VISTA ENERGY, S.A.B. DE C.V.

Nonconsolidated financial statements as of December 31, 2022 and 2021,
and for the years ended December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Vista Energy, S.A.B. de C.V.

Opinion

We have audited the accompanying nonconsolidated financial statements of Vista Energy, S.A.B. de C.V. ("the Company"), which comprise the nonconsolidated statement of financial position as at December 31, 2022, and the nonconsolidated statement of profit or loss and other comprehensive income, nonconsolidated statement of changes in equity and nonconsolidated statement of cash flows for the year then ended, and notes to the nonconsolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the nonconsolidated financial position of Vista Energy, S.A.B. de C.V., as at December 31, 2022 and their nonconsolidated financial performance and their nonconsolidated cash flows for the period then year in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and the ethical requirements that are relevant to our audit of the nonconsolidated financial statements in Mexico in accordance with the *Código de Ética Profesional del Instituto Mexicano de Contadores Públicos* ("IMCP Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the nonconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the nonconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the nonconsolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying nonconsolidated financial statements.

Description of the key audit matter

We have determined there are no key audit matters to be communicated in our report.

Responsibilities of Management and the Audit Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying nonconsolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the nonconsolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the nonconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is the undersigned.

Mancera, S.C.
A Member Practice of
Ernst & Young Global Limited

Arturo Figueroa Carmona
Mexico City, Mexico
March 13, 2023

VISTA ENERGY, S.A.B. DE C.V.

Nonconsolidated financial statements as of December 31, 2022 and 2021, and for the years ended December 31, 2022 and 2021

TABLE OF CONTENTS

Nonconsolidated statements of profit or loss and other comprehensive income for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31, 2022	Year ended December 31, 2021
General and administrative expenses	**4**	(28,277)	(22,089)
Other operating income	**5**	193,781	24,336
Operating profit		**165,504**	**2,247**
Interest income	**6.1**	4,355	2,595
Interest expense	**6.2**	(2,367)	(2,585)
Other financial income (expense)	**6.3**	(27,927)	5,024
Financial income (expense), net		**(25,939)**	**5,034**
Profit before income tax		**139,565**	**7,281**
Income tax		**-**	**-**
Income tax		**-**	-
Profit for the year, net		**139,565**	**7,281**
Other comprehensive income			
Other comprehensive income		**-**	**-**
Other comprehensive income that shall not be reclassified to profit or loss in subsequent years, net of taxes		-	-
Total comprehensive profit for the year		**139,565**	**7,281**
Earnings per share			
Basic (in US dollars per share)	**7**	**3.068**	**0.574**
Diluted (in US dollars per share)	**7**	**2.755**	**0.543**

Notes 1 through 19 are an integral part of these nonconsolidated financial statements

Nonconsolidated statements of financial position as of December 31, 2022 and 2021
(Amounts expressed in thousands of US Dollars)

	Notes	As of December 31, 2022	As of December 31, 2021
Assets			
Noncurrent assets			
Investments in subsidiaries	**9**	491,657	492,972
Investments in associates	**2.4.11**	6,443	2,977
Trade and other receivables	**10**	-	37,360
Restricted cash	**12.1**	8,951	3,964
Total noncurrent assets		**507,051**	**537,273**
Current assets			
Trade and other receivables	**10**	222,547	3,424
Cash, bank balances and other short-term investments	**12**	76,987	112,367
Total current assets		**299,534**	**115,791**
Total assets		**806,585**	**653,064**
Equity and liabilities			
Equity			
Capital stock	**13.1**	517,873	586,706
Other equity instruments	**13.1**	32,144	-
Legal reserve	**13.2**	2,603	-
Share repurchase reserve	**13.2**	49,465	-
Other accumulated comprehensive income (losses)		12,892	3,749
Accumulated profit (losses)		152,122	25,095
Total equity		**767,099**	**615,550**
Liabilities			
Noncurrent liabilities			
Borrowings	**11.1**	28,829	26,462
Warrants	**11.2**	-	2,544
Total noncurrent liabilities		**28,829**	**29,006**
Current liabilities			
Salaries and payroll taxes	**15**	10,195	7,484
Other taxes and royalties		40	24
Trade and other payables	**14**	422	1,000
Total current liabilities		**10,657**	**8,508**
Total liabilities		**39,486**	**37,514**
Total equity and liabilities		**806,585**	**653,064**

Notes 1 through 19 are an integral part of these nonconsolidated financial statements

VISTA ENERGY, S.A.B. DE C.V.

Nonconsolidated statement of changes in equity for the year ended December 31, 2022

(Amounts expressed in thousands of US Dollars)

	Capital stock	Other equity instruments	Legal reserve	Share repurchase reserve	Other accumulated comprehensive income (losses)	Accumulated profit (losses)	Total equity
Amounts as of December 31, 2021	**586,706**	**-**	**-**	**-**	**3,749**	**25,095**	**615,550**
Profit for the year	-	-	-	-	-	139,565	139,565
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**139,565**	**139,565**
Ordinary and Extraordinary General Shareholders´ meeting on April 26, 2022 (1):							
Creation of legal reserve	-	-	1,255	-	-	(1,255)	-
Creation of share repurchase reserve	-	-	-	23,840	-	(23,840)	-
Board of Directors' meeting on September 27, 2022 (1):							
Reduction of capital stock	(39,530)	-	-	-	-	39,530	-
Warrant Holders' meeting on October 4, 2022 (1):							
Cashless exercises of warrant	-	32,144 (2)	-	-	-	-	**32,144**
Ordinary and General Shareholders' meeting on December 7, 2022(1):							
Creation of legal reserve	-	-	1,348	-	-	(1,348)	-
Creation of share repurchase reserve	-	-	-	25,625	-	(25,625)	-
Share repurchase (1)	(29,304)	-	-	-	-	-	**(29,304)**
Share-based payments	1	-	-	-	9,143 (3)	-	**9,144**
Amounts as of December 31, 2022	**517,873**	**32,144**	**2,603**	**49,465**	**12,892**	**152,122**	**767,099**

(1) See Note 13.

(2) Including 32,894 of cashless exercise of warrant (Note 11.2), net of 750 related to expenses.

(3) Including 13,119 share-based payment expenses (Note 4), net of tax charges.

Notes 1 through 19 are an integral part of these nonconsolidated financial statements

Nonconsolidated statement of changes in equity for the year ended December 31, 2021

(Amounts expressed in thousands of US Dollars)

	Capital stock	Other accumulated comprehensive income (losses)	Accumulated profit (losses)	Total equity
Amounts as of December 31, 2020	**659,400**	**(4,808)**	**(54,881)**	**599,711**
Profit for the year	-	-	7,281	7,281
Total comprehensive income	**-**	**-**	**7,281**	**7,281**
Ordinary and General Shareholders´ meeting on December 14, 2021 (1):				
Reduction of capital stock	(72,695)	-	72,695	-
Share-based payments	1	8,557 (2)	-	8,558
Amounts as of December 31, 2021	**586,706**	**3,749**	**25,095**	**615,550**

(1) See Note 13.

(2) Including 8,487 share-based payment expenses (Note 4), net of tax charges.

Notes 1 through 19 are an integral part of these nonconsolidated financial statements

VISTA ENERGY, S.A.B. DE C.V.

Nonconsolidated statements of cash flows for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31, 2022	Year ended December 31, 2021
Cash flows from operating activities:			
Profit for the year, net		139,565	7,281
Adjustments to reconcile net cash flows			
Items related to operating activities:			
Net changes in foreign exchange rate	**6.3**	(2,532)	982
Share-based payments	**4**	13,119	8,487
Items related to investing activities:			
Interest income	**6.1**	(4,355)	(2,595)
Changes in the fair value of financial assets	**6.3**	851	(8,188)
Related party dividends	**5**	(193,764)	(24,329)
Items related to financing activities:			
Interest expense	**6.2**	2,367	2,585
Changes in the fair value of warrants	**6.3**	30,350	2,182
Changes in working capital:			
Trade and other receivables		957	(1,577)
Trade and other payables		(1,314)	646
Salaries and payroll taxes		(1,265)	2,792
Other taxes and royalties		16	16
Net cash flows (used in) operating activities		**(16,005)**	**(11,718)**
Cash flows from investing activities:			
Proceeds from related party dividends	**5**	30,270	24,329
Payments for acquisitions of investments in associates		(3,466)	(2,977)
Payments for acquisitions of investments in subsidiaries	**9**	(250)	-
Borrowings granted to related parties	**16**	(10,900)	(9,750)
Interest received	**6.1**	612	50
Other financial assets acquisition		(2,223)	-
Proceeds from borrowings granted - principal	**16**	-	2,119
Net cash flows provided by investing activities		**14,043**	**13,771**
Cash flows from financing activities:			
Share repurchase	**13.1**	(29,304)	-
Payment of borrowings interests	**11.1**	-	(3,129)
Payment of borrowings principal	**11.1**	-	(13,258)
Net cash flows (used in) financing activities		**(29,304)**	**(16,387)**
Net (decrease) in cash and cash equivalents		**(31,266)**	**(14,334)**
Cash and cash equivalents at beginning of year	**12**	**112,367**	**130,687**
Effect of exposure to changes in the foreign currency rate of cash and cash equivalents		(1,556)	(22)
Restricted cash	**12.1**	(4,987)	(3,964)
Net (decrease) in cash and cash equivalents		(31,266)	(14,334)
Cash and cash equivalents at end of year	**12**	**74,558**	**112,367**

Notes 1 through 19 are an integral part of these nonconsolidated financial statements

Notes to the nonconsolidated financial statements as of December 31, 2022 and 2021, and for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

Note 1. Company information

1.1 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 de Capital Variable*" ("S.A.B. de C.V."), on July 28, 2017.

On April 26, 2022, Vista Oil & Gas, S.A.B. de C.V. changed the Company's corporate name to "Vista Energy, S.A.B. de C.V.".

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 13.1).

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.

As of December 2022, the Company's upstream operations through its subsidiaries are as follows:

<u>In Argentina</u>

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) (see Note 19 for further information);
(ii) 100% in Bajada del Palo Oeste and Bajada del Palo Este unconventional operating concessions (operated);
(iii) 84.62% in Coirón Amargo Norte conventional operating concession (operated);
(iv) 90% in Águila Mora unconventional operating concession (operated);
(v) 100% in Aguada Federal unconventional operating concession (operated);
(vi) 100% in Bandurria Norte unconventional operating concession (operated).

In the Northwest basin:
(i) 1.5% in Acambuco conventional operating concession (not operated).

<u>In Mexico</u>

(i) 100% in CS-01 area (operated).

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.

Note 2. Basis of preparation and material accounting policies

2.1 Basis of preparation and presentation

The accompanying nonconsolidated financial statements as of December 31, 2022 and 2021, and for the years ended December 31, 2022, and 2021, 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 ("USD") and are rounded to the nearest thousand, unless otherwise stated.

These nonconsolidated financial statements were approved for issuance by the Board on March 13, 2023, and the subsequent events through that date are considered. These nonconsolidated financial statements will be submitted in the General Shareholders' Meeting on April 24, 2023. Shareholders can approve and amend the Company's financial statements.

2.2 New accounting standards, amendments and interpretations issued by the IASB

2.2.1 New accounting standards, amendments and interpretations issued by the IASB adopted by the Company

Amendments to IAS 37: Provisions, contingent liabilities and contingent assets - Onerous contracts and costs of fulfilling

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs, exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or not, an entity needs to include costs that relate directly to a contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments had no impact on the Company's nonconsolidated financial statements as it does not have costs of fulfilling contracts.

IFRS 9 Financial Instruments – "10% test" for derecognition of financial liabilities

The amendment details the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original ("10% test"). In this sense, the amendment includes into the computable fees, those paid or received between the borrower and the lender.

The amendments had no impact on the nonconsolidated financial statements as the current accounting policies are aligned to the amendments.

2.2.2 New accounting standards, amendments and interpretations issued by the IASB not yet effective

Amendments to IAS 1: Presentation of financial statements - Disclosure of Accounting Policies

In February 2021, the IASB issued amendments to IAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures, replacing "significant" with a requirement to disclose their "material" accounting policies.

According to IAS 1, an accounting policy is material if, together with other information contained in the financial statements, it can be expected to influence the decisions made by users of the financial statements.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted.

The amendments will not have impact on the Company's nonconsolidated financial statements, actually they were applied in the Company´s accounting policies.

Amendments to IAS 8: Accounting policies, changes in accounting estimates and errors – Definition of accounting estimates

In February 2021, the IASB issued amendments to IAS 8, in which it clarifies the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Company's nonconsolidated financial statements.

Amendments to IAS 12: Income taxes - Deferred tax related to assets and liabilities arising from a single transaction

On May 7, 2021, the Board issued amendments to IAS 12, related to assets and liabilities arising from a single transaction, that result in the recognition of a simultaneous asset and liability, such as right-of-use assets and lease liabilities or the initial recognition of well plugging and abandonment obligations.

The purpose of such amendments is to limit the application of the exemption from the initial recognition of deferred tax assets and liabilities in certain single transactions.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and earlier application is permitted as long as this fact is disclosed.

The Company is currently assessing the impact of the amendments.

2.3 Subsidiaries

Subsidiaries are all entities over which the Company has control, which occurs if and only if, the Company has all the following:

(i) Power over the entity;
(ii) Exposure or rights to variable returns from its involvement with the entity; and
(iii) 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 1 (one) or more of the 3 (three) elements of control mentioned above.

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:

(i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
(ii) potential voting rights held by the Company, other vote holders or other parties;
(iii) rights arising from other contractual arrangements; and
(iv) 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 an 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.

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

In the consolidated financial statements of the Company, 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.

Intercompany transactions, balances and income or losses are deleted. The subsidiaries' financial statements are adjusted when needed to align their accounting policies to the Company's accounting policies.

In these nonconsolidated financial statements, the accounting method applied to the investment in subsidiaries is the acquisition method at the cost of the investment in them. Dividend income is recognized when such dividends are distributed from the subsidiaries to the Company.

Below are the Company's main subsidiaries:

Subsidiary name	Equity interest December 31, 2022	Equity interest December 31, 2021	Place of business	Main activity
Vista Energy Holding I, S.A. de C.V. ("Vista Holding I") (1)	100%	100%	Mexico	Holding company
Vista Energy Holding II, S.A. de C.V. ("Vista Holding II") (1)	100%	100%	Mexico	Exploration and production (2)
Vista Energy Holding III, S.A. de C.V. ("Vista Holding III") (1)	100%	100%	Mexico	Services
Vista Energy Holding IV, S.A. de C.V. ("Vista Holding IV") (1)	100%	100%	Mexico	Services
Vista Complemento S.A. de C.V. ("Vista Complemento") (3)	-%	100%	Mexico	Services
VX Ventures Asociación en Participación	100%	100%	Mexico	Holding company

(1) On April 27, 2022, the Companies changed their names to Vista Energy Holding I, S.A. de C.V., Vista Energy Holding II, S.A. de C.V., Vista Energy Holding III, S.A. de C.V., and Vista Energy Holding IV, S.A. de C.V., formerly known as Vista Oil & Gas Holding I, S.A. de C.V., Vista Oil & Gas Holding II, S.A. de C.V., Vista Oil & Gas Holding III, S.A. de C.V., and Vista Oil & Gas Holding IV, S.A. de C.V., respectively.
(2) Its refers to the exploration and production of gas and oil.
(3) Subsidiary merged with Vista Holding II on January 1, 2022.

The Company's shares in the subsidiaries' voting rights are the same as its interest in capital.

2.3.1 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 is adjusted to reflect the changes in interests in the subsidiaries.

2.4 Summary of material accounting policies

2.4.1 Impairment of investments in subsidiaries

Investments in subsidiaries are tested for impairment 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.

For more details about impairment of investments in subsidiaries, please refer to Note 3.2.3.

2.4.2 Foreign currency translation

2.4.2.1 Functional and presentation currency

The functional currency of the Company is USD, the currency of the primary economic context in entity operates. 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.

The presentation currency of the Company is USD.

2.4.2.2 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 nonconsolidated statements of profit or loss and other comprehensive income.

Monetary balances in foreign currency are converted at each country's official exchange rate as of every year-end.

2.4.3 Financial instruments

2.4.3.1 Financial assets

2.4.3.1.1 Classification

2.4.3.1.1.1 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; and
(ii) contractual conditions, on specific dates, give rise to cash flows only consisting in payments of principal and interest on the outstanding principal

2.4.3.1.1.2 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 nonconsolidated 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, 2022 and 2021.

2.4.3.1.2 Recognition and measurement

Upon initial recognition, the Company measures a financial asset at its fair value plus, the transaction costs that are directly attributable to the acquisition of the financial asset.

The Company reclassifies financial assets when and only when it changes its business model for managing these assets.

Accounts receivable and other accounts receivable are measured at amortized cost less the allowance for expected credit losses, if applicable.

2.4.3.1.3 Impairment of financial assets

The Company recognizes an allowance for Expected Credit Losses ("ECL") for all financial assets 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 calculates an allowance for ECL at each reporting date.

2.4.3.1.4 Offsetting of financial instruments

Financial assets and liabilities are disclosed separately in the nonconsolidated 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.

2.4.4 Financial liabilities and equity instruments

2.4.4.1 Classification as liabilities or equity

Liabilities 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.

A contractual agreement is classified as a financial liability and is measured at fair value. The changes in fair value are recognized in the nonconsolidated statements of profit or loss and other comprehensive income.

2.4.4.2 Equity instruments

An equity instrument is any agreement that evidences an interest in the Company's net assets and is recognized for the amount of profit earned for the issuance of the equity instrument, net of direct issuance costs.

2.4.4.3 Compound financial instruments

The component parts of a compound instrument 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 compound financial instruments 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.

2.4.4.4 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.

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 (twelve) months after the reporting period.

2.4.4.5 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.

2.4.5 Cash and cash equivalents

For the presentation of the nonconsolidated 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 3 (three) or less months, readily convertible into known cash amounts and subject to insignificant risk of changes in value.

Restricted cash is disclosed in a separate line of the statement of financial position based on its nature. It is not disclosed in the nonconsolidated statement of cash flows as it does not comprise the Company’s cash and cash equivalents.

2.4.6 Equity

Changes in equity were accounted for according to legal or regulatory standards; and Company decisions and the Company's accounting policies and decisions.

a. Capital stock

Capital stock is made up of shareholder contributions. It is represented by outstanding shares at nominal value. Capital stock is made up of series “A” and “C” shares.

b. Other equity instruments

The other equity instruments are related to a capital stock for the year with no cash payment of warrants approved by the Regular Warrant Holders’ Meeting held on October 4, 2022 (see Note 13.1).

c. Legal 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 nonconsolidated financial statements.

d. Share repurchase reserve

The Company’s share repurchase is subject to Mexico’s Securities Market Law provisions and should be approved by the Company's Board in compliance with the following requirements:

(i) it should be made in an authorized stock exchange in Mexico;
(ii) it should be carried out at market price unless it involves public offerings authorized by the Mexican Banking and Securities Commission (“CNVB” by Spanish acronym).

The Regular Shareholders' Meeting will agree the maximum amount that the Company may earmark for the share repurchase.

e. Other accumulated comprehensive income (losses)

Other accumulated comprehensive income or (losses) includes translation profit or losses related to the acquisition of subsidiaries abroad and share-based payments.

f. Accumulated profits (losses)

Accumulated profits or losses comprise retained earnings or accumulated losses that was not distributed, the amounts transferred from other comprehensive income and prior-year adjustments. They may be distributed as dividends by Company decision, provided that they are not subject to legal or contractual restrictions.

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).

2.4.7 Employee benefits

2.4.7.1 Short-term obligations

Salaries and payroll taxes expected to be settled within 12 (twelve) 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 nonconsolidated 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; 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; and
(ii) Payments that are also exempt for employees.

The PTU is recognized in the nonconsolidated statements of profit or loss and other comprehensive income.

Mexico Labor Law Reform introduces a limit to the amount payable for employees' share in profit; the PTU amount allocated to each worker should not exceed the higher of the equivalent to three months of their current salary or the average PTU collected by the employee over the previous three years. Should the PTU assessed be lower than or equal to such cap, the PTU incurred will be determined by applying 10% of the Company's taxable profit. Should the incurred PTU exceed such limit, the cap should be applied, and it will be considered the PTU incurred for the period.

2.4.7.2 Share-based payments

Company employees (including senior executives) receive shared-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 17).

Such cost is recognized in the nonconsolidated statements of profit or loss and other comprehensive income under "Share-based payments" along with the related capital increase 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 nonconsolidated 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.

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 and; (iii) performance restricted stock, thus accounted under IFRS 2 "Share-Based Payment" as detailed above (see Note 17).

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 plan is measured at grant date considering the specifics terms and conditions. The equity-settled compensation cost is recognized in the nonconsolidated statements of profit or loss and other comprehensive income under "Share-based payments".

b) Restricted stock ("RS") (equity-settled)

Certain Company key employees receive additional benefits 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 plan is measured at grant date considering the specifics terms and conditions. The equity-settled compensation cost is recognized in the nonconsolidated statements of profit or loss and other comprehensive income under "Share-based payments".

c) Performance restricted stock ("PRS") (equity-settled)

The Company grants PRS to key employees, which entitle them to receive PRS after having reached certain performance targets over a service period. PRS are classified as equity-settled share-based payments. The cost of the equity-settled plan is measured at grant date considering the specifics terms and conditions. The equity-settled compensation cost is recognized in the nonconsolidated statements of profit or loss and other comprehensive income under "Share-based payments".

2.4.8 Borrowing 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, 2022, and 2021, the Company has not capitalized borrowings costs.

2.4.9 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 in the nonconsolidated statements of profit or loss and other comprehensive income.

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.

Contingent liabilities are: (i) potential obligations from past events and whose existence will be confirmed only by the occurrence or non-occurrence 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.

2.4.10 Income tax

Income tax for the period includes 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.

Current and deferred tax assets and liabilities were not discounted and are stated at nominal values.

Income tax rates effective in Mexico stand at 30% as of December 31, 2022 and 2021.

2.4.10.1 Current income tax

The Company recognizes a current income tax liability as of every year-end, calculated based on effective laws enacted by the related tax authorities.

The Company regularly assesses the positions adopted in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation. When tax treatments are uncertain and it is probable that a tax authority will accept the tax treatment afforded by the Company, income tax is recognized according to their calculations and interpretations. 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.

2.4.10.2 Deferred income tax

Deferred income tax is calculated using the liability method by comparing the tax bases of assets and liabilities and their carrying amounts in the financial statements to assess temporary differences.

Deferred tax assets and liabilities are booked at nominal values and 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.

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.

Deferred income tax assets are recognized only insofar as it is probable that future taxable profit will be available and may be used to offset 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 profit will be available to allow all or part of the asset to be recovered.

2.4.11 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, 2022 and 2021, and the same accounting policies employed in preparing these nonconsolidated 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, 2022 and 2021, the Company valued these investments at acquisition cost without recognition of the equity method.

2.4.12 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, 2022 and 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 nonconsolidated financial statements were prepared on a going concern basis.

Note 3. Significant accounting judgements estimates and assumptions

Preparing the nonconsolidated 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 nonconsolidated 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 nonconsolidated financial statements.

3.1 Significant judgments 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 nonconsolidated 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, hence, Management makes estimates mainly with the legal counsel's assistance based on information available as of the date of the nonconsolidated 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.

3.1.2 Functional currency

The functional currency of the Company is the currency of the primary economic context in which each entity operates. The functional currency is USD. 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 Current and deferred income tax

3.2.1.1 Current income tax

The Company recognizes a current income tax liability as of every year-end, calculated according to effective laws enacted by the related tax authorities and, if necessary, provisions are recognized based on the amounts payable to tax authorities; however, there are some transactions and calculations which tax assessment is uncertain as sometimes tax regulations are subject to Company interpretation.

When tax treatments are uncertain and it is probable that a tax authority will accept the tax treatment afforded by the Company, income tax is recognized according to their calculations and interpretations. 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.

3.2.1.2 Deferred income tax

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. Upon assessing the recognition of deferred tax assets, the Company 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, the Company 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 the Company 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 costs; 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 Company's estimates, the Company'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 Company operates may hinder its capacity to obtain tax deductions in future periods.

3.2.2 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 17.

3.2.3 Impairment of investments in subsidiaries

Investments in subsidiaries are tested for impairment at the lowest level in which there are separately identifiable cash flows. To such end, the Company evaluated the impairment of each subsidiary that showed indications of impairment.

Notes to the nonconsolidated financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

The Company conducts its annual impairment test every December or when there is an indication that the carrying amount may be impaired. It bases the impairment test of investments in subsidiaries on the calculation of value in use and reviews the relationship between the recoverable value and the carrying amount of its investments.

As of December 31, 2022 and 2021, the Company did not identify indications of impairment.

Note 4. General and administrative expenses

	Year ended December 31, 2022	Year ended December 31, 2021
Share-based payments (Note 17)	13,119	8,487
Salaries and payroll taxes	12,384	11,346
Fees and compensation for services	1,814	1,762
Employee benefits	113	11
Taxes, rates and contributions	2	2
Other	845	481
Total general and administrative expenses	**28,277**	**22,089**

Note 5. Other operating income

	Year ended December 31, 2022	Year ended December 31, 2021
Related party dividends (1)	193,764	24,329
Other	17	7
Total other operating income	**193,781**	**24,336**

(1) On September 14 and December 19, 2022, Vista Holding I approved the dividend distribution to the Company for 30,270 and 163,494, respectively. As of December 31, 2022, the Company received 30,270 for such item. For further information see Note 19.
On December 23, 2021, through the unanimous resolution of Vista Holding I, a dividend distribution for 24,329 was approved and paid to the Company.

Note 6. Financial (expense) income, net

6.1 Interest income

	Year ended December 31, 2022	Year ended December 31, 2021
Financial interest with related parties (Note 16)	3,743	2,545
Financial interest	612	50
Total interest income	**4,355**	**2,595**

6.2 Interest expense

	Year ended December 31, 2022	Year ended December 31, 2021
Financial interest with related parties (Note 11.1)	(2,367)	(2,585)
Total interest expense	**(2,367)**	**(2,585)**

6.3 Other financial income (expense)

	Year ended December 31, 2022	Year ended December 31, 2021
Changes in the fair value of warrants (Note 11.4.1)	(30,350)	(2,182)
Changes in the fair value of financial assets	(851)	8,188
Net changes in foreign exchange rate	2,532	(982)
Other	742	-
Total other financial income (expense)	**(27,927)**	**5,024**

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

Note 7. Earnings per share

a) Basic

Basic earnings per share is calculated by dividing the Company's consolidated profit or loss by the weighted average number of ordinary shares outstanding during the year.

b) Diluted

Diluted earnings per share is calculated by dividing the Company's consolidated 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 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 per share is equal to basic earnings per share.

As of December 31, 2022 and 2021, calculation of earnings per share in the Company's consolidated financial statements is as follows:

	Year ended December 31, 2022	**Year ended December 31, 2021**
Consolidated profit for the year, net	269,535	50,650
Weighted average number of ordinary shares	87,862,531	88,242,621
Basic earnings per share	**3.068**	**0.574**

	Year ended December 31, 2022	**Year ended December 31, 2021**
Consolidated profit for the year, net	269,535	50,650
Weighted average number of ordinary shares	97,830,538	93,273,978
Diluted earnings per share	**2.755**	**0.543**

As of December 31, 2022, the Company holds the following ordinary shares that, on the date of the 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 per share: (i) 4,854,408 Series A shares to be used in the LTIP.

Note 8. Deferred income tax assets and liabilities, and income tax expense

As of December 31, 2022 and 2021, the Company has accumulated tax losses for which no deferred tax asset has been recognized. According to Mexican legislation, these accumulated tax losses not recognized shall be adjusted annually by the applicable index. Below are the updated accumulated tax losses not recognized and their due dates:

	As of December 31, 2022	**As of December 31, 2021**
2027	5,166	4,499
2028	59,274	51,618
2029	15,825	13,781
As from 2030	27,632	7,638
Total accumulated tax losses not recognized	**107,897**	**77,536**

Notes to the nonconsolidated financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

Note 9. Investments in subsidiaries

Below is the composition of the investments in subsidiaries as of December 31, 2022 and 2021:

Company	Equity interest	Investments in subsidiaries As of December 31, 2022	Investments in subsidiaries As of December 31, 2021	Main activity	Place of business
Vista Holding I [(1)] [(2)]	100%	474,820	476,135	Holding company	Mexico
Vista Holding II [(1)]	99%	16,837	16,837	Exploration and production	Mexico
Total investments in subsidiaries		**491,657**	**492,972**		

[(1)] Including the effects of share-based payments to its subsidiaries' employees.

[(2)] On December 1, 2022, the Company made a capital contribution of 250 to Vista Holding I to increase the variable portion of its capital stock.

Note 10. Trade and other receivables

	As of December 31, 2022	As of December 31, 2021
Noncurrent		
Other receivables:		
Prepaid expenses	-	443
	-	**443**
Financial assets:		
Related parties (Note 16)	-	36,917
	-	**36,917**
Total noncurrent trade and other receivables	**-**	**37,360**
Current		
Other receivables:		
Prepayments, tax credits and other:		
Value Added Tax ("VAT")	500	79
Prepaid expenses	451	363
Income tax	1	1
	952	**443**
Financial assets:		
Related parties (Note 16)	221,519	2,975
Other	76	6
	221,595	**2,981**
Total current trade and other receivables	**222,547**	**3,424**

Note 11. Financial assets and liabilities

11.1 Changes in liabilities from financing activities

Changes in the borrowings were as follows:

	As of December 31, 2022	As of December 31, 2021
Amounts at beginning of year	**26,462**	**48,452**
Proceeds from borrowings with related parties	-	-
Borrowings interest with related parties [(1)] (Note 6.2)	2,367	2,585
Payment of borrowings interest	-	(3,129)
Payment of borrowings principal [(2)]	-	(21,446)
Amounts at end of year	**28,829**	**26,462**

[(1)] These transactions did not generate cash flows.

[(2)] As of December 31, 2021, including 13,258 from principal payment and 8,188 from the settlement through the purchase and sale of bonds in Argentina, which generated no cash flows.

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

11.2 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 USD/share (the "Series A warrants."). Under those terms they expired 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 price equal to USD 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 USD 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 USD/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.

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 USD/share (the "warrants").

On October 4, 2022 the meeting of holders of the Warrants issued by the Company (identified with the ticker symbol "VTW408A-EC001" - the "Warrants"), approved the amendments to the warrant indenture and the global certificate that covers such Warrants, by means of which a cashless exercise mechanism was implemented that entitles the holders, to obtain 1 Series A share representative of the capital stock of the Company for each 31 Warrants owned.

As of October 4, 2022, the liability for warrants was settled for 32,894, an amount equal to the 3,215,483 series "A" shares and was recognized under "Other equity instruments" (see Note 11.4.1 and 13.1).

Thus, as of December 31, 2022, a total of 2,038,643 Series A shares were issued (For further information see Note 19). They have no nominal value (see Note 13.1).

	As of December 31, 2022	**As of December 31, 2021**
Noncurrent		
Warrants	-	2,544
Total noncurrent	-	**2,544**

11.3 Financial instruments by category

The following chart includes the financial instruments broken down by category:

As of December 31, 2022	**Financial assets/liabilities at amortized cost**	**Financial assets/liabilities at FVTPL**	**Total financial assets/liabilities**
Assets			
Cash, bank balances and short-term investments (Note 12)	22,561	54,426	76,987
Trade and other receivables (Note 10)	221,595	-	221,595
Total current financial assets	**244,156**	**54,426**	**298,582**
Liabilities			
Borrowings (Note 11.1)	28,829	-	28,829
Total noncurrent financial liabilities	**28,829**	**-**	**28,829**

Notes to the nonconsolidated financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

As of December 31, 2022	**Financial assets/liabilities at amortized cost**	**Financial assets/liabilities at FVTPL**	**Total financial assets/liabilities**
Trade and other payables (Note 14)	422	-	422
Total current financial liabilities	**422**	**-**	**422**

As of December 31, 2021	**Financial assets/liabilities at amortized cost**	**Financial assets/liabilities at FVTPL**	**Total financial assets/liabilities**
Assets			
Trade and other receivables (Note 10)	36,917	-	36,917
Total noncurrent financial assets	**36,917**	**-**	**36,917**
Cash, bank balances and short-term investments (Note 12)	112,367	-	112,367
Trade and other receivables (Note 10)	2,981	-	2,981
Total current financial assets	**115,348**	**-**	**115,348**
Liabilities			
Borrowings (Note 11.1)	26,462	-	26,462
Warrants (Note 11.2)	-	2,544	2,544
Total noncurrent financial liabilities	**26,462**	**2,544**	**29,006**
Trade and other payables (Note 14)	1,000	-	1,000
Total current financial liabilities	**1,000**	**-**	**1,000**

Below are income, expenses, profit or loss from each financial instrument:

For the year ended December 31, 2022:

	Financial assets/liabilities at amortized cost	**Financial assets/liabilities at FVTPL**	**Total**
Interest income (Note 6.1)	4,355	-	4,355
Interest expenses (Note 6.2)	(2,367)	-	(2,367)
Changes in the fair value of warrants (Note 6.3)	-	(30,350)	(30,350)
Changes in the fair value of financial assets (Note 6.3)	-	(851)	(851)
Net changes in foreign exchange rate (Note 6.3)	2,532	-	2,532
Other (Note 6.3)	742	-	742
Total	**5,262**	**(31,201)**	**(25,939)**

For the year ended December 31, 2021:

	Financial assets/liabilities at amortized cost	**Financial assets/liabilities at FVTPL**	**Total**
Interest income (Note 6.1)	2,595	-	2,595
Interest expenses (Note 6.2)	(2,585)	-	(2,585)
Changes in the fair value of warrants (Note 6.3)	-	(2,182)	(2,182)
Changes in the fair value of financial assets (Note 6.3)	-	8,188	8,188
Net changes in foreign exchange rate (Note 6.3)	(982)	-	(982)
Total	**(972)**	**6,006**	**5,034**

Notes to the nonconsolidated financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

11.4 Fair value

This note includes information on the Company's method for assessing the fair value of its financial assets and liabilities.

11.4.1 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, 2022 and 2021:

As of December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Financial assets at fair value through profit or loss				
Short term investments	54,426	-	-	54,426
Total assets	**54,426**	**-**	**-**	**54,426**

As of December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities				
Financial liabilities at fair value through profit or loss				
Warrants	-	-	2,544	2,544
Total liabilities	**-**	**-**	**2,544**	**2,544**

The value of financial instruments traded in active markets is based on quoted market prices as of the date of these accompanying nonconsolidated 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, 2022 and 2021.

The fair value of warrants was 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 was based on the available return of benchmark government bonds with an equivalent remainder term upon the grant. The expected life was based on the contractual terms.

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

The following assumptions were used in estimating the fair value of warrants as of December 31, 2021:

	As of December 31, 2021
Annualized volatility	39.94%
Risk free domestic interest rate	7.15%
Risk free foreign interest rate	0.55%
Remainder period in years	1.29 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.

The Company settled the financial liabilities for warrants as of December 31, 2022.

<u>Reconciliation of level 3 measurements at fair value:</u>

	As of December 31, 2022	As of December 31, 2021
Warrants liability amount at beginning of year:	**2,544**	**362**
Loss from changes in the fair value of warrants (Note 6.3)	30,350	2,182
Other equity instruments	(32,894)	-
Amounts at end of year	**-**	**2,544**

Note 12. Cash, bank balances and short-term investments

	As of December 31, 2022	As of December 31, 2021
Mutual funds	51,997	-
Money market funds	15,881	82,055
Cash in banks	6,680	30,312
Government bonds	2,429	-
Total	**76,987**	**112,367**

Cash and cash equivalents include cash on hand and at bank and investments maturing within 3 (three) months. For the 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, 2022	As of December 31, 2021
Cash, bank balances and other short-term investments	76,987	112,367
Less		
Government bonds	(2,429)	-
Cash and cash equivalents	**74,558**	**112,367**

12.1 Restricted cash

As of December 31, 2022 and 2021, the Company carries 8,951 and 3,964, as restricted cash, respectively, from collateral loans to its subsidiary Vista Energy Argentina S.A.U, formerly known as Vista Oil & Gas Argentina S.A.U ("Vista Argentina").

Notes to the nonconsolidated financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

Note 13. Capital stock and capital risk management

13.1 Capital stock

The following chart shows a reconciliation of the movements in the Company's capital stock for the years ended December 31, 2022 and 2021:

	Series A	Series C	Total
Amounts as of December 31, 2020	**659,400**	**-**	**659,400**
Number of shares	**87,851,286**	**2**	**87,851,288**
Reduction of capital stock adopted at the Ordinary General Shareholders' meeting on December 14, 2021	(72,695)	-	(72,695)
Number of shares	-	-	-
Series A shares to be granted in LTIP	1	-	1
Number of shares	778,591	-	778,591
Amounts as of December 31, 2021	**586,706**	**-**	**586,706**
Number of shares	**88,629,877**	**2**	**88,629,879**
Reduction of capital stock adopted at the Board of Directors' meeting on September 27, 2022	(39,530)	-	(39,530)
Number of shares	-	-	-
Cashless exercises of warrant adopted at Warrant Holders' meeting on October 4, 2022	-	-	-
Number of shares	2,038,643	-	2,038,643
Share repurchase	(29,304)	-	(29,304)
Number of shares repurchased	(3,234,163)	-	(3,234,163)
Series A shares to be granted in LTIP	1	-	1
Number of shares	972,121	-	972,121
Amounts as of December 31, 2022	**517,873**	**-**	**517,873**
Number of shares	**88,406,478**	**2**	**88,406,480**

1) Series A 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.

On December 18, 2017, a capital increase for up to 1,000 was approved to support the Company's initial business combination. To account for such increase, a total of 100,000,000 Series A shares were issued, which were held in the Company's Treasury for their subsequent subscription and payment.

As disclosed in Note 17, on March 22, 2018, the Company's shareholders approved that the aforementioned 8,750,000 be held in Treasury to implement the LTIP.

Moreover, on April 4, 2018, the Company conducted its initial business combination for 653,781 less issuance costs for 26,199. Thus, and after issuing and placing certain Company shares, settling some of those shares and converting all Series B shares into Series A shares, a total of 70,409,315 Series A shares were outstanding as of that date.

On February 13, 2019, the Company completed the sale of 5,500,000 series A shares to Kensington Investments B.V.

On July 25, 2019, the Company made a public offering in Mexico and the United States by placing 10,906,257 Series A shares. Both offerings were made at a price equal to USD 9.25 per Series A share. For the global offering, the Company obtained funds net of issuance expenses for 91,143.

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.

On September 27, 2022, the Board of Directors Meeting approved the reduction of the variable portion of the Company's capital stock of 39,530, for the absorption of accumulated losses as of August 31, 2022, shown on the Company's nonconsolidated financial statements. On December 7, 2022, through Ordinary General Shareholders' Meeting this transaction was ratified .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.

On October 4, 2022 the meeting of holders of the Warrants issued by the Company (identified with the ticker symbol "VTW408A-EC001" - the "Warrants"), approved the amendments to the warrant indenture and the global certificate that covers such Warrants, by means of which a cashless exercise mechanism was implemented that entitles the holders, to obtain 1 Series A share representative of the capital stock of the Company for each 31 Warrants owned (see Note 11.2). As a result, a maximum of 3,215,483 shares will become outstanding once all Warrants are converted. Thus, as of December 31, 2022, a total of 2,038,643 Series A shares were issued (For further information see Note 19). They have no nominal value, and the remaining amount was recognized under "Other equity instruments".

On April 26 and December 7, 2022, through the Extraordinary and Ordinary General Shareholders' Meeting, the Company's shareholders approved the creation of a fund to acquire own shares for 23,840 and 25,625 based on the Company's nonconsolidated financial statements (see Note 13.2). During the year ended as of December 31, 2022 the Company repurchased 3,234,163 Series "A" share for a total amount of 29,304, which, as of the date of issuance of these nonconsolidated financial statements, are held in treasury. As of the date of these nonconsolidated financial statements this operation did not generate any tax effect in Mexico.

As of December 31, 2022 and 2021, the Company's variable capital stock amounts to 88,406,478 and 88,629,877 fully subscribed and paid Series A shares with no face value, respectively, each entitled to one vote. As of December 31, 2022 and 2021, the Company's authorized capital includes 40,385,761 and 40,162,362 Series A ordinary shares held in Treasury that may be used with warrants and LTIP.

2) 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.

13.2 Legal reserve and share repurchase reserve

Under Mexican Business Associations Law, the Company is required to allocate 5% of net profit for the year to increase the legal reserve until it is equal to 20% of capital based on the Company's nonconsolidated financial statements.

On April 26, 2022, through the Ordinary and Extraordinary General Shareholders' Meeting, the Company's shareholders approved the creation of a fund to acquire own shares for 23,840, and the creation of the legal reserve for 1,255, both based on the Company's nonconsolidated financial statements.

On December 7, 2022, through the Ordinary General Shareholders' Meeting, the Company's shareholders approved an increase of a fund to acquire own shares for 25,625 and the increase of the legal reserve for 1,348, both based on the Company's nonconsolidated financial statements.

13.3 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.

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

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).

13.4 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.

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.

Note 14. Trade and other payables

	As of December 31, 2022	As of December 31, 2021
Current		
Accounts payables:		
Suppliers	422	990
Total current accounts payables	**422**	**990**
Other accounts payables:		
Other liabilities	-	10
Total other current accounts payables	**-**	**10**
Total current	**422**	**1,000**

Note 15. Salaries and payroll taxes

	As of December 31, 2022	As of December 31, 2021
Current		
Provision for gratifications and bonus	9,488	6,807
Salaries and social security contributions	707	677
Total current	**10,195**	**7,484**

Note 16. Related parties transactions and balances

The following table provides the total amount of balances that have been entered into with related parties for each year:

	As of December 31, 2022	As of December 31, 2021
Noncurrent		
Other receivables		
Vista Holding II [(1)]	-	36,917
Total noncurrent other receivables	**-**	**36,917**

Notes to the nonconsolidated financial statements as of December 31, 2022 and 2021 and for the years ended December 31, 2022 and 2021

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

	As of December 31, 2022	As of December 31, 2021
Current		
Other receivables		
Vista Holding I [(2)]	163,602	108
Vista Holding II [(1)]	54,527	59
Vista Argentina	2,525	1,727
Aluvional S.A.	830	1,039
Vista Holding IV	18	19
Vista Holding III	17	23
Total current other receivables	**221,519**	**2,975**

(1) As of December 31, 2022 and 2021, includes 54,468 and 36,917 for borrowings granted.

(2) As of December 31, 2022, includes 163,494 related to the dividend distribution on December 19, 2022 (see Note 5).

	As of December 31, 2022	As of December 31, 2021
Borrowings		
Noncurrent		
Vista Argentina (Note 11.1)	28,829	26,462
Total noncurrent	**28,829**	**26,462**

The following are the borrowings granted by the Company as of December 31, 2022 and 2021:

Instrument	Company	Execution date	Currency	Credit Line [(1)]	Interest [(2)]	Annual rate	Maturity date	As of December 31, 2022	As of December 31, 2021
Borrowings granted	Vista Holding II	October 2018	Mexican Pesos	11,000	Fixed	9.02%	October, 2023	721	635
			Mexican Pesos	900,000	Fixed	10.03%	October, 2023	53,747	36,282
								54,468	**36,917**

(1) During the years ended December 31, 2022 and 2021, the Company granted borrowings for 10,900 and 9,750, respectively. Therefore, during the year ended December 31, 2021 received 2,119.

(2) As of December 31, 2022 and 2021, accrued interest of 3,743 and 2,545, respectively (see Note 6.1)

Outstanding amounts as of every year-end are not secured and are settled in cash. No guarantees were granted or received by any related party for accounts receivable or payable for the years ended December 31, 2022 and 2021, the Company did not book any impairment related to receivables from related parties. This assessment is conducted at every year-end by examining the financial position of the related party and the market in which it operates.

The book value of the borrowings received as of December 31, 2022 and 2021 is detailed below:

Instrument	Company	Execution date	Currency	Credit Line	Interest	Annual rate	Maturity date	As of December 31, 2022	As of December 31, 2021
Borrowings received	Vista Argentina	June, 2020	USD	46,000	Fixed	9.50%	June, 2030	28,829	26,462

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

Note 17. Share-based payments

On March 22, 2018, the Company's shareholders authorized the implementation of the LTIP to retain key employees. Consequently, the Shareholders empowered the Board of Directors to manage this plan; will be manages the plan through an administrative trust; the Shareholders decided to set aside 8,750,000 Series A shares to be used in the plan; and is effective as from April 4, 2018.

The plan has the following benefits paid to certain executives and employees that are considered share-based payments:

17.1 Stock Options

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.

The following table shows the number of stock options granted and the weighted average exercise price ("WAEP") for the year and the movements for the year:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number of rights to buy	**WAEP**	**Number of rights to buy**	**WAEP**
At beginning of year	**9,124,109**	**4.85**	**5,668,825**	**6.07**
Granted during the year	1,416,119	7.05	3,455,284	2.85
At end of year	**10,540,228**	**5.15**	**9,124,109**	**4.85**

The following table shows the inputs used for the plan for the year:

	As of December 31, 2022	As of December 31, 2021
Dividend yield (%)	0.0%	0.0%
Expected volatility (%)	33.5%	34.0%
Risk–free interest rate (%)	1.9%	1.4%
Expected life of share options (years)	10	10
Weighted average exercise price (USD)	7.05	2.85
Model used	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, 2022 and 2021 stood as 3.26 and 1.20, respectively.

According to IFRS 2, stock option plans are classified as settled transactions at grant date.

For the years ended December 31, 2022 and 2021, compensation expense booked in the nonconsolidated statements of profit or loss and other comprehensive income stood at 3,433 and 3,977, respectively.

17.2 Restricted stock

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.

(Amounts expressed in thousands of US Dollars, except otherwise indicated)

The following table shows the number of restricted stock granted and WAEP for the year and the movements during the year:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number of Series A shares	**WAEP**	**Number of Series A shares**	**WAEP**
At beginning of year	**5,762,338**	**4.53**	**3,769,299**	**5.41**
Granted during the year	940,215	7.05	1,993,039	2.85
Cancelled during the year	(32,763)	2.95	-	-
At end of year	**6,669,790**	**4.89**	**5,762,338**	**4.53**

For the years ended December 31, 2022 and 2021, compensation expense related with such plan are booked in the nonconsolidated statements of profit or loss and other comprehensive income stood at 4,598 and 4,510, respectively. Restricted stock Series A issued during the year are disclosed in Note 13.1.

According to IFRS 2, restricted stock plan 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.

All pending restricted stock are considered outstanding shares for both basic and diluted earnings per share.

17.3 Performance restricted stock

One or more shares that are given to the participants of the plan for free or a minimum value once the conditions are achieved. Performance restricted stock is vested, based on the performance of different Company´s variables, in the third year with respect to the date in which the Restricted Stock are granted to the participants.

The following table shows the number of performance restricted stock granted and WAEP and the movements during the year:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number of Series A shares	**WAEP**	**Number of Series A shares**	**WAEP**
At beginning of year	**-**	**-**	**-**	**-**
Granted during the year	3,705,757	7.05	-	-
At end of year	**3,705,757**	**7.05**	**-**	**-**

For the year ended December 31, 2022, compensation expense related with such plan are booked in the nonconsolidated statements of profit or loss and other comprehensive income stood at 5,088.

According to IFRS 2, performance restricted stock 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.

Note 18. Tax regulations

On October 31, 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 (“CFF” by Spanish acronym) 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, 2022 and 2021.

Note 19. Subsequent events

The Company assessed events subsequent to December 31, 2022, to determine the need of a potential recognition or disclosure in these nonconsolidated financial statements. The Company assessed such events through March 13, 2023, date in which these nonconsolidated financial statements were made available for issue.

- On January 13, and February 10, 2023, the Company made a capital contributions of 639 and 6,417, respectively, to Vista Holding I to increase the variable portion of its capital stock.

- During January and February 2023, the Company issued 385,372 Serie A shares related to the cashless exercise of Warrants mentioned in Note 11.2. They have no nominal value.

- On February 23, 2023, the Company approved the agreement signed by its subsidiary Vista Argentina with Petrolera Aconcagua Energía S.A. (“Aconcagua”) for the operations of the following concessions in the Neuquina Basin, Argentina (the “Transaction”): (i) the Entre Lomas upstream concession, located in the Province of Neuquén; (ii) the Entre Lomas, Jarilla Quemada, Charco del Palenque, Jagüel de los Machos and 25 de Mayo-Medanito S.E. upstream concessions, located in the Province of Río Negro; (iii) the Entre Lomas and Jarilla Quemada gas transportation concession, located in the Province of Río Negro; and (iv) the 25 de Mayo-Medanito S.E. crude oil transportation concession, located in the Province of Río Negro (the “Concessions”).

The Transaction consist in a two-phased agreement. The first phase was effective as of March 1, 2023 (the “Effective Date”) and will end no later than February 28, 2027. Under the terms of the Transaction, from the Effective Date:

(i) Aconcagua will become operator of the Concessions;

(ii) Aconcagua will pay to Vista 26,468 in cash (10,000 paid on February 15, 2023, and 10,734 and 5,734 to be paid in March 2024 and 2025, respectively);

(iii) Vista retained 40% of the crude oil and natural gas reserves and production, and 100% of liquified petroleum gas reserves and production, from the Concessions, until the earliest of (i) February 28, 2027, or (ii) the date when Vista has received a cumulative production of 4 million barrels of crude oil and 300 million m3 of natural gas (the “Final Closing Date”). Aconcagua will keep 60% of the crude oil and natural gas production from the Concessions;

(iv) Aconcagua will pay 100% of Vista’s share of the capex, operating costs, and any other costs associated to the operation of the Concessions, including royalties and taxes;

(v) Vista will have the right to purchase up to Aconcagua’s 60% share of the natural gas produced by the Concessions at a price of 1 USD/MMBtu until the Final Closing Date;

(vi) Vista Argentina and Aconcagua will work jointly with the Provinces of Río Negro and Neuquén to negotiate an extension of the exploitation and transportation concession titles governing the Concessions, including an upfront payment and an investment commitment, as per the terms set forth in the applicable regulation in Argentina;

(vii) Vista Argentina will retain the right to explore and develop the Vaca Muerta formation in the Exploitation Concessions and seek to obtain one or more independent and separate unconventional concessions to develop such resources;

(viii) Vista will remain concession title holder until no later than the Final Closing Date, when the Concessions will be transferred to Aconcagua, on an "as is where is basis", subject to Provincial approvals.

- During March, 2023, Vista Holding I paid to Company, a total amount of 9,000, related to the dividend mentioned in Note 5.

There are no other events or transactions between the closing date and the date of issuance of these nonconsolidated financial statements that could significantly affect the Company’s financial position or profit or loss.