this letter.

As presented in the accompanying summary projections, Tables I through IV, we estimate the net reserves and future net revenue to the Vista II interest in these properties, as of December 31, 2021, to be:

Category	Net Reserves ⁽¹⁾		Future Net Revenue (M\$)	
	Oil (MBBL)	Gas (MMCF)	Total	Present Worth at 10%
Proved Developed Producing	108.2	59.4	(596.4) ⁽²⁾	(175.3) ⁽²⁾
Proved Developed Non-Producing	228.2	103.4	2,224.1	2,171.8
Proved Undeveloped	3,037.1	5,954.5	61,842.3	22,409.7
Total Proved	3,373.5	6,117.3	63,470.0	24,406.2

- (1) Net reserves do not include royalty volumes.
- (2) Future net revenue is negative after deducting estimated abandonment costs.

The oil volumes shown include crude oil and condensate. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases. Oil equivalent volumes shown in this report are expressed in thousands of barrels of oil equivalent (MBOE), determined using the ratio of 6 MCF of gas to 1 barrel of oil.

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. As requested, probable and possible reserves that may exist for these properties have not been included. The estimates of reserves and future revenue included herein have not been adjusted for risk. This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated.

Estimates of net oil and gas reserves shown in this report are based on a price-related sliding scale royalty system. Net reserves do not include royalty volumes. Gross revenue shown in this report is Vista II's share of the gross (100 percent) revenue from the properties prior to any deductions. Future net revenue is after deductions for capital



costs, abandonment costs, and operating expenses but before consideration of any income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

Prices used in this report are based on the 12-month unweighted arithmetic average of the first-day-of-the-month price for each month in the period January through December 2021. For oil volumes, the average West Texas Intermediate spot price of \$66.55 per barrel is adjusted for quality, tariffs, and market differentials. For gas volumes, the average Henry Hub spot price of \$3.598 per MMBTU is adjusted by field for energy content, tariffs, and market differentials. All prices are held constant throughout the lives of the properties. The average adjusted product prices weighted by production over the remaining lives of the properties are \$58.85 per barrel of oil and \$3.176 per MCF of gas.

Operating costs used in this report are based on operating expense records of Vista II, the operator of the properties. As requested, operating costs are limited to direct lease- and field-level costs and Vista II's estimate of the portion of its headquarters general and administrative overhead expenses necessary to operate the properties. Operating costs have been divided into field-level costs, per-well costs, and per-unit-of-production costs and are not escalated for inflation.

Capital costs used in this report were provided by Vista II and are based on authorizations for expenditure and actual costs from recent activity. Capital costs are included as required for workovers, new development wells, and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are Vista II's estimates of the costs to abandon the wells, net of any salvage value. Capital costs and abandonment costs are not escalated for inflation.

For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

We have made no investigation of potential volume and value imbalances resulting from overdelivery or underdelivery to the Vista II interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on Vista II receiving its net revenue interest share of estimated future gross production. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical field- and lease-level accounting statements.

The reserves shown in this report are estimates only and should not be construed as exact quantities. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be economically producible; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves. Estimates of reserves may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by Vista II, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the reserves, and that our projections of future production will prove consistent with actual performance. If the reserves are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received for the reserves, and costs incurred in recovering such reserves may vary from assumptions made while preparing this report.



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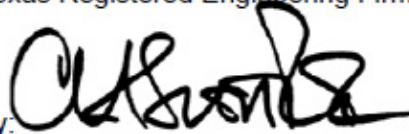


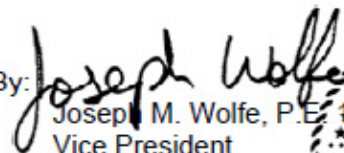
For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, well test data, production data, historical price and cost information, and property ownership interests. The reserves in this report have been estimated using deterministic methods; these estimates have been prepared in accordance with the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis, volumetric analysis, and analogy, that we considered to be appropriate and necessary to categorize and estimate reserves in accordance with the SEC definitions and regulations and the CNH guidelines. A substantial portion of these reserves are for undeveloped locations; such reserves are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

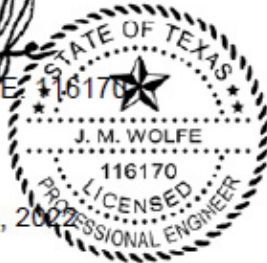
The data used in our estimates were obtained from Vista II, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. and were accepted as accurate. Supporting work data are on file in our office. We have not examined the contractual rights to the properties or independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

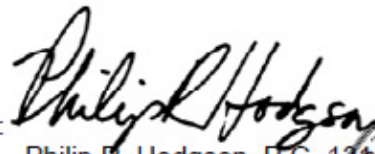
NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

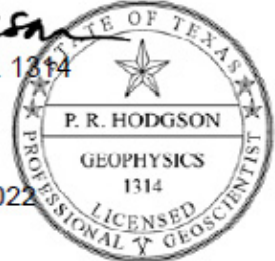
By: 
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By: 
Joseph M. Wolfe, P.E. 116170
Vice President



Date Signed. February 8, 2022

By: 
Philip R. Hodgson, P.G. 1314
Vice President



Date Signed. February 8, 2022

JMW:SRC



DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

The following definitions are set forth in U.S. Securities and Exchange Commission (SEC) Regulation S-X Section 210.4-10(a). Also included is supplemental information from (1) the 2018 Petroleum Resources Management System approved by the Society of Petroleum Engineers, (2) the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas, and (3) the SEC's Compliance and Disclosure Interpretations.

(1) *Acquisition of properties.* Costs incurred to purchase, lease or otherwise acquire a property, including costs of lease bonuses and options to purchase or lease properties, the portion of costs applicable to minerals when land including mineral rights is purchased in fee, brokers' fees, recording fees, legal costs, and other costs incurred in acquiring properties.

(2) *Analogous reservoir.* Analogous reservoirs, as used in resources assessments, have similar rock and fluid properties, reservoir conditions (depth, temperature, and pressure) and drive mechanisms, but are typically at a more advanced stage of development than the reservoir of interest and thus may provide concepts to assist in the interpretation of more limited data and estimation of recovery. When used to support proved reserves, an "analogous reservoir" refers to a reservoir that shares the following characteristics with the reservoir of interest:

- (i) Same geological formation (but not necessarily in pressure communication with the reservoir of interest);
- (ii) Same environment of deposition;
- (iii) Similar geological structure; and
- (iv) Same drive mechanism.

Instruction to paragraph (a)(2): Reservoir properties must, in the aggregate, be no more favorable in the analog than in the reservoir of interest.

(3) *Bitumen.* Bitumen, sometimes referred to as natural bitumen, is petroleum in a solid or semi-solid state in natural deposits with a viscosity greater than 10,000 centipoise measured at original temperature in the deposit and atmospheric pressure, on a gas free basis. In its natural state it usually contains sulfur, metals, and other non-hydrocarbons.

(4) *Condensate.* Condensate is a mixture of hydrocarbons that exists in the gaseous phase at original reservoir temperature and pressure, but that, when produced, is in the liquid phase at surface pressure and temperature.

(5) *Deterministic estimate.* The method of estimating reserves or resources is called deterministic when a single value for each parameter (from the geoscience, engineering, or economic data) in the reserves calculation is used in the reserves estimation procedure.

(6) *Developed oil and gas reserves.* Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Supplemental definitions from the 2018 Petroleum Resources Management System:

Developed Producing Reserves – Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate. Improved recovery Reserves are considered producing only after the improved recovery project is in operation.

Developed Non-Producing Reserves – Shut-in and behind-pipe Reserves. Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

(7) *Development costs.* Costs incurred to obtain access to proved reserves and to provide facilities for extracting, treating, gathering and storing the oil and gas. More specifically, development costs, including depreciation and applicable operating costs of support equipment and facilities and other costs of development activities, are costs incurred to:

- (i) Gain access to and prepare well locations for drilling, including surveying well locations for the purpose of determining specific development drilling sites, clearing ground, draining, road building, and relocating public roads, gas lines, and power lines, to the extent necessary in developing the proved reserves.
- (ii) Drill and equip development wells, development-type stratigraphic test wells, and service wells, including the costs of platforms and of well equipment such as casing, tubing, pumping equipment, and the wellhead assembly.



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Definitions - Page 1 of 6



DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (iii) Acquire, construct, and install production facilities such as lease flow lines, separators, treaters, heaters, manifolds, measuring devices, and production storage tanks, natural gas cycling and processing plants, and central utility and waste disposal systems.
- (iv) Provide improved recovery systems.

(8) *Development project.* A development project is the means by which petroleum resources are brought to the status of economically producible. As examples, the development of a single reservoir or field, an incremental development in a producing field, or the integrated development of a group of several fields and associated facilities with a common ownership may constitute a development project.

(9) *Development well.* A well drilled within the proved area of an oil or gas reservoir to the depth of a stratigraphic horizon known to be productive.

(10) *Economically producible.* The term economically producible, as it relates to a resource, means a resource which generates revenue that exceeds, or is reasonably expected to exceed, the costs of the operation. The value of the products that generate revenue shall be determined at the terminal point of oil and gas producing activities as defined in paragraph (a)(16) of this section.

(11) *Estimated ultimate recovery (EUR).* Estimated ultimate recovery is the sum of reserves remaining as of a given date and cumulative production as of that date.

(12) *Exploration costs.* Costs incurred in identifying areas that may warrant examination and in examining specific areas that are considered to have prospects of containing oil and gas reserves, including costs of drilling exploratory wells and exploratory-type stratigraphic test wells. Exploration costs may be incurred both before acquiring the related property (sometimes referred to in part as prospecting costs) and after acquiring the property. Principal types of exploration costs, which include depreciation and applicable operating costs of support equipment and facilities and other costs of exploration activities, are:

- (i) Costs of topographical, geographical and geophysical studies, rights of access to properties to conduct those studies, and salaries and other expenses of geologists, geophysical crews, and others conducting those studies. Collectively, these are sometimes referred to as geological and geophysical or "G&G" costs.
- (ii) Costs of carrying and retaining undeveloped properties, such as delay rentals, ad valorem taxes on properties, legal costs for title defense, and the maintenance of land and lease records.
- (iii) Dry hole contributions and bottom hole contributions.
- (iv) Costs of drilling and equipping exploratory wells.
- (v) Costs of drilling exploratory-type stratigraphic test wells.

(13) *Exploratory well.* An exploratory well is a well drilled to find a new field or to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir. Generally, an exploratory well is any well that is not a development well, an extension well, a service well, or a stratigraphic test well as those items are defined in this section.

(14) *Extension well.* An extension well is a well drilled to extend the limits of a known reservoir.

(15) *Field.* An area consisting of a single reservoir or multiple reservoirs all grouped on or related to the same individual geological structural feature and/or stratigraphic condition. There may be two or more reservoirs in a field which are separated vertically by intervening impervious strata, or laterally by local geologic barriers, or by both. Reservoirs that are associated by being in overlapping or adjacent fields may be treated as a single or common operational field. The geological terms "structural feature" and "stratigraphic condition" are intended to identify localized geological features as opposed to the broader terms of basins, trends, provinces, plays, areas-of-interest, etc.

(16) *Oil and gas producing activities.*

- (i) Oil and gas producing activities include:
 - (A) The search for crude oil, including condensate and natural gas liquids, or natural gas ("oil and gas") in their natural states and original locations;
 - (B) The acquisition of property rights or properties for the purpose of further exploration or for the purpose of removing the oil or gas from such properties;
 - (C) The construction, drilling, and production activities necessary to retrieve oil and gas from their natural reservoirs, including the acquisition, construction, installation, and maintenance of field gathering and storage systems, such as:
 - (1) Lifting the oil and gas to the surface; and
 - (2) Gathering, treating, and field processing (as in the case of processing gas to extract liquid hydrocarbons); and



DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (D) Extraction of saleable hydrocarbons, in the solid, liquid, or gaseous state, from oil sands, shale, coalbeds, or other nonrenewable natural resources which are intended to be upgraded into synthetic oil or gas, and activities undertaken with a view to such extraction.

Instruction 1 to paragraph (a)(16)(i): The oil and gas production function shall be regarded as ending at a “terminal point”, which is the outlet valve on the lease or field storage tank. If unusual physical or operational circumstances exist, it may be appropriate to regard the terminal point for the production function as:

- a. The first point at which oil, gas, or gas liquids, natural or synthetic, are delivered to a main pipeline, a common carrier, a refinery, or a marine terminal; and
- b. In the case of natural resources that are intended to be upgraded into synthetic oil or gas, if those natural resources are delivered to a purchaser prior to upgrading, the first point at which the natural resources are delivered to a main pipeline, a common carrier, a refinery, a marine terminal, or a facility which upgrades such natural resources into synthetic oil or gas.

Instruction 2 to paragraph (a)(16)(i): For purposes of this paragraph (a)(16), the term *saleable hydrocarbons* means hydrocarbons that are saleable in the state in which the hydrocarbons are delivered.

(ii) Oil and gas producing activities do not include:

- (A) Transporting, refining, or marketing oil and gas;
- (B) Processing of produced oil, gas, or natural resources that can be upgraded into synthetic oil or gas by a registrant that does not have the legal right to produce or a revenue interest in such production;
- (C) Activities relating to the production of natural resources other than oil, gas, or natural resources from which synthetic oil and gas can be extracted; or
- (D) Production of geothermal steam.

(17) *Possible reserves.* Possible reserves are those additional reserves that are less certain to be recovered than probable reserves.

- (i) When deterministic methods are used, the total quantities ultimately recovered from a project have a low probability of exceeding proved plus probable plus possible reserves. When probabilistic methods are used, there should be at least a 10% probability that the total quantities ultimately recovered will equal or exceed the proved plus probable plus possible reserves estimates.
- (ii) Possible reserves may be assigned to areas of a reservoir adjacent to probable reserves where data control and interpretations of available data are progressively less certain. Frequently, this will be in areas where geoscience and engineering data are unable to define clearly the area and vertical limits of commercial production from the reservoir by a defined project.
- (iii) Possible reserves also include incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than the recovery quantities assumed for probable reserves.
- (iv) The proved plus probable and proved plus probable plus possible reserves estimates must be based on reasonable alternative technical and commercial interpretations within the reservoir or subject project that are clearly documented, including comparisons to results in successful similar projects.
- (v) Possible reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from proved areas by faults with displacement less than formation thickness or other geological discontinuities and that have not been penetrated by a wellbore, and the registrant believes that such adjacent portions are in communication with the known (proved) reservoir. Possible reserves may be assigned to areas that are structurally higher or lower than the proved area if these areas are in communication with the proved reservoir.
- (vi) Pursuant to paragraph (a)(22)(iii) of this section, where direct observation has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves should be assigned in the structurally higher portions of the reservoir above the HKO only if the higher contact can be established with reasonable certainty through reliable technology. Portions of the reservoir that do not meet this reasonable certainty criterion may be assigned as probable and possible oil or gas based on reservoir fluid properties and pressure gradient interpretations.

(18) *Probable reserves.* Probable reserves are those additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.



- (i) When deterministic methods are used, it is as likely as not that actual remaining quantities recovered will exceed the sum of estimated proved plus probable reserves. When probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the proved plus probable reserves estimates.



DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (ii) Probable reserves may be assigned to areas of a reservoir adjacent to proved reserves where data control or interpretations of available data are less certain, even if the interpreted reservoir continuity of structure or productivity does not meet the reasonable certainty criterion. Probable reserves may be assigned to areas that are structurally higher than the proved area if these areas are in communication with the proved reservoir.
- (iii) Probable reserves estimates also include potential incremental quantities associated with a greater percentage recovery of the hydrocarbons in place than assumed for proved reserves.
- (iv) See also guidelines in paragraphs (a)(17)(iv) and (a)(17)(vi) of this section.

(19) *Probabilistic estimate.* The method of estimation of reserves or resources is called probabilistic when the full range of values that could reasonably occur for each unknown parameter (from the geoscience and engineering data) is used to generate a full range of possible outcomes and their associated probabilities of occurrence.

(20) *Production costs.*

- (i) Costs incurred to operate and maintain wells and related equipment and facilities, including depreciation and applicable operating costs of support equipment and facilities and other costs of operating and maintaining those wells and related equipment and facilities. They become part of the cost of oil and gas produced. Examples of production costs (sometimes called lifting costs) are:
 - (A) Costs of labor to operate the wells and related equipment and facilities.
 - (B) Repairs and maintenance.
 - (C) Materials, supplies, and fuel consumed and supplies utilized in operating the wells and related equipment and facilities.
 - (D) Property taxes and insurance applicable to proved properties and wells and related equipment and facilities.
 - (E) Severance taxes.
- (ii) Some support equipment or facilities may serve two or more oil and gas producing activities and may also serve transportation, refining, and marketing activities. To the extent that the support equipment and facilities are used in oil and gas producing activities, their depreciation and applicable operating costs become exploration, development or production costs, as appropriate. Depreciation, depletion, and amortization of capitalized acquisition, exploration, and development costs are not production costs but also become part of the cost of oil and gas produced along with production (lifting) costs identified above.

(21) *Proved area.* The part of a property to which proved reserves have been specifically attributed.

(22) *Proved oil and gas reserves.* Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

- (i) The area of the reservoir considered as proved includes:
 - (A) The area identified by drilling and limited by fluid contacts, if any, and
 - (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.
- (ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.
- (iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.
- (iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:



- (A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and



DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

- (B) The project has been approved for development by all necessary parties and entities, including governmental entities.
- (v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

(23) *Proved properties.* Properties with proved reserves.

(24) *Reasonable certainty.* If deterministic methods are used, reasonable certainty means a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the estimate. A high degree of confidence exists if the quantity is much more likely to be achieved than not, and, as changes due to increased availability of geoscience (geological, geophysical, and geochemical), engineering, and economic data are made to estimated ultimate recovery (EUR) with time, reasonably certain EUR is much more likely to increase or remain constant than to decrease.

(25) *Reliable technology.* Reliable technology is a grouping of one or more technologies (including computational methods) that has been field tested and has been demonstrated to provide reasonably certain results with consistency and repeatability in the formation being evaluated or in an analogous formation.

(26) *Reserves.* Reserves are estimated remaining quantities of oil and gas and related substances anticipated to be economically producible, as of a given date, by application of development projects to known accumulations. In addition, there must exist, or there must be a reasonable expectation that there will exist, the legal right to produce or a revenue interest in the production, installed means of delivering oil and gas or related substances to market, and all permits and financing required to implement the project.

Note to paragraph (a)(26): Reserves should not be assigned to adjacent reservoirs isolated by major, potentially sealing, faults until those reservoirs are penetrated and evaluated as economically producible. Reserves should not be assigned to areas that are clearly separated from a known accumulation by a non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results). Such areas may contain prospective resources (i.e., potentially recoverable resources from undiscovered accumulations).

Excerpted from the FASB Accounting Standards Codification Topic 932, Extractive Activities—Oil and Gas:

932-235-50-30 A standardized measure of discounted future net cash flows relating to an entity's interests in both of the following shall be disclosed as of the end of the year:

- a. *Proved oil and gas reserves (see paragraphs 932-235-50-3 through 50-11B)*
- b. *Oil and gas subject to purchase under long-term supply, purchase, or similar agreements and contracts in which the entity participates in the operation of the properties on which the oil or gas is located or otherwise serves as the producer of those reserves (see paragraph 932-235-50-7).*

The standardized measure of discounted future net cash flows relating to those two types of interests in reserves may be combined for reporting purposes.

932-235-50-31 All of the following information shall be disclosed in the aggregate and for each geographic area for which reserve quantities are disclosed in accordance with paragraphs 932-235-50-3 through 50-11B:

- a. *Future cash inflows. These shall be computed by applying prices used in estimating the entity's proved oil and gas reserves to the year-end quantities of those reserves. Future price changes shall be considered only to the extent provided by contractual arrangements in existence at year-end.*
- b. *Future development and production costs. These costs shall be computed by estimating the expenditures to be incurred in developing and producing the proved oil and gas reserves at the end of the year, based on year-end costs and assuming continuation of existing economic conditions. If estimated development expenditures are significant, they shall be presented separately from estimated production costs.*
- c. *Future income tax expenses. These expenses shall be computed by applying the appropriate year-end statutory tax rates, with consideration of future tax rates already legislated, to the future pretax net cash flows relating to the entity's proved oil and gas reserves, less the tax basis of the properties involved. The future income tax expenses shall give effect to tax deductions and tax credits and allowances relating to the entity's proved oil and gas reserves.*
- d. *Future net cash flows. These amounts are the result of subtracting future development and production costs and future income tax expenses from future cash inflows.*



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DEFINITIONS OF OIL AND GAS RESERVES

Adapted from U.S. Securities and Exchange Commission Regulation S-X Section 210.4-10(a)

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| <p>e. <i>Discount.</i> This amount shall be derived from using a discount rate of 10 percent a year to reflect the timing of the future net cash flows relating to proved oil and gas reserves.</p> <p>f. <i>Standardized measure of discounted future net cash flows.</i> This amount is the future net cash flows less the computed discount.</p> |
|---|

(27) *Reservoir.* A porous and permeable underground formation containing a natural accumulation of producible oil and/or gas that is confined by impermeable rock or water barriers and is individual and separate from other reservoirs.

(28) *Resources.* Resources are quantities of oil and gas estimated to exist in naturally occurring accumulations. A portion of the resources may be estimated to be recoverable, and another portion may be considered to be unrecoverable. Resources include both discovered and undiscovered accumulations.

(29) *Service well.* A well drilled or completed for the purpose of supporting production in an existing field. Specific purposes of service wells include gas injection, water injection, steam injection, air injection, salt-water disposal, water supply for injection, observation, or injection for in-situ combustion.

(30) *Stratigraphic test well.* A stratigraphic test well is a drilling effort, geologically directed, to obtain information pertaining to a specific geologic condition. Such wells customarily are drilled without the intent of being completed for hydrocarbon production. The classification also includes tests identified as core tests and all types of expendable holes related to hydrocarbon exploration. Stratigraphic tests are classified as “exploratory type” if not drilled in a known area or “development type” if drilled in a known area.

(31) *Undeveloped oil and gas reserves.* Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances, justify a longer time.

<p><i>From the SEC's Compliance and Disclosure Interpretations (October 26, 2009):</i></p> <p><i>Although several types of projects — such as constructing offshore platforms and development in urban areas, remote locations or environmentally sensitive locations — by their nature customarily take a longer time to develop and therefore often do justify longer time periods, this determination must always take into consideration all of the facts and circumstances. No particular type of project per se justifies a longer time period, and any extension beyond five years should be the exception, and not the rule.</i></p> <p><i>Factors that a company should consider in determining whether or not circumstances justify recognizing reserves even though development may extend past five years include, but are not limited to, the following:</i></p> <ul style="list-style-type: none">• <i>The company's level of ongoing significant development activities in the area to be developed (for example, drilling only the minimum number of wells necessary to maintain the lease generally would not constitute significant development activities);</i>• <i>The company's historical record at completing development of comparable long-term projects;</i>• <i>The amount of time in which the company has maintained the leases, or booked the reserves, without significant development activities;</i>• <i>The extent to which the company has followed a previously adopted development plan (for example, if a company has changed its development plan several times without taking significant steps to implement any of those plans, recognizing proved undeveloped reserves typically would not be appropriate); and</i>• <i>The extent to which delays in development are caused by external factors related to the physical operating environment (for example, restrictions on development on Federal lands, but not obtaining government permits), rather than by internal factors (for example, shifting resources to develop properties with higher priority).</i>



(iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in paragraph (a)(2) of this section, or by other evidence using reliable technology establishing reasonable certainty.

(32) *Unproved properties.* Properties with no proved reserves.



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SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF DECEMBER 31, 2021
TOTAL PROVED RESERVES
BLOCK CS-01
STATE OF TABASCO
MEXICO

PERIOD ENDING M-D-Y	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE		
	OIL MMBBL	GAS MMBBL	NET MMBBL	OIL MMBBL	GAS MMBBL	NET MMBBL	OIL \$/BBL	GAS \$/MCF	NET \$/BBL	OIL \$/M	GAS \$/M	NET \$/M
12-31-2022	207.7	121.0	0.0	0.0	56.3	105.2	58.85	17.8	5,640.6	0.0	17.8	5,819.4
12-31-2023	379.2	264.7	0.0	0.0	123.1	195.5	58.85	3.176	10,296.4	0.0	3.176	10,687.5
12-31-2024	453.6	372.0	0.0	0.0	173.0	238.2	58.85	3.176	12,318.8	0.0	3.176	12,868.5
12-31-2025	626.3	569.3	0.0	0.0	264.8	333.1	58.85	3.176	17,007.9	0.0	3.176	17,849.1
12-31-2026	717.5	1,315.8	0.0	0.0	612.0	433.1	58.85	3.176	19,483.1	0.0	3.176	21,427.3
12-31-2027	873.7	2,502.8	0.0	0.0	1,164.2	597.2	58.85	3.176	23,726.4	0.0	3.176	27,424.5
12-31-2028	837.7	2,147.2	0.0	0.0	998.8	553.0	58.85	3.176	22,747.0	0.0	3.176	25,919.6
12-31-2029	770.3	1,875.5	0.0	0.0	850.0	497.1	58.85	3.176	20,917.5	0.0	3.176	23,617.6
12-31-2030	656.1	1,494.8	0.0	0.0	695.3	418.6	58.85	3.176	17,816.6	0.0	3.176	20,025.2
12-31-2031	550.3	1,221.7	0.0	0.0	568.3	348.6	58.85	3.176	14,942.6	0.0	3.176	16,747.7
12-31-2032	408.4	492.2	0.0	0.0	229.0	226.6	58.85	3.176	11,091.1	0.0	3.176	11,818.4
12-31-2033	309.5	304.8	0.0	0.0	141.8	166.4	58.85	3.176	8,403.3	0.0	3.176	8,853.6
12-31-2034	235.1	232.1	0.0	0.0	108.0	126.5	58.85	3.176	6,385.2	0.0	3.176	6,728.2
12-31-2035	176.7	176.7	0.0	0.0	82.2	95.2	58.85	3.176	4,797.9	0.0	3.176	5,059.0
12-31-2036	108.8	108.8	0.0	0.0	50.6	58.6	58.85	3.176	2,954.1	0.0	3.176	3,114.8
SUBTOTAL	7,310.8	13,151.4	0.0	0.0	6,117.3	4,393.0	58.85	3.176	198,528.7	0.0	3.176	217,960.3
REMAINING	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.000	0.0	0.0	0.0	0.0
TOTAL	7,310.8	13,151.4	0.0	0.0	6,117.3	4,393.0	58.85	3.176	198,528.7	0.0	3.176	217,960.3
CUM PROD	9,785.9	46,378.6										
ULTIMATE	17,096.7	59,530.0										

PERIOD ENDING M-D-Y	NUMBER OF ACTIVE COMPLETIONS		TAXES		CAPITAL COST		ABDNANT COST		OPERATING EXPENSE		FUTURE NET REVENUE		PRESENT WORTH PROFILE	
	GROSS	NET	PRODUCTION MS	AD VALOREM MS	COST MS	MS	MS	MS	MS	MS	DISC AT 10.0000%	%	CUM	MS
12-31-2022	16	16.0	0.0	0.0	13,700.0	0.0	3,458.6	-11,339.2	-11,339.2	-10,436.8	8.000	29,755.6		
12-31-2023	17	17.0	0.0	0.0	200.0	0.0	4,876.1	-5,611.5	-5,727.7	-5,553.3	12.000	19,888.5		
12-31-2024	24	24.0	0.0	0.0	18,300.0	0.0	5,469.6	-10,901.1	-16,628.8	-14,340.7	15.000	14,371.3		
12-31-2025	26	26.0	0.0	0.0	12,900.0	0.0	6,759.4	-1,810.3	-18,439.1	-14,768.7	20.000	7,689.2		
12-31-2026	29	29.0	0.0	0.0	12,200.0	0.0	7,521.9	1,705.3	-16,733.8	-14,635.6	25.000	3,181.9		
12-31-2027	29	29.0	0.0	0.0	1,200.0	0.0	8,618.4	17,606.1	872.3	-4,211.0	30.000	111.6		
12-31-2028	29	29.0	0.0	0.0	3,900.0	0.0	8,315.8	13,703.8	14,576.1	3,141.7	35.000	-1,993.1		
12-31-2029	27	27.0	0.0	0.0	800.0	0.0	7,765.5	15,052.1	29,628.2	10,520.2	40.000	-3,438.9		
12-31-2030	24	24.0	0.0	0.0	600.0	0.0	6,997.8	12,427.4	42,055.6	16,055.5	45.000	-4,429.1		
12-31-2031	24	24.0	0.0	0.0	0.0	0.0	6,353.7	10,394.0	52,449.6	20,271.5	50.000	-5,100.5		
12-31-2032	24	24.0	0.0	0.0	0.0	0.0	5,386.6	6,431.8	58,881.3	22,646.3				
12-31-2033	22	22.0	0.0	0.0	0.0	0.0	4,763.5	4,090.2	62,971.5	24,018.7				
12-31-2034	22	22.0	0.0	0.0	0.0	0.0	4,300.8	2,427.4	65,398.9	24,759.9				
12-31-2035	21	21.0	0.0	0.0	0.0	0.0	3,893.1	1,165.9	66,564.7	25,084.3				
12-31-2036	19	19.0	0.0	0.0	0.0	0.0	2,859.6	2,552	66,820.0	25,149.9				
SUBTOTAL			0.0	0.0	63,800.0	0.0	87,340.3	66,820.0	66,820.0	25,149.9				
REMAINING			0.0	0.0	0.0	0.0	0.0	-3,350.0	63,470.0	24,406.2				
TOTAL OF 14.8 YRS			0.0	0.0	63,800.0	0.0	87,340.3	63,470.0	63,470.0	24,406.2				

All estimates and exhibits herein are part of this NSDI report and are subject to its parameters and conditions.

Table 1

BASED ON SEC PRICE AND COST PARAMETERS



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VISTA OIL & GAS HOLDING II S.A. DE C.V. INTEREST

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF DECEMBER 31, 2021
PROVED DEVELOPED PRODUCING RESERVES

BLOCK GS-01
STATE OF TABASCO
MEXICO

PERIOD	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
	OIL M/BBL	GAS MMCF	NET M/BBL	OIL M/BBL	GAS MMCF	NET M/BBL	OIL \$/BBL	GAS \$/MMCF	NET \$/BBL	OIL MS	GAS MS	NET MS	
12-31-2022	161.7	89.1	74.6	0.0	41.4	81.5	58.85	0.00	3.176	4,391.6	0.0	131.6	4,523.2
12-31-2023	72.8	38.7	33.6	0.0	18.0	36.6	58.85	0.00	3.176	1,975.9	0.0	57.1	2,033.0
08-31-2024	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.000	0.0	0.0	0.0	0.0
SUBTOTAL	234.5	127.7	108.2	0.0	59.4	118.1	58.85	0.00	3.176	6,367.5	0.0	188.7	6,556.2
REMAINING	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.00	0.000	0.0	0.0	0.0	0.0
TOTAL	234.5	127.7	108.2	0.0	59.4	118.1	58.85	0.00	3.176	6,367.5	0.0	188.7	6,556.2
CUM PROD	9,785.9	46,378.6											
ULTIMATE	10,020.4	46,506.3											

PERIOD	ENDING M-D-Y	NUMBER OF ACTIVE COMPLETIONS		TAXES		NET DEDUCTIONS/EXPENDITURES		CAPITAL COST		ABDNMNT COST		OPERATING EXPENSE		FUTURE NET REVENUE		DISC AT 10.000%		PRESENT WORTH PROFILE	
		GROSS	NET	MS	MS	MS	MS	MS	MS	MS	MS	MS	MS	MS	MS	MS	MS	MS	MS
12-31-2022	10	10.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,443.2	1,443.2	-1,443.2	1,389.4	8.000	2,247.4	8.000	-247.4
12-31-2023	9	9.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,822.7	1,822.7	210.3	1,576.7	12.000	1,576.7	12.000	-108.2
08-31-2024	0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,250.0	2,250.0	-2,250.0	-175.3	13.000	-175.3	13.000	-163
																20.000		20.000	117.1
																25.000		25.000	229.6
																30.000		30.000	324.9
																35.000		35.000	406.0
																40.000		40.000	475.3
																45.000		45.000	534.8
																50.000		50.000	585.9
SUBTOTAL																			
REMAINING																			
TOTAL OF 1.7YRS																			

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

Table II

BASED ON SEC PRICE AND COST PARAMETERS



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VISTA OIL & GAS HOLDING II S.A. DE C.V. INTEREST

SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF DECEMBER 31, 2021
PROVED DEVELOPED NON-PRODUCING RESERVES

BLOCK GS-01
STATE OF TABASCO
MEXICO

PERIOD ENDING M-D-Y	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			TOTAL MS
	OIL MBBL	GAS MMCF	MAJCF	OIL MBBL	NGL MBBL	GAS MMCF	OIL \$/BBL	NGL \$/BBL	GAS \$/MMCF	OIL MS	NGL MS	GAS MS	
12-31-2022	17.5	3.5	3.5	1.6	0.0	3.176	476.2	0.0	5.2	0.0	0.0	481.4	
12-31-2023	117.6	37.2	37.2	17.3	0.0	3.176	3,193.0	0.0	55.0	0.0	0.0	3,248.0	
12-31-2024	150.2	68.6	68.6	31.9	0.0	3.176	4,079.4	0.0	101.3	0.0	0.0	4,180.7	
12-31-2025	112.9	55.9	55.9	26.0	0.0	3.176	3,066.9	0.0	82.6	0.0	0.0	3,149.6	
12-31-2026	96.3	57.1	57.1	26.6	0.0	3.176	2,614.0	0.0	84.4	0.0	0.0	2,698.4	
11-30-2027	0.0	0.0	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.0	0.0	0.0	
SUBTOTAL	494.5	222.3	222.3	103.4	0.0	3.176	13,429.5	0.0	328.5	0.0	0.0	13,758.0	
REMAINING	0.0	0.0	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.0	0.0	0.0	
TOTAL	494.5	222.3	222.3	103.4	0.0	3.176	13,429.5	0.0	328.5	0.0	0.0	13,758.0	
CUM PROD	0.0	0.0	0.0	0.0	0.0	0.000	0.0	0.0	0.0	0.0	0.0	0.0	
ULTIMATE	494.5	222.3	222.3	103.4	0.0	3.176	13,429.5	0.0	328.5	0.0	0.0	13,758.0	

PERIOD ENDING M-D-Y	NUMBER OF ACTIVE COMPLETIONS		NET DEDUCTIONS/EXPENDITURES			FUTURE NET REVENUE			PRESENT WORTH PROFILE		
	GROSS	NET	PRODUCTION MS	TAXES AD VALOREM MS	CAPITAL COST MS	ABDNMNT COST MS	OPERATING EXPENSE MS	UNDISCOUNTED PERIOD MS	DISCAT 10,000% CUM MS	DISC RATE %	CUM PW MS
12-31-2022	2	2.0	0.0	0.0	1,200.0	0.0	163.9	-882.5	-882.5	8.000	2,201.6
12-31-2023	3	3.0	0.0	0.0	200.0	0.0	1,592.5	1,455.5	573.0	12.000	2,136.2
12-31-2024	12	12.0	0.0	0.0	0.0	-2,250.0	3,051.6	3,379.2	3,952.1	15.000	2,074.8
12-31-2025	9	9.0	0.0	0.0	200.0	0.0	2,700.0	2,491.6	4,201.7	20.000	1,959.2
12-31-2026	8	8.0	0.0	0.0	0.0	0.0	2,426.0	272.4	4,474.1	25.000	1,836.3
11-30-2027	0	0.0	0.0	0.0	0.0	2,250.0	0.0	-2,250.0	2,224.1	30.000	1,712.7
SUBTOTAL	0.0	0.0	0.0	0.0	1,600.0	0.0	9,933.9	2,224.1	2,224.1	40.000	1,477.8
REMAINING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,171.8	45.000	1,369.8
TOTAL OF 4.9 YRS	0.0	0.0	0.0	0.0	1,600.0	0.0	9,933.9	2,224.1	2,224.1	50.000	1,269.0

Table III

All estimates and exhibits herein are part of this NSA report and are subject to its parameters and conditions.

BASED ON SEC PRICE AND COST PARAMETERS



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SUMMARY PROJECTION OF RESERVES AND REVENUE
AS OF DECEMBER 31, 2021
PROVED UNDEVELOPED RESERVES
BLOCK CS-01
STATE OF TABASCO
MEXICO

PERIOD ENDING M-D-Y	GROSS RESERVES			NET RESERVES			AVERAGE PRICES			GROSS REVENUE			
	OIL MMBBL	GAS MMCF	MS	OIL MMBBL	NGL MMBBL	MS	OIL \$/BBL	NGL \$/BBL	GAS \$/MMCF	OIL MS	NGL MS	GAS MS	TOTAL MS
12-31-2022	28.5	28.5	13.1	0.0	0.0	13.2	15.3	0.00	3.176	772.8	0.0	42.0	814.9
12-31-2023	188.8	188.8	87.1	0.0	0.0	87.8	101.8	0.00	3.176	5,127.5	0.0	279.0	5,406.5
12-31-2024	303.4	303.4	140.0	0.0	0.0	141.1	163.5	0.00	3.176	8,239.4	0.0	448.3	8,687.8
12-31-2025	513.4	513.4	236.9	0.0	0.0	238.8	276.7	0.00	3.176	13,941.0	0.0	758.5	14,699.5
12-31-2026	621.2	1,258.7	286.6	0.0	0.0	585.5	384.2	0.00	3.176	16,869.1	0.0	1,859.8	18,728.9
12-31-2027	873.7	2,502.8	403.2	0.0	0.0	1,164.2	597.2	0.00	3.176	23,286.4	0.0	3,698.0	27,424.5
12-31-2028	837.7	2,147.2	386.5	0.0	0.0	998.8	553.0	0.00	3.176	22,747.0	0.0	3,176.0	25,919.6
12-31-2029	770.3	1,827.5	355.4	0.0	0.0	850.0	497.1	0.00	3.176	20,917.5	0.0	2,700.1	23,617.6
12-31-2030	656.1	1,494.8	302.7	0.0	0.0	695.3	348.6	0.00	3.176	17,816.6	0.0	2,208.0	20,025.2
12-31-2031	550.3	1,221.7	253.9	0.0	0.0	568.3	348.6	0.00	3.176	14,942.6	0.0	1,805.0	16,747.7
12-31-2032	408.4	492.2	188.5	0.0	0.0	229.0	141.8	0.00	3.176	11,091.1	0.0	727.3	11,818.4
12-31-2033	309.5	304.8	142.8	0.0	0.0	141.8	166.4	0.00	3.176	8,403.3	0.0	450.3	8,853.6
12-31-2034	235.1	232.1	108.5	0.0	0.0	108.0	126.5	0.00	3.176	6,385.2	0.0	343.0	6,728.2
12-31-2035	176.7	176.7	81.5	0.0	0.0	82.2	95.2	0.00	3.176	4,797.9	0.0	261.1	5,059.0
12-31-2036	108.8	108.8	50.2	0.0	0.0	50.6	58.6	0.00	3.176	2,954.1	0.0	160.7	3,114.8
SUBTOTAL	6,581.7	12,801.4	3,057.1	0.0	0.0	5,954.5	4,029.5	0.00	3.176	178,731.6	0.0	18,914.4	197,646.1
REMAINING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.000	0.0	0.0	0.0	0.0
TOTAL	6,581.7	12,801.4	3,057.1	0.0	0.0	5,954.5	4,029.5	0.00	3.176	178,731.6	0.0	18,914.4	197,646.1
CUM PROD	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.000	0.0	0.0	0.0	0.0
ULTIMATE	6,581.7	12,801.4	3,057.1	0.0	0.0	5,954.5	4,029.5	0.00	3.176	178,731.6	0.0	18,914.4	197,646.1

PERIOD ENDING M-D-Y	NUMBER OF ACTIVE COMPLETIONS		NET DEDUCTIONS/EXPENDITURES			FUTURE NET REVENUE			PRESENT WORTH PROFILE		
	GROSS	NET	PRODUCTION MS	TAXES AD VALOREM MS	CAPITAL COST MS	ABDNANT COST MS	OPERATING EXPENSE MS	UNDISCOUNTED PERIOD MS	DISC AT 10.0000% CUM MS	DISC RATE %	CUM PW MS
12-31-2022	4	4.0	0.0	0.0	12,300.0	0.0	214.8	-11,899.9	-11,899.9	8.000	27,799.3
12-31-2023	5	5.0	0.0	0.0	0.0	0.0	1,460.8	3,945.7	-7,954.2	12.000	17,860.5
12-31-2024	12	12.0	0.0	0.0	18,300.0	0.0	2,418.0	-12,030.3	-19,984.5	15.000	12,312.8
12-31-2025	17	17.0	0.0	0.0	12,700.0	0.0	4,059.5	-2,059.9	-22,044.4	20.000	5,612.9
12-31-2026	21	21.0	0.0	0.0	12,200.0	0.0	5,096.0	1,432.9	-20,611.5	25.000	1,116.1
12-31-2027	29	29.0	0.0	0.0	1,900.0	-2,250.0	8,615.8	19,856.1	-755.4	30.000	-1,926.0
12-31-2028	29	29.0	0.0	0.0	3,900.0	0.0	8,315.8	13,703.8	12,948.4	35.000	-3,991.6
12-31-2029	27	27.0	0.0	0.0	8,000.0	0.0	7,765.5	15,052.1	28,000.5	40.000	-5,392.0
12-31-2030	24	24.0	0.0	0.0	6,000.0	0.0	6,997.8	12,427.4	40,427.9	45.000	-6,333.7
12-31-2031	24	24.0	0.0	0.0	0.0	0.0	6,353.7	10,394.0	50,821.9	50.000	-6,955.4
12-31-2032	24	24.0	0.0	0.0	0.0	0.0	5,386.6	6,431.8	57,253.6	20,649.8	22,022.1
12-31-2033	22	22.0	0.0	0.0	0.0	0.0	4,763.5	4,090.2	61,343.8	22,763.3	22,763.3
12-31-2034	21	21.0	0.0	0.0	0.0	0.0	4,300.8	2,427.4	63,771.2	23,153.3	23,153.3
12-31-2035	19	19.0	0.0	0.0	0.0	0.0	2,859.6	1,165.9	64,937.0	23,153.3	23,153.3
SUBTOTAL	0.0	0.0	0.0	0.0	62,200.0	-2,250.0	72,503.8	65,192.3	61,842.3	22,409.7	22,409.7
REMAINING	0.0	0.0	0.0	0.0	0.0	3,350.0	0.0	-3,350.0	61,842.3	22,409.7	22,409.7
TOTAL OF 14.8 YRS	0.0	0.0	0.0	0.0	62,200.0	1,100.0	72,503.8	61,842.3	61,842.3	22,409.7	22,409.7

Table IV

All estimates and exhibits herein are part of this NSD report and are subject to its parameters and conditions. BASED ON SEC PRICE AND COST PARAMETERS