

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

FORM 20-F

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

For the fiscal year ended December 31, 2023

Commission File Number: 001- 39000

Vista Energy, S.A.B. de C.V.

(Exact name of registrant as specified in its charter)

N.A.

(Translation of registrant's name into English)

United Mexican States

(Jurisdiction of incorporation or organization)

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

(Address of principal executive offices)

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

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

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

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

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

None

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

None

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

95,355,430 outstanding Series A shares, with no par value
2 outstanding Series C shares, with no par value

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

Yes No

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

Yes No

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

Yes No

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

Yes No

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

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>
Non-Accelerated Filer	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>

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

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

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

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

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

Item 17 Item 18

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

Yes No

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

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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PRESENTATION OF INFORMATION

This document comprises the annual report of Vista Energy, S.A.B. de C.V. (“Vista”) on Form 20-F for the year ended December 31, 2023.

References

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

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

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

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

Financial Statements and Information

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

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

The financial information contained, or referred to, in this annual report includes the audited consolidated financial statements as of December 31, 2023 and 2022 and for the years ended December 31, 2023, 2022 and 2021, and the notes thereto (the “Audited Financial Statements”).

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

Presentation of Currencies and Rounding

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

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

No Emerging Growth Company Status

As opposed to prior years, we have now ceased to be an emerging growth company and are therefore no longer able to take advantage of certain exemptions from various requirements applicable to other public companies that are emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. As such, our independent registered public accounting firm is now required to attest to the effectiveness of our internal control over financial reporting.

Public Company in Mexico

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

Non-IFRS Financial Measures

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

We define Adjusted EBITDA as profit for the year, net, plus income tax expense, financial income (expense), net, depreciation, depletion and amortization, transaction costs related to business combinations and gain from asset disposals, restructuring and reorganization expenses, gain related to the transfer of conventional assets, other non-cash costs related to the transfer of conventional assets and impairment (reversal) of long-lived assets. In this annual report, the Company has adjusted the definition of Adjusted EBITDA compared to prior annual reports by excluding gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets. We believe that excluding gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets results in a better representation of the Company's returns following the Conventional Assets Transaction (as defined below), given that profit and losses generated by the Conventional Assets Transaction have a non-recurrent impact only during the duration of the transaction, and excluding them allows our management and investors to better analyze our core operating performance on a consistent basis from period to period. Given that the Conventional Asset Transaction became effective on March 1, 2023, a recast for prior periods was not necessary. We believe that the nature of the restructuring and reorganization expenses were such that they are not reasonably likely to recur within two years as they are mainly related to permanent reductions in our workforce derived from our business combinations, and that restructuring and reorganization expenses and transaction expenses are not normal, recurring operating expenses. We believe that by excluding restructuring and reorganization expenses and transaction costs related to business combinations and gain from asset disposals, we are able to provide supplemental information for our management and investors to analyze our core operating performance on a consistent basis from period to period. In addition, the impairment (reversal) of long-lived assets was excluded from the determination of our Adjusted EBITDA because it corresponds to an adjustment to the valuation of our fixed assets which charge is similar in nature to the depreciation of property, plant and equipment. This metric allows management and investors to analyze our operating performance on a consistent basis from period to period. In this regard, we note that the elimination of these costs and expenses does not result in a reduction of operating expenses necessary to conduct our business. In light of the foregoing factors, our management excludes restructuring and reorganization expenses, transaction costs related to business combinations and gain from asset disposals, gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets and impairment (reversal) of long-lived assets from our Adjusted EBITDA to facilitate reviews of operational performance and as a basis for strategic planning. Our management believes that excluding such items will allow investors to supplement their understanding of our short-term and long-term financial trends.

We define Adjusted Net Income as profit for the year, net, plus deferred income tax (expense), changes in fair value of warrants, gain related to the transfer of conventional assets, other non-cash costs related to the transfer of conventional assets and impairment (reversal) of long-lived assets. In this annual report, the Company has adjusted the definition of Adjusted Net Income compared to prior annual reports by excluding gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets. We believe that excluding gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets results in a better representation of the Company's returns following the Conventional Assets Transaction, given that profit and losses generated by the Conventional Assets Transaction have a non-recurrent impact only during the duration of the transaction, and excluding them allows our management and investors to better analyze our ongoing performance on a consistent basis from period to period. Given that the Conventional Asset Transaction became effective on March 1, 2023, a recast for prior periods was not necessary. Deferred income tax (expense) was excluded as they relate to recognition of temporary differences between the tax bases of assets and liabilities and the carrying amounts in the financial statement using the liability method. Changes in the fair value of warrants were excluded because they correspond to an adjustment valuation of financial liabilities assumed by the Company, likewise impairment (reversal) of long-lived assets were excluded from the determination of our adjusted net income because they correspond to an adjustment to the valuation of our long-lived assets. Our management believes that excluding such items will allow investors to facilitate the comparison performance from period to period by removing these identified non-cash items that are mainly driven by external factors and that affect (benefit) the Company's net income.

We define Net Debt as current and non-current borrowings minus cash, bank balances and other short-term investments.

We define Adjusted EBITDA Margin as the ratio of Adjusted EBITDA to revenue from contracts with customers plus Gain from Exports Increase Program. In this annual report, the Company has adjusted the definition of Adjusted EBITDA Margin compared to prior annual reports to add Gains from the Exports Increase Program in the denominator, as it believes that this results in a better representation of the Company's margins given that it is accounted for in the Adjusted EBITDA which is the numerator, making the ratio consistent by having the impact both in numerator and denominator. Given that the Exports Increase Program was established in October 2023, a recast for prior periods was not necessary.

We define return on average capital employed ("ROACE") as Adjusted EBITDA plus depreciation, depletion and amortization, gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets, divided by the sum of the average total debt and average total shareholders' equity. For purposes of this definition, total debt is comprised of current borrowings, non-current borrowings, current lease liabilities and non-current lease liabilities. In this annual report, the Company has adjusted the definition of ROACE compared to prior annual reports to add gains related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional asset in the numerator. We believe that adding gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets to the numerator results in a better representation of the Company's returns following the Conventional Assets Transaction, given that profit and losses generated by the Conventional Assets Transaction are accounted for in the profit for the year, net and therefore in total shareholder's equity which is included in the denominator, making the ratio consistent by having the impact both in numerator and denominator. Given that the Conventional Asset Transaction became effective on March 1, 2023, a recast for prior periods was not necessary. Our management believes ROACE can be a valuable tool to measure the efficiency of the utilization of the capital we employ, whether financed by equity or debt.

We present Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt, Adjusted Net Income and ROACE because we believe they provide investors with supplemental measures of the financial condition and performance of our core operations that facilitate period to period comparisons on a consistent basis. Our management uses Net Debt, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and ROACE, among other measures, for internal planning and performance measurement purposes. Net debt, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and ROACE are not measures of liquidity or operating performance under IFRS and should not be construed as alternatives to net profit, operating profit, or cash flow provided by operating activities (in each case,

as determined in accordance with IFRS). Net Debt, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and ROACE, as calculated by us, may not be comparable to similarly titled measures reported by other companies. For a reconciliation of Net Debt, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income and ROACE to the most directly comparable IFRS financial measure, see “Item 5A—Operating and Financial Review and Prospects—Operating Results.”

Market and Industry Data

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

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

Presentation of Oil and Gas Information

The Company’s Oil and Gas Reserves Information

The information included in this annual report regarding estimated quantities of proved reserves is derived from estimates of the proved reserves as of December 31, 2023. The proved reserves estimates are derived from the report dated February 7, 2024, prepared by DeGolyer and MacNaughton (“D&M”), for our concessions located in Argentina and Mexico (the “2023 Reserves Report”). The 2023 Reserves Report is included as Exhibit 99.1 to this annual report. D&M is an independent reserves engineering consultant. The 2023 Reserves Report prepared by D&M is based on information provided by us and present an appraisal as of December 31, 2023, of oil and gas reserves located in the Bajada del Palo Oeste, Bajada del Palo Este, Aguada Federal, Aguila Mora, Bandurria Norte, Coirón Amargo Norte, Entre Lomas Río Negro, Entre Lomas Neuquén, Charcho del Palenque, Jarilla Quemada, Jagüel de los Machos, 25 de Mayo-Medanito, and Acambuco concessions in Argentina, and of our oil and gas reserves located in the CS-01 concession in Mexico.

Argentina and Mexico Oil and Gas Reserves Information

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

Certain Definitions

“*ADR*” means American Depositary Receipt.

“*ADS*” means American Depositary Share.

“**Argentine Constitution**” means the Argentine National Constitution (*Constitución Nacional de la República Argentina*).

“**Argentine Executive Branch**” means the Argentine federal executive branch.

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

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

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

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

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

“**GHG emissions**” or “**GSGs**” means greenhouse gas emissions. Scope 1 emissions are direct emissions from sources controlled by the Company within the organizational boundaries of reporting, and include combustion, flaring, venting, and fugitive sources. Scope 2 emissions are indirect emissions from energy used by Vista but produced by a third party, and may include imported electricity, steam, and heat.

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

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

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

“**Mexican Constitution**” means the Mexican Political Constitution (*Constitución Política de los Estados Unidos Mexicanos*).

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

“**NGL**” means natural gas liquids, including butane and propane (LPG).

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

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

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

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

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

“**Proved reserves**” means those quantities of oil and natural gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that

renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. For a complete definition of “proved oil and natural gas reserves,” refer to the SEC’s Regulation S-X, Rule 4, 10(a)(22).

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

“**RNV**” means the Mexican National Securities Registry (*Registro Nacional de Valores*).

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

“**TRIR**” means total recordable injury rate, calculated as the number of recordable incidents multiplied by 1,000,000 divided by total number of hours worked.

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

Measurements, Oil and Natural Gas Terms and Other Data

In this annual report, we use the following measurements:

- “m” or “meter” means one meter, which equals approximately 3.28084 feet;
- “km” means one kilometer, which equals approximately 0.621371 miles;
- “km²” means one square kilometer, which equals approximately 247.1 acres;
- “ha” means one hectare, which equals approximately 2.47 acres;
- “m³” means one cubic meter;
- “bbl” “bo,” or “barrel of oil” means one stock tank barrel, which is equivalent to approximately 0.15898 cubic meters;
- “boe” means one barrel of oil equivalent, which equals approximately 158.9873 cubic meters of natural gas and 5,614.5841 cubic feet of natural gas.
- “cf” means one cubic foot;
- “Bcf” means one billion cubic feet;
- “M,” when used before bbl, bo, boe or cf, means one thousand bbl, bo, boe or cf, respectively;
- “MM,” when used before bbl, bo, boe or cf, means one million bbl, bo, boe or cf, respectively;
- “Bn,” when used before bbl, bo, boe or cf, means one billion bbl, bo, boe or cf, respectively;
- “T,” when used before bbl, bo, boe or cf, means one trillion bbl, bo, boe or cf, respectively;
- “/d,” or “pd” when used after bbl, bo, boe or cf, means per day;
- “CO₂e” means Carbon dioxide equivalent; and
- “Tn” means a metric ton.

FORWARD-LOOKING STATEMENTS

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

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

- uncertainties relating to future government concessions and exploration permits;
- adverse outcomes in litigation that may arise in the future;
- general political, economic, social, demographic and business conditions in Argentina, Mexico, in other countries in which we operate;
- the impact of political developments and uncertainties relating to political and economic conditions in Argentina, including the policies of the newly elected government in Argentina;
- significant economic or political developments in Mexico and the United States;
- uncertainties relating to the upcoming Mexican presidential and congressional elections in June 2024;
- changes in law, rules, regulations and interpretations and enforcements thereto applicable to the Argentine and Mexican energy sectors and throughout Latin America, including changes to the regulatory environment in which we operate and changes to programs established to promote investments in the energy industry;
- any unexpected increases in financing costs or an inability to obtain financing and/or additional capital pursuant to attractive terms;
- any changes in the capital markets in general that may affect the policies or attitude in Argentina and/or Mexico, and/or Argentine and Mexican companies with respect to financings extended to or investments made in Argentina and Mexico or Argentine and Mexican companies;
- fines or other penalties and claims by the authorities and/or customers;
- any future restrictions on the ability to exchange Mexican or Argentine Pesos into foreign currencies or to transfer funds abroad;
- the revocation or amendment of our respective concession agreements by the granting authority;
- our ability to implement our capital expenditures plans or business strategy, including our ability to obtain financing when necessary and on reasonable terms;
- government intervention, including measures that result in changes to the Argentine and Mexican, labor markets, exchange markets or tax systems;
- continued and/or higher rates of inflation and fluctuations in exchange rates, including the devaluation of the Mexican Peso or Argentine Peso;

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

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

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

Capitalization and Indebtedness

Not applicable.

Reasons for the Offer and Use of Proceeds

Not applicable.

RISK FACTORS

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

Risk Factor Summary

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

Risks Related to Our Business and Industry:

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

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

The enhanced focus on climate change and the transition to lower carbon energy sources on the part of the international community, governments, and investors, promote an increase in the use of energy from renewable sources. This energy transition could significantly impact our industry and business, resulting in increased operating costs, reduced demand for the oil and natural gas we produce, and reputational risks in connection with our business activities. If we fail to meet the pace and extent of society's changing demands for lower carbon energy as the energy transition unfolds, we could fail in sustaining and developing our business. Further, adverse climate conditions may adversely affect our results of operations and our ability to conduct drilling operations. Additionally, adverse climate conditions could negatively impact the Argentine economy, which could in turn affect our results of operations.

Risks Related to our Company:

Most of our producing properties and total estimated proved reserves are geographically concentrated in Argentina. The results of our planned development programs in new or emerging shale development areas and formations may be subject to more uncertainties than programs in more established areas and formations. As such, we may fail to fully identify problems with any properties we acquire, and as such, assets we acquire may prove to be worth less than we paid because of uncertainties in evaluating recoverable reserves and potential liabilities. We may not be able to acquire, develop or exploit new reserves, which could decrease the volume of our reserves over time and could, in turn, adversely affect our financial condition and our results of operations.

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

We may also be parties to labor, commercial, civil, tax, criminal, environmental and administrative proceedings that, either alone or in combination with other proceedings, could, if resolved in whole or in part adversely to us, result in the imposition of material costs, fines, judgments or other losses. Additionally, we are subject to anti-corruption, anti-bribery, anti-money laundering and economic sanctions laws and regulations of Mexico, Argentina and other nations. Our failure to comply with these laws could result in penalties, which could harm our reputation and have an adverse effect on our reputation, business, financial condition and results of operations. Our operations may pose risks to the environment, and any climate change legislation or regulations restricting emissions of greenhouse gases and legal frameworks promoting an increase in the participation of energies from renewable sources could significantly impact our industry and result in increased operating costs and reduced demand for the oil and natural gas we produce.

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

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

Risks Related to our series A shares and the ADSs:

The series A shares and ADSs are traded in more than one market, and this may result in price variations. Dividend distributions to holders of our series A shares will be made in Mexican Pesos.

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

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

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

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

Detailed Risk Factors

Risks Related to Our Business and Industry

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

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

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

Most of our revenues in Argentina and Mexico are derived from sales from oil and natural gas. During 2023, 52% of our oil sales volumes were exported, and we expect to continue exporting a substantial portion of our volumes in the future. We are, therefore, exposed to pricing risk in both the international and domestic markets, especially the Argentine domestic market.

International and domestic oil and gas prices have fluctuated significantly in recent years and are likely to continue fluctuating in the future. Factors affecting international prices for crude oil are: political developments in crude oil producing regions, particularly in the Middle East, the ongoing conflict involving Russia and Ukraine, and more recently between Israel and Hamas, the ability of the OPEC and other crude oil producing nations to set and maintain crude oil production levels and prices; macroeconomic conditions, including inflation; global and regional supply and demand for crude oil, gas and related products; investment in new projects to bring new oil production volumes to the market; global supply chain disruptions, and shipping bottlenecks, competition from other energy sources, the effects of a pandemic (such as COVID-19) or epidemic and any subsequent mandatory regulatory restrictions or containment measures, domestic and foreign government regulations, weather conditions, and global and local conflicts, war, or acts of terrorism. We cannot predict how these factors will influence oil and related oil products prices and we have no control over them. Price volatility curtails the ability of industry participants to adopt certain long-term investment decisions given that returns on investments become unpredictable.

Secondly, the domestic price of crude oil has fluctuated in the past in Argentina and Mexico not only due to international prices and the risks outlined above, but also due to local taxation, regulations affecting commercialization in the domestic and export markets, macroeconomic conditions, the impact of a pandemic on general economic activity and therefore crude oil demand and refining margins. The domestic price of crude oil is also subject to local price limitations imposed by the Argentine and Mexican governments. The average annual price of Brent crude oil stood at \$82.3/bbl in 2023, leading to an export parity for Medanita oil price of approximately \$72.0/bbl, but our average realization price in the domestic market was \$63.6/bbl, implying a discount to export parity of 13%. The determination by the Argentine and Mexican governments to fix, or indirectly intervene to generate,

local crude oil prices at values below export parity could have an adverse effect on our results of operations, financial condition, and cash flows. In the event that local prices are reduced through any of the factors described above, which we cannot control, could affect the economic performance of our existing and future projects, generating a loss of reserves as a result of changes in our development plans, our assumptions and our estimates, and consequently affect the recovery value of certain assets. A decline in realized crude oil prices for an extended period of time (or if prices for certain products fail to keep pace with cost increases) could adversely affect both the economic viability of our drilling projects and, consequently, our ability to meet our operational and financial targets. These price declines could result in changes to our development plans, reduced capital expenditures, failure of our joint venture partners to approve investment projects, a loss of proved developed reserves and proved undeveloped reserves, an adverse effect on our ability to improve our hydrocarbon recovery rates, find new reserves, develop unconventional resources, carry out certain of our other capital expenditure plans, meet our long-term targets and service our financial debt. A decline in realized crude oil prices could also lead to a deterioration in our financial coverage ratios and impairment charges. We cannot predict whether, or to what extent, the potential consequences of such actions could affect our business, impact our production, or affect our financial condition and results of operations.

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

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

Supply chain pressures in global production, trade and logistics and demand increases may lead to price inflation in the energy sector. Inflationary factors, such as increases in the labor costs, material costs, and overhead costs, may also adversely affect our financial position and operating results. An increase of our costs due to inflation could offset any price increases of our products and services resulting in an adverse effect on our operating results.

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

Demand for our crude oil and gas products is largely influenced by the economic activity and growth in Argentina, Mexico and globally. For example, the efforts of the Federal Reserve of the United States and other Central Banks globally to contain inflation through increase in interest rates, could lead to lower economic growth, and even economic recession in certain economies, or at a global level. This could have an adverse effect on the demand for crude oil and crude oil prices, and therefore impact negatively on our business. Demand for our products is subject to volatility in the future. Demand for crude oil by-products, such as gasoline, may contract under certain conditions, particularly during economic downturns, or due to changes in consumer preferences following from the energy transition currently underway.

A contraction of the demand of our products would adversely affect our revenues, causing economic losses to our Company. In addition, contraction of demand and pricing of our products can impact the valuation of our reserves. Additionally, in periods of lower commodity prices, we may curtail production and capital spending or may defer or delay drilling wells because of lower cash generation. Continuous poor economic performance could eventually impair our ability to repay our financial debt, lead to a deterioration in our financial coverage ratios and impairment charges. A contraction of crude oil demand could also affect us financially, including our ability to pay our suppliers for their services, which could, in turn, lead to further operational distress.

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

The conflict involving Russia and Ukraine has recently had and will likely continue to have significant international economic effects, including increased inflation, supply chain problems, market volatility and an impact on commodity prices. The conflict and its effects could exacerbate the current slowdown in the global economy and could negatively affect the ability of some of our customers with exposure to the Russian and/or Ukrainian markets to pay for our products.

In addition, the conflict has resulted in the imposition of economic and trade sanctions and restrictions targeting Russia and certain Russian economic sectors and companies by the United States, the European Union, the United Kingdom and other major countries. The severity of these sanctions could worsen and contribute to shortages of raw materials and commodities, which in turn could lead to higher levels of inflation and disruptions in the global supply chain. Disruptions in the global supply chain could affect, in particular, the energy sector and could lead to supply chain difficulties in local markets. Due to the uncertainties inherent to the scale and duration of the conflict and its direct and indirect effects, it is not reasonably possible to estimate the impact this conflict will have on the global economy and financial markets, on the economies of the countries in which we operate and, consequently, our business, financial condition and results of operations.

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

The conflict involving Israel and Hamas could have a material adverse effect on our business, financial condition and results of operations.

Beginning in October 2023, Israel and Hamas have been involved in a serious and escalating armed conflict. A sharper escalation of the conflict could bring Israel into direct conflict with Iran, or other Middle East countries, and lead to the involvement of other countries around the globe in the conflict. The war could have a material negative impact in oil prices and global growth as well as further global economic consequences, including but not limited to the possibility of severely diminished liquidity and credit availability, declines in consumer confidence, scarcity of certain raw materials and products, declines in economic growth, increases in inflation rates and uncertainty about economic and political stability. Although the length and impact of the ongoing conflict is unpredictable, such conflict has created and could lead to further market disruptions, including significant volatility in commodity prices, credit and capital markets. Due to the uncertainties inherent to the scale and duration of this conflict and its direct and indirect effects, it is not reasonably possible to estimate the impact such conflict will have on the global economy or on the economies of the countries in which we operate and, consequently, our business, financial condition and results of operations.

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

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

We have funded, and we expect that we will continue to fund, our capital expenditures with cash generated by existing operations, debt and our available cash. However, under certain scenarios (for example, in low realized oil price scenarios), our financing needs may require us to alter or increase our capitalization substantially through the issuance of debt or equity securities or the sale of assets. In such case, we cannot guarantee that we will be able to maintain our current production levels, generate sufficient cash flow or that we will have access to sufficient borrowing or other financing alternatives to continue our exploration, exploitation and production activities at current or higher levels.

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

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

We may not be able to acquire, develop or exploit new reserves, which could decrease the volume of our reserves over time and could, in turn, adversely affect our financial condition and the results of our operations.

The hydrocarbon reserves in any given reservoir decreases as such oil and gas volumes are produced and consumed, with the range of decrease depending on the characteristics of the reservoir and the production rate. Therefore, our results of operations largely depend on our ability to produce oil and gas from existing reserves, to discover additional oil and gas reserves, and to economically exploit oil and gas from these reserves. Unless we are successful in our exploration of oil and gas reserves and their development, in replacing our existing oil and gas reserves or in acquiring new reserves, the production of oil and gas and the volume of our total reserves will decrease over time. While we have geological reports evaluating certain proved and probable reserves, as well as contingent and prospective resources in our blocks, there is no assurance that we will continue to be successful in the exploration, appraisal, development and commercialization of oil and gas.

Drilling activities are also subject to numerous risks and may involve unprofitable efforts, not only with respect to dry wells but also with respect to wells that are productive but do not produce enough net income to derive profit after covering drilling costs and other operating costs. The construction of a well does not assure a return on investment or recovery of the costs of drilling, completion and operating costs. Lower oil and natural gas prices could also affect our future investment and growth, including future and pending acquisitions.

We may not be able to identify commercially exploitable reservoirs or implement our capital investment program to complete or produce more oil and gas reserves, and the wells we plan to drill may not result in the discovery or production of oil or natural gas. If we are unable to replace our production with new reserves, or acquire new reserves, our reserves will decline and our financial condition, results of operations, cash flow and market value of our series A shares and ADSs could be negatively affected.

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

Our oil and gas reserves are estimates based on certain assumptions that could be inaccurate. Reserve estimates depend on the quality of engineering and geological data at the date of the estimate and the manner in which they are interpreted. In addition, reserve engineering is a subjective process for estimating oil and gas accumulations that cannot be accurately measured, and the estimates of other engineers may differ materially. A number of assumptions and uncertainties are inherent in estimating the amounts of proven reserves of oil and gas (including, but not limited to production forecasts, the time and amount of development expenditures, testing and production after the date of the estimates, among others), many of which are beyond our control and are subject to change over time.

Consequently, measures of reserves are not precise and are subject to revision. Any downward revision in our estimated quantities of proved reserves could adversely impact our financial condition and results of operations, and ultimately have a material adverse effect on the market value of our series A shares or ADSs. In addition, the estimation of “proved oil and natural gas reserves” based on Argentine SdE Resolution No. 324/2006 and Secretariat of Hydrocarbon Resources Resolution No. 69-E/2016 may differ from the standards required by SEC’s regulations.

As a result, reserve estimates could be materially different from the amounts that are ultimately extracted, and if such amounts are significantly lower than the initial reserves estimates it could result in a material adverse effect on our financial performance, operating results and the market value of our series A shares and ADSs. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Reserves and Resources Certification in Argentina” and the 2023 Reserves Report attached hereto as Exhibit 99.1.

Our business operations rely heavily on our production facilities

A material portion of our revenues depends on our oil and gas facilities, which are key to producing, transporting, treating and injecting oil and gas in transportation infrastructure for sale. In order to execute our strategic plan and meet our 2026 targets, we need to expand our capacity to transport, treat and inject our oil & gas production. If we are not able to execute these expansion projects, our growth plan could be affected.

In addition, while we believe that we maintain adequate insurance coverage and appropriate security measures in respect of such facilities, any material damage to, accident at, or other disruption at such production facilities could have a material adverse effect on our production capacity, financial condition and results of operations.

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

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

In particular, most of our crude oil production is transported from the Neuquina Basin through the Oldelval pipeline system to the south of the Province of Buenos Aires, from where it is sent to refineries or port facilities at Puerto Rosales for exports. On the other hand, part of our oil is transported to Chile through the OTASA/OTC pipeline. The Oldelval pipeline system is currently working close to full capacity. Additionally, the export facilities at Puerto Rosales, owned by Oiltanking Ebytem, are also working close to full capacity. Although Oldelval and Oiltanking Ebytem are executing projects to expand their capacity, if Vaca Muerta production grows at a greater pace than midstream capacity expands, a potential lack of transportation capacity may limit our production and therefore adversely affect our financial condition and results of operations. Additionally, although the OTASA/OTC pipeline currently has spare capacity, any operating or commercial problems with the offtaker in Chile would impact our production.

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

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

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

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

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

Our future drilling activities may not be successful and, if unsuccessful, our proved reserves and production would decline, which could have an adverse effect on our future results of operations and financial condition. While all drilling, whether development, extension or exploratory, involves these risks, exploratory and extension drilling involves greater risks of dry holes or failure to find commercial quantities of hydrocarbons. If we are not successful in our exploration or extension drilling activities, we might not be able to replace the reserves consumed as a result of our production and therefore our production will decline over time, which could adversely affect our financial condition and results of operations.

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

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

Our operations may pose risks to the environment.

Some of our operations are subject to environmental risks which could materialize unexpectedly and could have a material adverse impact on our financial condition and results of operations. These include the risk of leaks or spills of hydrocarbons, contamination of soil or water sources, fire and explosions, damages to infrastructure or the general population. There can be no assurance that future environmental issues will not result in cost increases, civil liability or administrative action, which could lead to a material adverse effect on our financial condition and results of operations.

Any climate change legislation or regulations restricting emissions of greenhouse gases (“GHGs”) could result in increased operating costs.

Due to concern over the risk of climate change, a number of countries have adopted, or are considering the adoption of, new regulatory requirements to reduce greenhouse gas emissions, such as carbon taxes, increased efficiency standards or the adoption of cap-and-trade regimes. More stringent environmental regulations can result in the imposition of costs associated with GHG emissions, either through environmental agency requirements relating to mitigation initiatives, compliance costs and operational restrictions, and/or through other regulatory measures such as GHG emissions taxation and market creation of limitations on GHG emissions that have the potential to increase our

operating costs. We expect that a growing share of our GHG emissions could be subject to regulation, resulting in increased compliance costs and operational restrictions. Regulators may seek to limit certain oil and gas projects or make it more difficult to obtain required permits for hydrocarbon exploration and exploitation. Additionally, climate activists around the globe are challenging the grant of new and existing regulatory permits. We expect that these challenges are likely to continue and could delay or prohibit operations in certain cases.

Compliance with legal and regulatory changes relating to climate change set out by the Argentine and Mexican governments, including those resulting from the implementation of international treaties (see “Item 4—Information on the Company—Business Overview—Argentine Regulatory Framework”), may in the future increase our costs to operate and maintain our facilities, install new emission controls on our facilities and administer and manage any GHG emissions program. Revenue generation and strategic growth opportunities may also be adversely affected.

In addition, environmental laws that may be implemented in the future could increase litigation risks and have a material adverse effect on us. For example, in 2019, the Argentine Congress enacted Law No. 27,520 on Minimal Standards on Global Climate Change Adaptation and Mitigation, which focused on implementing policies, strategies, actions, programs and projects that can establish responsibilities for gas emissions and prevent, mitigate or minimize the damages or impacts associated with climate change (see “Item 4—Information on the Company—Business Overview—Argentine Regulatory Framework”). If additional requirements were adopted in Argentina, these requirements could add to our litigation costs and impact adversely on our results of operations.

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

The energy transition could result in reduced demand for the oil and gas we produce, negatively impact our long-term plans, and lead to opposition from certain stakeholders.

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

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

There are other risks associated with climate change, such as increasing amount of conflicts with landowners and local communities, difficulties in hiring and retaining staff, and increased difficulty accessing technology. Moreover, certain investors have also decided to divest their investments in fossil fuel companies and stakeholder groups are also putting pressure on commercial and investment banks to stop financing fossil fuel companies. According to press reports, some financial institutions have started to limit their exposure to fossil fuel projects. Accordingly, our ability to access financing for future projects may be adversely affected. These factors could have a negative impact on the demand for our products and services and may jeopardize or even impair the implementation and operation of our business, adversely impacting our operating and financial results and limiting our growth opportunities.

Expectations relating to GHG emissions could expose us to potential liabilities, increased costs, and reputational harm.

In 2021, we announced our ambition to become net zero in scope 1 and 2 GHG emissions by 2026. We plan to achieve this ambition through a multi-year plan to reduce our operational carbon footprint and the implementation of our own portfolio of nature-based solutions (“NBS”). Our NBS projects are designed to offset the residual emissions from our operations through carbon capture in soil and forest. See “Item 4—Information on the Company—Environmental Policy.”

Our net zero ambition is subject to complex methodologies, calculations, assumptions and estimates, including with respect to how we determine our emissions and the carbon offsets through our NBS projects. Although we believe that our methodologies, calculations, assumptions and estimates are reasonable, we cannot assure you that we will not revise our past emissions estimates, our carbon offsets or our future emissions projections or goals as a result of new developments, technologies, regulations, standards or otherwise. In addition, we may pursue business opportunities (including acquisitions or divestments of oil and gas assets) that may affect our emissions estimates and projections.

Our emissions information (including carbon offsets) may be calculated differently than by other companies, including our competitors. Investors should make their own diligence and assessment on whether our emissions information is directly comparable to that of other companies.

Our emissions information is also based on limited information and subject to significant uncertainties. For example, our emissions information excludes the emissions arising from concession areas that we do not operate (on which we do not have emissions information) and therefore only cover approximately 93% of our production, based on our 2023 performance data.

Therefore, we cannot guarantee that our net zero ambition will be fully realized on the timeline we expect or at all. Any failure, or perceived failure, by us to adhere to our net zero ambition or other public statements, comply fully with developing interpretations of climate-related laws and regulations, or meet evolving and varied stakeholder expectations and standards could harm our business, reputation, financial condition, and operating results.

If we fail to meet the pace and extent of society's changing demands or our own aspirations for lower carbon energy as the energy transition unfolds (including failing to meet our aspiration to become net zero in scope 1 & 2 GHG emissions by 2026), we could face reputational costs or fail in sustaining and developing our business.

The pace and extent of the energy transition could pose a risk to the company if our own transition towards decarbonization moves at a different speed than that of our competitors and the economy in general, or if we fail to meet our aspirations. If we are slower than competitors or the economy in general, either because we do not invest enough funds, or invest in technologies that fail to reduce our carbon footprint, or if we fail to meet our ambition to become net zero in scope 1 & 2 GHG emissions by 2026, our reputation may suffer and customers may prefer a different supplier which would adversely impact demand for our hydrocarbon products, including the market value of our unconventional acreage and associated resources we expect to develop in the future. Our failure to time the transition of our production to address climate-change related concerns could have a material adverse effect on our earnings, cash flows and financial condition.

Adverse climate conditions may adversely affect our results of operations and our ability to conduct drilling operations. Additionally, adverse climate conditions could negatively impact the Argentine economy.

The physical effects of climate change such as, but not limited to, heat waves, storms, hail, increases in temperature and sea levels, extensive droughts affecting the river basins where we operate, and fluctuations in sea levels could adversely affect our operations and supply chains. Such adverse climate conditions may lead to, among others, cost increases, drilling delays, power outages, production stoppages, and difficulties in transporting the oil and gas produced by us. Any decrease in our oil and gas production and sales could have a material adverse effect on our business, financial condition or results of operations.

In addition, the occurrence of severe adverse weather conditions, especially droughts, hail, floods or frost or diseases, is unpredictable, may have a potentially devastating impact on production, mainly on agricultural products, and may otherwise adversely affect the supply and price of such products. Adverse weather conditions may be exacerbated by the effects of climate change. The effects of severe adverse weather conditions may reduce yields of agricultural activities in Argentina, which could have an adverse effect on the economy, including lower inflows of hard currency from exports, depreciation of the local currency, rising inflation and poverty.

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

Although we are committed to operating in a socially responsible manner, we may face opposition from local communities and negative media attention. For example, several of our operations are carried out in the Province of Neuquén, Argentina. Local communities, including indigenous communities, have engaged in various forms of protest against business activities in general, including oil and gas. Although we consider our relationship with local communities, including indigenous communities to be good, we cannot ensure that any form of protest, including road blocks, actions limiting access of our workers or contractors to our operation, sabotage or any disruptive action will not impact our operations. Any such action could have an adverse effect on our reputation, financial condition and results of operations.

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

As dependence on digital technologies has increased, cyber incidents, including deliberate attacks or unintentional events have also increased worldwide. Even if we have implemented, and continue to implement, a cybersecurity plan (See “Item 16K—Cybersecurity”), the technologies, systems, and networks that we have implemented, or may implement in the future, and those of our service providers, may be the object of cyberattacks or failures to the security of information systems, which could lead to interruptions in critical industrial systems, the unauthorized disclosure of confidential or protected information, data corruption, other interruptions of, or disruptions to, our operations. In addition, certain cyber incidents, such as the advanced persistent threat, may not be detected for a prolonged period of time. Although we have adopted a Cybersecurity Policy that serves as an umbrella for our cybersecurity risk management standards and procedures to safeguard information and protect our systems, we cannot assure you that cyber incidents will not happen in the future and that our operations and/or our financial performance will not be affected.

Information security risks have generally increased in recent years as a result of the proliferation of new technologies and the increased sophistication and activities of cyber-attacks. We depend on digital technology, including information systems to process financial and operating data, analyze seismic and drilling information and oil and gas reserves estimates. We have increasingly connected equipment and systems to the Internet. Because of the critical nature of their infrastructure and the increased accessibility enabled through connection to the Internet, they may face a heightened risk of cyber-attack. In the event of such an attack, they could have our oilfield operations disrupted, property damaged and customer information stolen, experience substantial loss of revenues, response costs and other financial loss; and be subject to increased litigation and damage to their reputation. A cyber-attack could adversely affect our business, results of operations and financial condition. See “Item 16K—Cybersecurity.”

Risks Related to our Company

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

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

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

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

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

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

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

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

As of December 31, 2023, most of our producing properties and total estimated proved reserves were geographically concentrated in the Neuquina Basin, located in Argentina. A substantial portion of our operations and drilling activity are concentrated in areas in such basins where industry activity is high. As a result, demand for personnel, equipment, power, services and resources may increase in the future, as well as the costs for these items. Any delay or inability to secure the personnel, equipment, power, services and resources could result in oil, NGL and gas production being below our forecasted volumes. In addition, any such negative effect on production volumes, or significant increases in costs, could have a material adverse effect on our results of operations, cash flow and profitability.

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

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

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

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

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

We are also affected by competition for drilling rigs and the availability of related equipment, leading to higher drilling costs over the past several years. Higher commodity prices generally increase the demand for drilling rigs, supplies, services, equipment and crews, and can lead to set rig services contracts with international contractors, or shortages of, and increasing costs for, drilling equipment, services and personnel. Additionally, foreign exchange regulations in Argentina, generate entry barriers for international service providers, therefore limiting the supply of oilfield goods and services in the country. See “Item 10—Additional Information—Exchange Controls.” Accordingly, failure to manage our costs and our operational performance could result in a material adverse effect on our earnings, cash flows and financial condition.

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

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

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

If we do not succeed in meeting these milestones, renewing our agreements, maintaining our operations in these concessions or securing new ones, our ability to grow our business may be materially affected. See “Item 5B—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures” and “Item 5A—Operating and Financial Review and Prospects—Operating Results—Factors Affecting our Results of Operations—Contractual Obligations.”

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

We might seek to acquire additional acreage in Argentina and Mexico and more broadly in Latin America. Successful acquisitions require an assessment of a number of factors, including estimates of recoverable reserves, exploration potential, future oil and natural gas prices, adequacy of title, operating and capital costs and potential environmental and other liabilities. Although we conduct a review of the properties we acquire which we believe is consistent with industry practices, we can give no assurance that we have identified or will identify all existing or potential problems associated with such properties or that we will be able to mitigate any problems we do identify. Such assessments are inexact, and their accuracy is inherently uncertain. In addition, our review may not permit us to

become sufficiently familiar with the properties to fully assess their deficiencies and capabilities. We do not inspect every well. Even when we inspect a well, we do not always discover structural, subsurface, title and environmental problems that may exist or arise. We are generally not entitled to contractual indemnification for preclosing liabilities, including environmental liabilities. We may acquire interests in properties on an “as is” basis with limited remedies for breaches of representations and warranties. As a result of these factors, we may not be able to acquire oil and natural gas properties that contain economically recoverable reserves or be able to complete such acquisitions on acceptable terms.

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

From time to time, we undertake evaluations of opportunities to acquire additional oil and gas assets and businesses. Any resulting acquisitions may be significant in size, may change the scale of our business, and may expose us to new geographic, political, operating financial and geological risks. Our success in these acquisition-related activities depends on our ability to identify suitable acquisition candidates, to acquire them on acceptable terms, and integrate their operations successfully with ours. Any acquisition would be accompanied by risks, such as a significant decline in oil or gas prices or the risk that oil and natural gas reserves acquired may not be of the anticipated magnitude or may not be developed as anticipated; the difficulty of assimilating the operation and personnel and the loss of significant key employees from the acquired business; the potential disruption of our ongoing business; the inability of management to maximize our financial and strategic position through the successful integration of acquired assets and businesses and of coordinating or consolidating corporate and administrative functions; the maintenance of uniform standards, control, procedures and policies; the impairment of relationships with employees, customers and contractors as a result of any integration of new management personnel; failure to realize expected profitability or growth; the potential unknown liabilities associated with acquired assets and business; difficulties in the assimilation of the assets and operations of the acquired business, especially if the assets acquired are in a new geographic area; a decrease in our liquidity if we use a portion of our available cash to finance acquisitions. In addition, we may need additional capital to finance an acquisition.

We can give no assurance as to whether we will achieve our desired profitability from our recent acquisitions or any acquisitions we may make in the future. There can be no assurance that we would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions. Further, unexpected costs and challenges may arise whenever businesses with different operations or management are combined, and we may experience unanticipated delays in realizing the benefits of an acquisition. If we complete any future acquisition, our capitalization and results of operation may change significantly, and you may not have the opportunity to evaluate the economic, financial and other relevant information that we will consider in evaluating future acquisitions. The inability to effectively manage the integration of acquisitions could reduce our focus on subsequent acquisition and current operations, which in turn, could negatively impact our results of operations and have an impact on our reputation and business.

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

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

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

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

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

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

Both we and our subsidiaries carry out hydrocarbon E&P activities through unincorporated joint ventures entered into through agreements with third parties (joint operations for accounting purposes). In some cases, our joint venture partners, rather than us, hold the rights to the concession or the E&P license contracts. Pursuant to the terms and conditions of such agreements, one of the parties assumes the role of operator, and therefore assumes the responsibility of executing all activities pursuant to the agreement. However, in certain cases, neither we nor our subsidiaries may be able to assume the role of concessionaire and/or operator and, in such cases, we must rely on the activities of our operating partners. For example, as of December 31, 2023, we were not the operator of the Entre Lomas Neuquén, Acambuco, Entre Lomas Río Negro, Jarilla Quemada, Charco del Palenque, Jagüel de los Machos and 25 de Mayo-Medanito SE concessions, located in Argentina. In such cases, we would be subject to risks related to the performance of, and the measures taken by, the concessionaire and/or operator to carry out the activities. Such actions could adversely affect our financial condition and operating results. See “Item 4—Information on the Company—Business Overview—Concessions,” for a more complete description of our non-operated concessions.

We face risks relating to certain legal proceedings.

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

As of December 31, 2023, we employed third-party employees under contract, mostly with large domestic and international service providers. Although we have policies regarding compliance with labor and social security obligations for our contractors, we can provide no assurance that the contractors’ employees will not initiate legal actions against us seeking indemnification based upon a number of Argentine judicial labor court precedents that established that the ultimate beneficiary of employee services is joint and severally liable with the contractor, which is the employee’s formal employer.

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

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

The United States Foreign Corrupt Practices Act of 1977, the United Kingdom Bribery Act 2010, the laws and regulations implementing the Organization for Economic Co-Operation and Development Anti-Bribery Convention, the Mexican Administrative Responsibilities Law (*Ley General de Responsabilidades Administrativas*),

the Argentine Corporate Criminal Liability Law (*Ley de Responsabilidad Penal Empresaria*) and other applicable anti-corruption laws in other relevant jurisdictions prohibit companies and their intermediaries from offering or making improper payments (or giving anything of value) to government officials and/or persons in the private sector for the purpose of influencing them or obtaining or retaining business and require companies to keep accurate books and records and maintain appropriate internal controls.

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

It may be possible that, in the future, reports may emerge alleging instances of unethical and illegal conduct on the part of former agents, current or former employees or others acting on our behalf or on the part of public officials or other third parties doing or considering business with us. While we will endeavor to monitor such reports and investigate matters which we believe warrant an investigation in keeping with the requirements of our compliance program, and, if necessary or appropriate make disclosure and notify the relevant authorities, any fines, other penalties or adverse publicity that such allegations may attract may have a negative impact on our business and reputation and lead to increased regulatory scrutiny of our business practices.

If we or people or entities that are or were related to us are responsible for violations of applicable anti-corruption laws (whether due to our own acts or inadvertence, or due to the acts or inadvertence of others) or the Code of Ethics and Conduct, we or other persons or entities related to us could suffer civil, criminal and/or other penalties, which in turn could have a material adverse impact on our future business, financial condition and results of operations. See “Item 16B—Code of Ethics.”

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

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

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

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

The sectors in which we operate are highly unionized. We cannot assure you that we or our subsidiaries will not experience labor disruptions or strikes in the future, which could result in a material adverse effect on our business and returns. Moreover, the worsening of the macroeconomic environment in Argentina that has led to increased inflation rates and poverty levels may have an impact on the amount of labor actions initiated by our workforce during 2024 and subsequent years.

In addition, we cannot assure you that we will be able to negotiate new collective bargaining agreements in the same terms, on terms that are substantially similar, as those currently in force or that we will not be subject to strikes or labor interruptions before or during the negotiation process of said agreements. The collective bargaining agreement for the period April 2023 to June 2023 was signed on April 18, 2023. The collective bargaining agreement for the period July 2023 to March 2024 was signed on June 30, 2023. As of the date of this annual report, public hearings are being held to discuss a collective bargaining agreement for the period April 2024 to March 2025. In the future, if we are unable to renegotiate the collective bargaining agreement in satisfactory terms or are subject to strikes or labor interruptions, our results of operations, financial condition and the market value of our shares could be materially affected.

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

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

Risks Related to the Argentine and Mexican Economic and Regulatory Environments

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

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

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

Argentine economic conditions are dependent on a variety of factors, including (but not limited to) the international demand for Argentina's main exports; international prices for Argentina's main commodity exports; stability and competitiveness of the Argentine Peso with respect to foreign currencies; competitiveness and efficiency of domestic industries and services; government spend and fiscal deficit; levels of domestic consumption and foreign and domestic investment and financing; and the rate of inflation of consumer and wholesale prices. The Argentine economy is also particularly sensitive to local political developments. On November 19, 2023, presidential elections were held, and Javier Milei was elected President of Argentina.

On December 12, 2023, the Minister of Economy, Luis Caputo, announced a series of economic measures, including a 54.2% depreciation of the Argentine Peso compared to the Dollar; suspension of new public works bids; reduction of energy and transportation subsidies; reduction of the size of the public administration, including a reduction in the number of ministries and secretariats; suspension of official advertising; simplification of the import system; among other measures.

Moreover, since the Milei administration took office, the newly elected president has adopted several important measures, including the enactment of Decree No. 70/2023 providing measures to reduce public expenses and de-regulate the economy. Consequently, several labor and civil associations have initiated legal actions to obtain injunctive relief to limit the effectiveness of certain articles of the decree. As of the date of this annual report, it is difficult to predict the outcome of the actions filed and their impact on the effectiveness of Decree No. 70/2023.

In addition, on December 27, 2023, the Argentine Executive Branch sent to the Argentine Congress a draft bill entitled “Bases and Starting Points for the Freedom of the Argentine People”, also known as “Omnibus Law” and the “Base Law.” The draft bill declares a public emergency in economic, financial, fiscal, social security, defense, tariff, energy, health and social matters until December 31, 2025, extendable for two additional years, and delegates a series of legislative powers to the Argentine Executive Branch for the duration of the emergency. The proposed bill also included a series of legal, institutional, tax and criminal reforms affecting various sectors of the economy. However, when the draft bill was put to a vote, it was sent back to congressional committees by the ruling party, after several articles were rejected by the Lower House. The proposed bill was withdrawn from extraordinary parliamentary sessions on February 6, 2024. On April 9, 2024, the Argentine Executive Branch sent a new draft of the “Base Law” to members of the Lower House, with certain modifications to the version proposed in December 2023, which is intended to be approved by Congress in the coming weeks.

The new bill proposes the following amendments to the Hydrocarbons Law No. 17,319, as amended by Law No. 26,197 and Law No. 27,007 (the “Hydrocarbons Law”): (i) building on the self-sufficiency paradigm of the original law to include maximization economic profits; (ii) include the principle of no price intervention by the Government; (iii) include the principle freedom of exports, only subject to objection by the Secretary of Energy based on certain technical and economic criteria; and (iv) other changes such as limiting subsequent renewals of the concessions, more discretionary powers to the provinces in setting forth royalties, enlargement of activities to include processing of hydrocarbons, and more flexible requirements to access transportation authorizations.

See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Decree No. 70/2023” and “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Proposed ‘Bases and Starting Points for the Freedom of the Argentine People’ Bill.”

It is difficult to predict the social, political or economic impact of the measures announced and implemented by the government to date and/or future measures and/or the outcome of the ambitious deregulation scheme purported to be enforced by means of Decree No. 70/2023 and the abovementioned draft bill. Such measures could affect our financial condition and the results of operations. It is also difficult to predict whether Milei will obtain sufficient support from the Argentine Congress to execute his economic plan. Failure to do so could deepen the ongoing economic crisis.

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

Argentina’s ability to obtain financing from international markets is limited, which could affect its capacity to foster economic growth.

Over the past few years, Argentina has experienced financial distress, which has led to an increase in public debt. During 2020, the Argentine government entered into negotiations with its creditors to restore the sustainability of its external public debt. In August of that year, the Argentine government restructured approximately US\$66.5 billion of its U.S. Dollar-denominated global bonds. During the first quarter of 2022, the Argentine government reached an agreement with the International Monetary Fund (“IMF”), approved by Law No. 27,668, to refinance U.S.\$ 44.0 billion of debt incurred between 2018 and 2019 under a Stand-By Agreement. On March 25, 2022, the IMF approved a 30-month agreement in the amount of U.S.\$ 44.0 billion with Argentina, based on the IMF Extended Fund Facility Program (the “EFF Agreement”). This agreement includes 10 quarterly reviews during a two-and-a-half-year period, with disbursements being made available after each review, depending on the Argentine government’s compliance with the goals established for each such period. The repayment term for each disbursement is 10 years, with a grace period of four and a half years, starting in 2026 and ending in 2034. With respect to Argentina’s compliance with the goals established under the agreement for each period, in March 2023 the IMF completed the fourth quarterly review and in August 2023 concluded the fifth and sixth review (combined), enabling disbursements of U.S.\$5.4 billion and U.S.\$7.5 billion after each review, respectively.

The Milei administration has discussed the conditions of the agreement with the IMF. Although Milei's proposal to materially reduce fiscal spending and generate a primary budget surplus of 2% in 2024 has been praised by IMF staff, we cannot assure you that the conditions and goals of the upcoming quarters will also be complied with by Argentina and that they will not affect the Argentine government's ability to implement reforms and public policies and boost economic growth, nor can we predict the impact of the implementation of the IMF's agreement on Argentina's (and, indirectly, our) ability to access the international capital markets. We cannot assure you that the EFF Agreement will not affect Argentina's ability to implement reforms and public policies and boost economic growth. In addition, the long-term impact of these measures and any future measures taken by the current government on the Argentine economy remains uncertain.

Despite the restructuring of Argentina's public debt carried out between 2020 and 2023, international markets remain cautious with regards to Argentina's debt sustainability and, as a result, country risk indicators remain high. There can be no assurance that Argentina's credit ratings would remain in place or otherwise be downgraded, suspended or cancelled. Any downgrade, suspension or cancellation of Argentina's sovereign debt rating may have an adverse effect on the Argentine economy and our business.

Without renewed access to the financial markets, the Argentine government may not have the financial resources to drive growth. In addition, Argentina's inability to obtain credit in international markets could have a direct impact on our ability to access those markets to finance our operations and growth, including the financing of capital expenditures, which would adversely affect our financial condition, results of operations and cash flows. In addition, we cannot predict the outcome of any future restructuring of Argentine sovereign debt. We have investments in Argentine sovereign bonds in the amount of US\$3.7 million as of December 31, 2023. Any new event of default by the Argentine government could adversely affect their valuation and repayment terms, as well as have a material adverse effect on the Argentine economy and, consequently, our business and results of operations.

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

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

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

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

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

The Argentine and the Mexican hydrocarbons industries are extensively regulated by federal, provincial, and municipal regulations in matters including the award of exploration permits and exploitation concessions, investment, royalty, price controls, export restrictions, capital controls, and domestic market supply obligations. The Argentine government and the Mexican government are further empowered to design and implement federal energy policies in their respective countries, and have used these powers before—in the case of Argentina—to establish export

restrictions on the free disposition of hydrocarbons and export proceeds and to impose duties on exports, to induce private companies to enter into pricing agreements with the government or, more recently, to impose price agreements among producers and refiners or create fiscal incentive programs to promote increased production. Additionally, given that it cannot be guaranteed that regulations or taxes sanctioned or administered by the provinces will not conflict with national laws, jurisdictional controversies among the federal government and the provinces have occurred and can occur again in the future. In the case of Mexico, the federal government has implemented policies to regain market participation and control in favor of State-owned enterprises (i.e., Pemex and CFE).

Additionally, Pemex is the sole offtaker of our oil and gas production of our asset in Mexico, CS-01. In the recent past, we have experienced delays in collecting the proceeds from these sales from Pemex. Even if we diligently monitor and manage this issue to ensure timely collection, this problem could continue going forward, and even worsen, which could stress the financial position of our Mexican assets.

On the other hand, in the case of Argentina, on December 27, 2023, the Argentine Executive Branch sent to the Argentine Congress the “Omnibus Law” where, among others, the principle of freedom to export hydrocarbons was proposed. As of the date of this annual report, this bill has not been enacted into law. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Decree No. 70/2023” and “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Proposed ‘Bases and Starting Points for the Freedom of the Argentine People’ Bill.”

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

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

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

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

Investors may be faced with risks inherent to investing in a company operating in stand-alone and emerging markets, such as Argentina and Mexico, including significant political, legal and economic risks, as well as risks related to fluctuations in the global economy.

According to MSCI Inc, Argentina and Mexico are stand-alone and emerging market economies, respectively. As per the MSCI Global Market Accessibility Review, while nations classified as emerging markets are developing countries with potential growth in their economies, trade relations with other countries, stability of institutional framework, equal rights to foreign investors and low levels of capital flow restrictions, countries classified as stand-alone markets are those that are currently partially or fully closed to foreign investors, with small capital markets and political tensions.

Investing in such markets generally carries inherent risks such as political, social and economic instability that may affect economic results, which may stem from many factors, including but not limited to, the following: high interest rates; abrupt changes in currency values; high levels of inflation; exchange controls; wage and price controls; regulations to import equipment and other necessities relevant for operations; changes in governmental economic, administrative or tax policies; political and social tensions; hostilities or political problems in other countries that could impact international trade, the price of commodities and the global economy.

Volatility in the securities markets in emerging market countries, let alone stand-alone markets such as Argentina, as well as possible further increases in interest rates in the United States and other developed or emerging markets, may have a negative impact on the trading value of our securities and the conditions under which we can access international capital markets. In addition, stand-alone markets include additional risks, such as governmental restrictions that may limit investment and the risk associated with political developments.

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

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

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

The Hydrocarbons Law allows hydrocarbons exports, as long as such volumes are not required for the Argentine domestic market and as long as these are sold at reasonable prices. In this respect, oil and gas companies have faced restrictions to export crude oil from Argentina, therefore limiting their access to greater revenues when international prices are above domestic prices in Argentina. The proposed “Bases and Starting Points for the Freedom of the Argentine People” bill, also known as “Omnibus Law” and the “Base Law”, included a potential removal of all restrictions on prices of the energy market, aiming at correlating local prices to export parity, but no assurance can be given that this bill will be passed by the Argentine Congress. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Proposed ‘Bases and Starting Points for the Freedom of the Argentine People’ Bill.”

In Argentina, exports of crude oil and oil by-products currently require prior registration in the Registry of Export Operations Agreements (Registro de Contratos de Operaciones de Exportación) and authorization by the SdE (according to the regime established in Resolution S.E. No. 241-E/2017 and its subsequent amendments and complements). Oil companies and oil refineries intending to export crude oil, liquefied petroleum gas or gasoil, among others, must demonstrate, prior to obtaining the authorization, that the offer for sale of such product has already been made to and rejected by local buyers. In the case of not obtaining oil export permits, our operations could be affected, as well as our revenues and financial results.

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

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

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

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

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

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

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

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

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

In the past, the Argentine government has imposed duties on exports, including exports of oil and liquid petroleum gas products (for example, among others, by means of the Solidarity Law and Decree No. 488/2020). Under the current regulation, export duties on crude hydrocarbons and/or natural gas are capped at 8%.

Export duties and taxes may have a material adverse effect on Argentina’s oil and gas industry and our results of operations. We produce exportable goods and an increase in export taxes would result in a reduction in our realization prices, our margins and our net income. We cannot guarantee the impact of those or any other future taxes and measures that might be adopted by the Argentine government on demand and prices for hydrocarbon products and, consequently, our financial condition and result of operations.

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

Historically, inflation has materially undermined the Argentine economy and the Argentine government's ability to create conditions that foster growth. In recent years, Argentina has experienced high inflation rates. The consumers price index published by the INDEC (the *Índice de Precios al Consumidor*, or "IPC") variation for the period from January to December 2023 was 211.4%.

Even though the Milei administration has implemented some measures to reduce inflation, such as reducing fiscal spend in real terms, the sharp devaluation of the Argentine Peso in December 2023 and the de-regulation of some prices of the economy, have led to increasing consumer price inflation. The inflation of the first two months of 2024 was 36.6%, equivalent to an annualized rate of 550%.

High inflation rates affect the competitiveness of Argentina's goods and services in the international markets, negatively impact employment, consumption and the level of economic activity and undermines confidence in Argentina's banking system, which could further limit the availability of and access to domestic and international credit by local companies and political stability. Inflation remains a challenge for Argentina given its persistent nature. Argentina's structural inflationary imbalances remain critical, which may cause the current levels of inflation to continue and have an adverse effect on Argentina's economy and financial condition. Inflation can also lead to an increase in Argentina's debt.

Inflation in Argentina has contributed to a material increase in our operating costs and new well costs over the past years, as part of the goods and services involved in such activities are denominated in Argentine Pesos, which leads to increases in unit costs measured in US Dollars during periods when the Peso inflation rate is greater than the depreciation of the Peso against the Dollar.

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

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

Fluctuations, or a continued depreciation, in the value of the Argentine Peso may adversely affect the Argentine economy, our financial condition and results of operations. While most of our revenues are denominated in U.S. Dollars, upstream players could be limited by the ability of refiners to pass through crude oil prices to the pump prices, which are denominated in local currency, in the event of significant increases in international crude oil prices or in exchange rates. We are therefore exposed to the risks associated with the fluctuation of the Argentine Peso relative to the U.S. Dollar.

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

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

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

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

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

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

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

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

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

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

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

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

Argentina

The Hydrocarbons Law is the main regulatory framework of the hydrocarbons industry, as it created a system of exploration permits and production concessions awarded by the state (federal or provincial, depending on the location of the resources), through which companies hold exclusive rights to explore, develop, exploit and take title of the production at the wellhead, in exchange for a royalty payment and adherence to the general taxation regime.

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

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

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

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

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

Under Argentina's current political context, intense discussions are occurring between the Argentine government and the provincial governments with regards to public spending. Given these circumstances, we cannot rule out that the provinces, as owners of the natural resource, may enact legislative changes with significant effects on the Company's rights and obligations.

In addition, no assurance can be given that our exploitation concessions will be renewed in the future by the relevant provincial authorities based on the investment's plans submitted to that effect, or that such authority will not impose additional requirements for the renewal of such concessions. Moreover, under the current regulatory framework, the granting authority retains the possibility of revoking concessions if certain conditions are met.

Mexico

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

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

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

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

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

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

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

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

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

A lack of a solid and transparent institutional framework for contracts with the Argentine government and its agencies and corruption allegations have affected and continue to affect Argentina. In Transparency International’s 2023 Corruption Perceptions Index survey of 180 countries, Argentina was ranked 98th (with one being the least corrupt country and 180 being the most corrupt country), a deterioration compared to the previous survey in 2022.

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

Recognizing that the failure to address these issues could increase the risk of political instability, distort decision-making processes and adversely affect Argentina's international reputation and ability to attract foreign investment. In turn, this could impact our ability to attract new investors to our Company, which could affect our financial condition and the market value of our ADSs.

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

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

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

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

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

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

Criminal activity in Mexico could affect our operations.

In recent years, Mexico has experienced a period of increasing criminal activity, primarily due to the activities of drug cartels and related criminal organizations. In addition, the development of the illicit market in fuels in Mexico has led to increases in theft and illegal trade in the fuels that we produce. In response, the Mexican government has implemented various security measures and has strengthened its military and police forces. Despite

these efforts, criminal activity continues to exist in Mexico, and could worsen in 2024, if criminal groups seek to take advantage of the upcoming elections to expand their control over the local governments and markets. These activities, their possible escalation and the violence associated with them, in an extreme case, may have a negative impact on our financial condition and results of operations.

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

As of the date of this report, Morena, the political party of President Andrés Manuel López Obrador, controls the majority in the House of Representatives (*Cámara de Diputados*) and has a significant influence in the Mexican Senate (*Senado de la República*), holding the most seats relative to any other party. Likewise, 2023 has been characterized by strong pressure from the Executive and the Congress on the Judicial Power and, particularly, on the Mexico's Supreme Court of Justice. Such concentration of power and any changes in Mexican politics or economy, as a result of the above, could have a negative impact on our business, financial position or operating results.

The upcoming Presidential, Federal Congressional and several other elections scheduled for June 2024 could result in additional changes to the regulation, including the energy sector. Constitutional reforms that could significantly impact the business environment might take place if Morena wins the Presidential election with a majority in Congress. The election of any of the potential candidates could result in adjustments or reforms to those implemented by the incumbents, which could lead to a decrease in investor confidence in the Mexican market. We cannot provide any assurance that the current political situation or any future developments in Mexico will not affect our business, financial condition, results of operations and or cash flows.

Additionally, other events and changes, and any political and economic instability that may arise in Mexico, could have a material adverse effect on the economy of the country. The extent of such an impact cannot be accurately predicted. We cannot provide any assurances that political developments in Mexico will not have an adverse effect on the Mexican economy or oil and gas industry and, in turn, our business.

Economic conditions in Mexico are highly correlated with economic conditions in the United States due to the physical proximity and the high degree of economic activity between the two countries generally, including the trade facilitated by the North American Free Trade Agreement ("NAFTA"). As a result, political developments in the United States, including changes in the administration and governmental policies, let alone the presidential elections scheduled for November 2024, can also have an impact on the exchange rate between the U.S. Dollar and the Mexican peso, economic conditions in Mexico and the global capital markets.

While the Mexican and U.S. governments have been able to reach an understanding in the past, we cannot assure you that such understanding will remain in place or that the U.S. government will not impose policies on Mexico in the future and that we will not be materially adversely affected by such policies in the future.

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

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

Health crises such as the COVID-19 pandemic could have a significant adverse effect on our business operations.

The COVID-19 pandemic had a significant adverse impact on the global economy and our Company. The COVID-19 pandemic resulted in the imposition of local, municipal and national governmental “shelter-in-place” and other quarantine measures, border closures and other travel restrictions, closure of non-essential businesses, suspension of visas, nation-wide lockdowns, closing of public and private institutions, extension of holidays, among many others, causing unprecedented commercial disruption in a number of jurisdictions, including Mexico and Argentina.

During 2020, the Company’s revenues and financial condition were severely hit due to the reduced demand for oil and gas, and the collapse in oil and gas prices, driven by the COVID-19 pandemic. Due to these issues, we decided to stop all drilling and completion activities, both in Argentina and Mexico, which negatively impacted our production by delaying development projects. As a result, our loss for the year, net was US\$102.7 million in 2020 compared to US\$32.7 in 2019, and our Adjusted EBITDA was US\$95.6 million in 2020, a reduction of 44% compared to 2019.

During 2021 and 2022, the Argentine and Mexican governments gradually eased restrictions in place to contain the impact of the pandemic, such as re-opening schools, removing restrictions on domestic and international air travel, making the use of masks in public places optional, allowing public in massive sports and cultural events, in view of the progress made in vaccination campaigns.

Although the negative effects of the COVID-19 pandemic on us and the global economy have subsided, we cannot predict or estimate the ultimate negative impact that a resurgence of COVID-19 or another pandemic would have on our results of operations and financial condition, since it will depend on future developments outside of our control, including the intensity and duration of the pandemic, as well as measures taken to contain the pandemic or mitigate its economic impact by the Argentine or Mexican governments.

Joint and several tax liability.

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

However, Vista has appealed this tax provision (*amparo*), with the intention of gaining an exemption to providing this information, and therefore not being considered in the joint and several tax liability obligations. Recently, Vista secured a favorable decision in Collegiate Courts. This decision was based on the mandatory considerations approved by the Ministers of the Second Chamber of the Supreme Court of Justice of the Nation when solving on claim A.R. 528/2022. Consequently, Vista is now only obliged to submit the notice regarding solely the share ownership of the parties provided for in Article 49 Bis 2 of the *Circular Única de Emisoras* and not to inform about the sale of shares conducted between non-residents.

Risks Related to our series A shares and the ADSs

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

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

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

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

Volatility in the market price of our series A shares and the ADSs may prevent investors from selling their securities at or above the price that they paid for them. The market price and market liquidity of our series A shares and the ADSs may be adversely affected by several factors, including, but not limited to, the extent of investor interest in us, the attractiveness of our series A shares and the ADSs in comparison to other equity securities (for instance, shares issued by a company with larger operating history in our own industry), our financial performance and general market conditions. Certain additional factors that could negatively affect, or result in fluctuations in, the price of our series A shares and the ADSs include actual or anticipated variations in our operating results; potential differences between our actual financial and operating results and those expected by investors; investors' perceptions of our prospects and the prospects of our sector; new laws or regulations or new interpretations of laws and regulations, including tax guidelines, applicable to the energy sector, our series A shares and/or the ADSs; general economic trends and risks in the United States, Latin American or global economies or financial markets, including those resulting from pandemics, war, incidents of terrorism or responses to such events; changes in our operations or earnings estimates or publication of research reports about us or the Latin American energy industry; market conditions affecting the Latin American economy generally or borrowers in Latin America specifically; significant volatility in the market price and trading volume of securities of companies in the energy sector, which are not necessarily related to the operating performance of these companies; additions to or departures from our Executive Team; completing (or failing to complete) additional acquisitions or executing additional concession agreements; speculation in the press or investment community; changes in the credit ratings or outlook assigned to Latin American countries, particularly Mexico and Argentina, and entities of the energy sector; political conditions or events in Argentina, Mexico, the United States and other countries; and enactment of legislation or other regulatory developments that adversely affect us or our industry.

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

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

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

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

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

As a foreign private issuer, we have different disclosure and other requirements than U.S. domestic registrants.

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

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

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

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

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

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

We adopted our Long-Term Incentive Plan (the “Plan”) in April 2018 for the purpose of attracting and retaining talented people as officers, directors, employees and consultants which are key to us, incentivizing their performance and aligning their interests with ours. Under the Plan, our Board of Directors is authorized to grant restricted series A shares or ADS (“Restricted Stock”) and options to purchase our series A shares or ADS (“Stock Options”) to our officers, directors, employees and consultants. We reserved 8,750,000 series A shares issued on December 18, 2017, for the implementation of the Plan. Additionally, the series A shares repurchased by the Company through our buy-back program may be allocated to the Plan.

Additionally, the vesting of series A shares reserved for the Long-Term Incentive Plan (or the allocation to the Plan of the series A shares repurchased by the Company through our buy-back program) may cause immediate dilution to our existing shareholders and may also have a dilutive effect on our earnings per share. If all series A shares currently reserved for the Plan, in addition to all the shares repurchased through the ongoing buy-back program, became outstanding, our issued and outstanding share capital would increase 1.6% from 97,190,833 series A shares outstanding as of the date of this annual report to 98,781,026 series A shares.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There can be no assurance that the BCRA will not increase or relax such controls or restrictions, make modifications to these regulations, establish more severe restrictions on currency exchange, or maintain the current foreign exchange regime or create multiple exchange rates for different types of transactions, substantially modifying the applicable exchange rate at which we acquire currency to service our outstanding liabilities denominated in currencies other than the Peso, all of which could undermine our ability to pay dividends to foreign shareholders and to distribute all the net cash flow generated in the form of dividends or buybacks. Consequently, these exchange controls and restrictions could materially adversely affect the Argentine economy and our business, financial condition and results of operations. See "Item 10—Additional Information—Exchange Controls" for additional information.

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

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

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

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

Pursuant to Section 404 of the Sarbanes Oxley Act of 2002, we are required to include a report of our management on our internal controls over financial reporting in our annual reports on Form 20-F that contains management's assessment relating to the design, maintenance and periodic evaluation of the internal control system, accompanied by a report from our independent registered public accounting firm. We can provide no assurance that from time to time we will not identify concerns that could require remediation. We may encounter problems or delays in completing the implementation of any changes necessary to make a favorable assessment of our internal control over financial reporting. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation. In connection with the attestation process by our independent registered public accounting firm, we may encounter problems or delays in the completing the implementation of any requested improvements and receiving a favorable attestation. In addition, if we fail to maintain the adequacy of our internal control over financial reporting we will not be able to conclude on an ongoing basis that we have effective internal control over financial reporting in accordance with Section 404 which may have an adverse effect on us.

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

We are required to comply with various regulatory and reporting requirements, including those required by the Commission and the CNBV. Complying with these reporting and regulatory requirements is time consuming, resulting in increased costs to us or other adverse consequences. As a public company, we are subject to the reporting requirements of the Exchange Act, and the requirements of the Sarbanes-Oxley Act, in addition to the existing disclosure requirements by the Mexican Securities Market Law and CNBV rules. These requirements may place a strain on our systems and resources. The Exchange Act rules applicable to us as a foreign private issuer requires that we file annual and current reports with respect to our business and financial condition. Likewise, CNBV rules require that we make annual and quarterly filings and that we comply with disclosure obligations including current reports. The Sarbanes-Oxley Act requires that we maintain effective disclosure controls and procedures and internal controls

over financial reporting. To maintain and improve the effectiveness of our disclosure controls and procedures, we will need to commit significant resources, hire additional staff and provide additional management oversight. We will be implementing additional procedures and processes for the purpose of addressing the standards and requirements applicable to public companies. These activities may divert management's attention from other business concerns, which could have a material adverse effect on our business, results of operations and financial condition.

Furthermore, we have ceased to be an emerging growth company and are therefore no longer able to take advantage of certain exemptions from various requirements applicable to other public companies that are emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. As such, our independent registered public accounting firm is now required to attest to the effectiveness of our internal control over financial reporting. Even if our management concludes that our internal controls over financial reporting are effective, our independent registered public accounting firm may decline to attest to our management's assessment or may issue a report that is qualified if it is not satisfied with our controls or the level at which our controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently from us. Failure to comply with Section 404 could subject us to regulatory scrutiny and sanctions, impair our ability to raise revenue, cause investors to lose confidence in the accuracy and completeness of our financial reports and negatively affect our share price.

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

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

As a foreign private issuer, we are permitted to, have relied, and intend to keep relying, on exemptions from certain NYSE corporate governance standards applicable to U.S. issuers. This may afford less protection to holders of the ADSs.

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

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

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

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

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

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

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

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

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

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

ITEM 4. INFORMATION ON THE COMPANY

HISTORY AND DEVELOPMENT OF THE COMPANY

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

Our principal executive offices are located at Pedregal No. 24, Floor 4, Colonia Molino del Rey, Alcaldía Miguel Hidalgo, Mexico City, Zip Code 11040, Mexico. Our telephone number at this location is +52 (55) 8647-0128. Our website is <http://www.vistaenergy.com>. Information contained on, or accessible through, this website is not incorporated by reference in, and will not be considered part of, this annual report. The Securities and Exchange Commission maintains an internet site (<http://www.sec.gov>) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the Securities and Exchange Commission.

Recent Developments

Amendments to the Company's Bylaws

On the ordinary and extraordinary shareholders' meeting held on April 23, 2024, the Company's shareholders approved, among other things, certain amendments to the Company's bylaws for purposes of adjusting the Company's bylaws to certain amended provisions of the Mexican Securities Market Law and the General Law on Commercial Companies (in the latter case, in connection with the possibility of holding shareholders' meeting through technological means). For more detail on the recent amendments on the Mexican Securities Market Law, see "Item 9—The Offer and Listing—Market Information—Mexican Securities Market Law."

BUSINESS OVERVIEW

We are an independent Latin American, shale oil-focused company operating since April 4, 2018, with our main assets located in the Neuquina basin, Argentina. Vaca Muerta is the largest shale oil and gas play under development outside North America, where we have rights to develop approximately 205,600 acres. We are also the holders of one conventional producing asset in Mexico. Most of our production and revenues, our ongoing drilling and workover activities, estimated proved reserves and assets are located in Argentina, including our currently producing Vaca Muerta wells.

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

Deep, ready-to-drill, short-cycle well inventory. Our growth plan is based on developing our approximately 1,150-well inventory in Vaca Muerta, out of which 550 wells are in Bajada del Palo Oeste, 150 in Bajada del Palo Este, 150 in Aguada Federal, 150 in Bandurria Norte, 100 in Águila Mora and 50 in Coirón Amargo Norte, in line with the highest efficiency and safety standards. As of December 31, 2023, we had tied-in 83 wells in Bajada del Palo Oeste. Additionally, as of December 31, 2023, we had tied-in our first 10 wells in Aguada Federal, our first four wells in Bajada del Palo Este and our first two wells in Águila Mora. This activity boosted our production to 56.4 Mboe/d during the fourth quarter of 2023, representing a 3% interannual growth, or 16% interannual growth on a pro forma basis as if the Conventional Assets Transaction (as defined below) had occurred on March 1, 2022 (see "Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta"). Our proved certified reserves increased to 318.5 Mboe as of December 31, 2023.

Peer-leading operating performance. We believe the productivity of our new wells demonstrates the quality of our Vaca Muerta acreage. As of December 31, 2023, the Vista average well (representing the average of our pads BPO-1 to BPO-10) was performing 6% above our Bajada del Palo Oeste type curve after 720 days of production. This productivity performance places our wells among the best of Vaca Muerta.

Production growth driven by Vaca Muerta development, and our rebased cost structure led to the decrease of lifting cost to 5.1\$/boe in 2023 from 13.9 \$/boe in 2018.

Robust balance sheet and financial performance. Cash & cash equivalents at the end of 2023 was US\$213.3 million. During the year 2023, net income for the year totaled US\$397.0 million. The Adjusted EBITDA for 2023 was US\$870.7 million and net leverage ratio as of December 31, 2023, was 0.46x Adjusted EBITDA.

ESG-focused culture. At Vista, we aim to develop our business in a sustainable way. We aspire to become net zero in scope 1 & 2 GHG emissions by 2026, combining (i) a 80% reduction in our operating GHG emission intensity to 7 kgCO₂e/boe, compared to 39 kgCO₂e/boe in 2020, with (ii) the implementation of NBS projects to offset the remaining carbon emissions. During 2023, we reduced the intensity of Scope 1 and 2 GHG emissions by 14% year-on-year, i.e., from 18.1 kgCO₂e/boe to 15.6 kgCO₂e/boe. We are currently executing the Company's first nine Natural-Based Solutions projects.

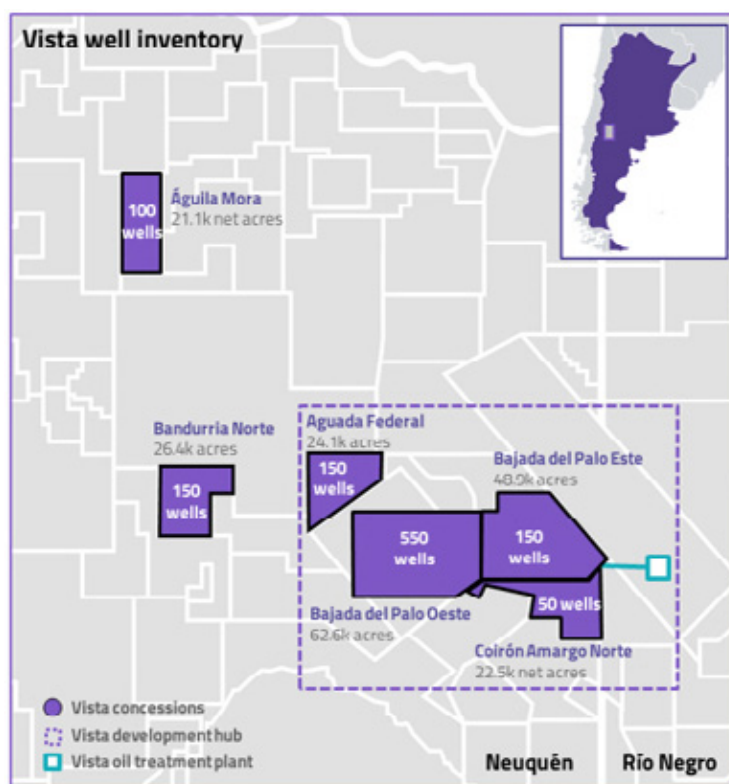
Safety is a bedrock of our Company, and we aim to operate with the highest oil & gas industry standards in accordance with the International Association of Oil and Gas Producers (“IOGP”) and the global oil and gas industry association for environmental and social issues (“IPIECA”). In 2023, we had a TRIR of 0.2 which was below 1.0 for the fourth consecutive year. Furthermore, in 2023 we recorded no major oil spill incidents.

We strongly believe in the value of developing an organizational culture that promotes diversity, equity and inclusion at each level. We aim to develop these capacities in our employees and leaders, through the execution of several projects and initiatives captured by our Vista Diversity Equity & Inclusion (“DEI”) program. In 2023, 26% of new hires were women, raising the share of female employees by 2 pps to 24%. In addition, we voluntarily invested approximately US\$980 in social development. Our goal is to create a work environment where our people feel they can exchange ideas and opinions, regardless of race, gender, nationality, religion and beliefs. See “Item 4—Information on the Company—ESG Matters.” We are committed to enhancing the development of the communities in which we operate, with an inclusive business model, and reinforcing the sense of belonging through open dialogue, active cooperation, volunteering and social commitment.

We are committed to the implementation of transparent and solid principles in our corporate governance, which strengthen trust and credibility with our interest groups. We are aligned with Global Reporting Initiative (“GRI”) Oil and Gas Sector Standard 2021 and GRI Universal Standards 2021 framework and the Sustainability Accounting Standards Board (“SASB”) for industry-specific ESG topics most relevant to our financial performance and long-term value creation. For the third consecutive year, our 2023 Sustainability Report will include information aligned with the recommendations published by the Task Force on Climate-Related Financial Disclosures (“TCFD”) and will have limited assurance on certain relevant GRI indicators. We are signatories to the United Nations Global Compact’s Ten Principles on human rights, labor, environment and anti-corruption. Our Board of Directors has oversight of all sustainability related actions through our Corporate Practices Committee.

Our Operations

The following map illustrates the location of our concessions in Argentina as of the date of this annual report⁽¹⁾:



(1) Acambuco concession and assets transferred to Aconcagua (effective on March 1, 2023), not shown on this map.

During 2023, our average daily production was 51,149 boe/d. As of December 31, 2023, our portfolio of assets included six operated blocks in Vaca Muerta, one operated conventional block in Mexico and one non-operated conventional block in Argentina. Effective as of March 1, 2023, Vista transferred the operatorship of six conventional blocks to Aconcagua (see below section “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta”).

In Argentina, we held and operated approximately 206,000 net shale oil acres in the core Vaca Muerta. As of December 31, 2023, our total proved reserves were 318.5 MMboe, of which 85% consist of oil and 97% of which were located in Argentina. During the fourth quarter of 2023, we were the second largest shale oil producer in Argentina, according to the SdE. In 2023, our shale production was 43,339 boe/d.

The following table presents information on our concessions as of the date of this annual report, and estimated reserves and production as of December 31, 2023:

Block	Gross acres	Net acres	Interest	Operator	Net proved reserves as of Dec. 31, 2023 (MMboe)	Average net production for the year ended Dec. 31, 2023 (Mboe/d)	Concession Expiration
Neuquina Basin							
Bajada del Palo Oeste	62,641	62,641	100%	Vista	221.8	33.8	2053
Entre Lomas Río Negro	83,349	— ⁽³⁾	— ⁽³⁾	Aconcagua	2.4	1.9	2026

Block	Gross acres	Net acres	Interest	Operator	Net proved reserves as of Dec. 31, 2023 (MMboe)	Average net production for the year ended Dec. 31, 2023 (Mboe/d)	Concession Expiration
Jagüel de los Machos	48,359	— (3)	— (3)	Aconcagua	0.8	1.3	2025
25 de Mayo-Medanito	32,247	— (3)	— (3)	Aconcagua	1.0	1.1	2026
Entre Lomas Neuquén	99,665	— (3)	— (3)	Aconcagua	0.5	0.6	2026
Bajada del Palo Este	48,853	48,853	100%	Vista	40.1	4.8	2053
Coirón Amargo Norte	26,598	22,508	84.6%	Vista	0.3	0.2	2037
Jarilla Quemada (1)	47,617	— (3)	— (3)	Aconcagua	0.1	0.2	2040
Coirón Amargo Sur Oeste	16,440	—	— (2)	Shell	—	—	—
Águila Mora	23,475	21,128	90%	Vista	1.3	1.3	2054
Charco del Palenque	47,963	— (3)	— (3)	Aconcagua	0.2	—	2034
Aguada Federal	24,058	24,058	100%	Vista	39.3	5.2	2050
Bandurria Norte	26,404	26,404	100%	Vista	—	—	2050
Golfo San Jorge Basin							
Noroeste Basin							
Acambuco				Pan American Energy			
	293,747	4,406	1.5%		0.6	0.2	2036/2040
Mexico							
CS-01	14,332	14,332	100%(5)	Vista	10.1	0.7	2047

(1) Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).

(2) Fully divested 10% working interest to Shell. The effective date of the transaction was April 1, 2021.

(3) Assets transferred to Aconcagua, effective on March 1, 2023. After such date Vista remains entitled to 40% of crude oil and natural gas production and reserves, and 100% of LPG and condensates production and reserves, of the transferred assets.

As of the date of this annual report, we hold (i) 100.00% operated interest in the following exploitation concessions: Bajada del Palo Oeste, Bajada del Palo Este, Aguada Federal, Bandurria Norte, and CS-01, (ii) 84.62% operated interest in the exploitation concession Coirón Amargo Norte, (iii) 90% operated interest in the exploitation concession Águila Mora, and (iv) 1.50% non-operating interest in the conventional exploitation concession Acambuco. As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in the Neuquina basin, effective March 1, 2023. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Transaction to increase focus on shale oil operations in Vaca Muerta

On February 23, 2023, Vista announced a two-phase transaction (the “Conventional Assets Transaction”) between Vista Argentina and Petrolera Aconcagua Energía S.A. (“Aconcagua”) to increase its focus on its shale oil operations in Vaca Muerta and strengthen shareholder returns.

Under the terms of the Conventional Assets Transaction, effective March 1, 2023:

- (i) Aconcagua became the operator of the following exploitation concessions in the Neuquina Basin located in Argentina: Entre Lomas, located in the Province of Neuquén, and Entre Lomas, Jarilla Quemada, Charco del Palenque, Jagüel de los Machos and 25 de Mayo-Medanito SE, located in the Province of Río Negro (the “CAT Exploitation Concessions”). Additionally, Aconcagua became the operator of the following transportation concessions: the Entre Lomas gas transportation concession, the Jarilla Quemada gas transportation concession, and the 25 de Mayo-Medanito SE crude oil transportation concession (the “CAT Transportation Concessions,” and together with the CAT Exploitation Concessions, the “CAT Concessions”);

- (ii) Aconcagua will pay Vista US\$26.47 million in cash (US\$10.00 million paid on February 15, 2023, US\$10.73 million paid on March 1, 2024, US\$5.73 million to be paid on March 1, 2025);
- (iii) Vista Argentina retains 40% of the crude oil and natural gas production, and 100% of liquefied petroleum gas, gasoline, and condensates, from the CAT Exploitation Concessions (with Aconcagua paying all costs, taxes, and royalties) until the earlier of (a) the final closing date on February 28, 2027 and (b) the date in which Vista Argentina receives a cumulative production of 4 million barrels of crude oil and 300 million m³ of natural gas. On the other hand, Aconcagua is entitled to 60% of the crude oil and natural gas production from the CAT Exploitation Concessions;
- (iv) Aconcagua will pay 100% of Vista Argentina's share of the capex, opex, royalties, taxes, and any other costs associated with the CAT Exploitation Concessions;
- (v) Vista Argentina has the right to purchase from Aconcagua up to Aconcagua's 60% share of the natural gas produced by the CAT Exploitation Concessions at a price of US\$1 per million BTU until the the final closing date on February 28, 2027;
- (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 CAT Concessions, including an upfront payment and an investment commitment, as per the terms set forth in the applicable regulation in Argentina;
- (vii) Vista Argentina retains the right to explore and develop the Vaca Muerta formation in the CAT Exploitation Concessions and seek to obtain one or more independent and separate unconventional concessions to develop such resources;
- (viii) Vista Argentina and Aconcagua have signed an agreement whereby Vista Argentina will treat and transport 100% of the crude oil produced in the CAT Exploitation Concessions (except for 25 de Mayo-Medanito SE and Jagüel de los Machos) until the expiration of the concession titles (including the potential 10-year extension); and
- (ix) Vista Argentina remains concession title holder until no later than the final closing date on February 28, 2027, when the CAT Concessions will be transferred to Aconcagua, subject to provincial approvals.

The Entre Lomas crude oil transportation concession, which includes a 70,000 bbl/d oil treatment plant geographically located in the Entre Lomas Río Negro concession and a net book value of US\$20 million as of December 31, 2022, was excluded from the Conventional Assets Transaction.

The following pro forma table shows the impact on the results of operations resulting from the Conventional Assets Transaction as if such transaction had occurred on March 1, 2022:

	<u>Actual 2022</u>	<u>Pro forma adjustments 2022</u>	<u>Pro forma 2022</u>
Production (Mboe/d)	48.6	5.1	43.4 ⁽¹⁾
Total Proved Reserves, (MMboe)	251.6	(7.5)	244.1 ⁽¹⁾
Net acreage in Argentina (Acres) by year end	569,197	(359,200)	209,997 ⁽²⁾
Net operated productive wells in Argentina by year end	1,144	(924)	220

- (1) Excludes 60% of oil and gas production and reserves corresponding to CAT Exploitation Concessions.
- (2) Excludes 100% of CAT Exploitation Concessions acreage.

Main Subsidiaries

Vista Energy Argentina S.A.U.

Vista Energy Argentina S.A.U. (formerly “Vista Oil & Gas Argentina S.A.”, and prior thereto “Petrolera Entre Lomas S.A.”) is an Argentine company with offices in Buenos Aires and Neuquén. In the Neuquina Basin, Vista Argentina currently holds a (i) 100.00% operated interest in the following blocks: Bajada del Palo Oeste and Bajada del Palo Este unconventional exploitation concessions, located in the Province of Neuquén, (ii) 84.62% operated interest in the exploitation concession Coirón Amargo Norte located in the Province of Neuquén, (iii) 50% operated interest in the Aguada Federal and Bandurria Norte unconventional exploitation concessions, located in the Province of Neuquén, (iv) 90% operated interest in the unconventional exploitation concession Águila Mora located in the Province of Neuquén, and (v) 1.50% non-operating interest in the exploitation concession Acambuco, located in the Province of Salta, operated by Pan American Energy LLC (Argentine Branch). As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”. As of December 31, 2023, Vista Argentina had 428 direct employees.

Vista Energy Holding I, S.A. de C.V.

Vista Energy Holding I, S.A. de C.V. (formerly, “Vista Oil & Gas Holding I, S.A. de C.V.”) is a Mexican company with administrative offices in Mexico City incorporated for purposes of, among other things, participating as a partner, shareholder or investor in all kinds of businesses or entities, whether commercial or civil, associations, trusts, or of any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of corporations, as well as carrying-out any activities in the energy sector. It currently holds a 100% interest in Vista Energy Argentina S.A.U. and a 100% indirect interest in AFBN S.R.L., Aluvional S.A. and Aleph Midstream S.A. As of December 31, 2023, Vista Energy Holding I, S.A. de C.V. had no employees.

Vista Energy Holding II, S.A. de C.V.

Vista Energy Holding II, S.A. de C.V. (formerly, “Vista Oil & Gas Holding II, S.A. de C.V.”) is a Mexican company with administrative offices in Mexico City incorporated for purposes of exploring and extracting hydrocarbons in Mexico, as well as to participate as a partner, shareholder or investor in all kinds of businesses or entities, whether commercial or civil, associations, trusts, or of any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of corporations, as well as carrying-out any activities in the energy sector. It is the holder of 100% working interests in the CS-01. As of December 31, 2023, Vista Energy Holding II, S.A. de C.V. had 17 employees.

AFBN, S.R.L.

AFBN, S.R.L. (formerly, “ConocoPhillips Argentina Ventures S.R.L.”) is a company organized and existing under the laws of Argentina dedicated to the E&P of hydrocarbons and the commercialization of oil, natural gas and NGL. In the Neuquina Basin, it currently holds a 50% non-operated interest in the Aguada Federal and Bandurria Norte unconventional exploitation concessions. Vista Energy Holding I, S.A. de C.V. holds a 4.31% direct interest in AFBN, S.R.L. The remaining interest is held by Vista Energy Argentina S.A.U. with 14.80% and Vista Holding VII S.A.R.L. with 80.89%, the latter being a wholly-owned legal entity. As of December 31, 2023, AFBN, S.R.L. had no direct employees.

Aleph Midstream S.A.

Aleph Midstream S.A. is a company organized and existing under the laws of Argentina that started operating in August 2019 and became the first midstream player focused on providing gathering, processing and midstream services for oil and gas production in the Neuquina Basin, spearheading a new paradigm for the development of the Vaca Muerta shale play built on the concept of long-term partnerships with upstream-focused producers. Vista Energy Holding I, S.A. de C.V. holds a 36.08% direct interest in Aleph Midstream. The remaining 63.92% interest is held by Vista Oil & Gas Holding V B.V. As of December 31, 2023, Aleph Midstream S.A. had no direct employees.

Aleph Midstream S.A. is a wholly owned subsidiary of Vista.

Aluvional S.A.

Aluvional S.A. is a company organized and existing under the laws of Argentina dedicated to the extraction of sand, stone, pebbles, granitic and/or calcareous materials and other natural resources that are used for the hydraulic stimulation of unconventional oil and gas exploitation in the provinces of Neuquén, Río Negro, Mendoza, and La Pampa. Aluvional S.A. holds 10-year term concessions of 15 quarries of siliceous sand, all of them located in the Province of Río Negro. Vista Oil & Gas Holding I, S.A. de C.V. holds a 95% direct interest in Aluvional S.A. The remaining 5% interest is held by Vista Energy Argentina SAU. As of December 31, 2023, Aluvional S.A. had 17 employees.

Argentina

Overview

During the year ended December 31, 2023, our production was concentrated in the Neuquina Basin, mostly in our development hub in Vaca Muerta.

We have approximately 205,600 net acres located in the Vaca Muerta shale oil formation in Bajada del Palo Oeste, Bajada del Palo Este, Águila Mora, Aguada Federal, Bandurria Norte and Coirón Amargo Norte. We operate 100% of our shale net acreage. As of December 31, 2023, we had tied-in 83 shale oil wells targeting the Vaca Muerta formation in Bajada del Palo Oeste. Additionally, as of December 31, 2023, we had tied-in our first 10 wells in Aguada Federal, our first four wells in Bajada del Palo Este and our first two wells in Águila Mora. This took our shale production to 43.3 Mboe/d by the year end, up from 34.7 Mboe/d in 2022, boosted by strong individual well performance.

We have a significant inventory of up to approximately 1,150 drilling locations targeting the Vaca Muerta shale oil formation within our core development acreage, which provides us with more than 20 years of drilling inventory. Our drilling inventory is currently located in the Bajada del Palo Oeste, Bajada del Palo Este, Aguada Federal, Bandurria Norte, Águila Mora and Corión Amargo Norte blocks. We intend to expand our drilling inventory by testing additional landing zones.

As of December 31, 2023, we also owned working interests in non-operated conventional assets in the Noroeste Basin. As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in the Neuquina basin, effective March 1, 2023. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

As of December 31, 2023, our total proved reserves in Argentina were 308.4 MMboe, of which 85% consisted of oil reserves. Our average daily production for the year ended December 31, 2023, was 50,488 boe/d, of which 84.6% was crude oil, 14.6% natural gas and the remaining 0.8% was NGL. We have reduced our average operating cost from US\$7.5 per boe during the year ended December 31, 2022, to US\$5.1 per boe for the year ended December 31, 2023.

Crude Oil Production and Natural Gas Production in Argentina

The tables below outline the average oil, gas and NGL net production, for the periods ended December 31, 2023, 2022 and 2021.

Block	Average net oil production for the year ended December 31, 2023 (Mbbld) ⁽⁵⁾	Average net gas production for the year ended December 31, 2023 (MMm ³ /d) ⁽⁵⁾	Average net NGL production for the year ended December 31, 2023 (Mbbld) ⁽⁵⁾
Neuquina Basin			
Bajada del Palo Oeste	28.7	0.80	0.03
Entre Lomas Río Negro ⁽⁶⁾	1.1	0.08	0.27
Jagüel de los Machos ⁽⁶⁾	1.0	0.05	—
25 de Mayo-Medanito ⁽⁶⁾	1.0	0.01	—
Entre Lomas Neuquén ⁽⁶⁾	0.4	0.02	0.06
Bajada del Palo Este	4.4	0.06	0.05
Coirón Amargo Norte	0.2	0.00	—
Jarilla Quemada ^{(1) (6)}	0.1	0.01	0.01
Coirón Amargo Sur Oeste ⁽²⁾	—	—	—
Águila Mora	1.2	0.02	—
Charco del Palenque ^{(1) (6)}	—	—	—
Aguada Federal ⁽³⁾	4.6	0.10	0.01
Bandurria Norte ⁽³⁾	—	—	—
Golfo San Jorge Basin			
Sur Río Deseado Este ⁽⁴⁾	—	—	—
Noroeste Basin			
Acambuco	0.0	0.02	—

- (1) Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
- (2) Fully divested a 10% working interest to Shell. The effective date of the transaction was April 1, 2021.
- (3) Acquired 50% working interest in Aguada Federal and Bandurria Norte concessions on September 16, 2021. Acquired an additional 50% working interest in Aguada Federal and Bandurria Norte concessions on January 17, 2022.
- (4) The 25-year term of the SRDE exploitation concession, with a 16.9% working interest, expired on March 21, 2021. Vista decided not to request the 10-year extension filed by the operator.
- (5) Oil production is comprised of the production of crude oil, condensate and natural gasoline. Natural gas production excludes natural gas consumption. NGL production is comprised of the production of propane and butane (LPG) and excludes natural gasoline.
- (6) Assets transferred to Aconcagua, effective on March 1, 2023. After such date Vista remains entitled to 40% of crude oil and natural gas production and reserves, and 100% of LPG and condensates production and reserves, of the transferred assets.

Block	Average net oil production for the year ended December 31, 2022 (Mbbld) ⁽⁵⁾	Average net gas production for the year ended December 31, 2022 (MMm ³ /d) ⁽⁵⁾	Average net NGL production for the year ended December 31, 2022 (Mbbld) ⁽⁵⁾
Neuquina Basin			
Bajada del Palo Oeste	26.4	0.79	—
Entre Lomas Río Negro ⁽⁶⁾	2.4	0.12	0.36
Jagüel de los Machos ⁽⁶⁾	2.2	0.11	—
25 de Mayo-Medanito ⁽⁶⁾	2.3	0.03	—
Entre Lomas Neuquén ⁽⁶⁾	1.0	0.08	0.05
Bajada del Palo Este	2.5	0.06	0.03
Coirón Amargo Norte	0.2	0.00	—
Jarilla Quemada ^{(1) (6)}	0.2	0.01	0.01
Coirón Amargo Sur Oeste ⁽²⁾	—	—	—
Águila Mora	—	—	—
Charco del Palenque ^{(1) (6)}	—	—	—
Aguada Federal ⁽³⁾	2.5	0.03	—
Bandurria Norte ⁽³⁾	—	0.00	—
Golfo San Jorge Basin			

Block	Average net oil production for the year ended December 31, 2022 (Mbbbl/d)⁽⁵⁾	Average net gas production for the year ended December 31, 2022 (MMm³/d)⁽⁵⁾	Average net NGL production for the year ended December 31, 2022 (Mbbbl/d)⁽⁵⁾
Sur Río Deseado Este ⁽⁴⁾	—	—	—
Noroeste Basin			
Acambuco	0.0	0.02	—

- (1) Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
- (2) Fully divested a 10% working interest to Shell. The effective date of the transaction was April 1, 2021.
- (3) Acquired 50% working interest in Aguada Federal and Bandurria Norte concessions on September 16, 2021. Acquired an additional 50% working interest in Aguada Federal and Bandurria Norte concessions on January 17, 2022.
- (4) The 25-year term of the SRDE exploitation concession, with a 16.9% working interest, expired on March 21, 2021. Vista decided not to request the 10-year extension filed by the operator.
- (5) Oil production is comprised of the production of crude oil, condensate and natural gasoline. Natural gas production excludes natural gas consumption. NGL production is comprised of the production of propane and butane (LPG) and excludes natural gasoline.
- (6) Assets transferred to Aconcagua, effective on March 1, 2023. After such date Vista remains entitled to 40% of crude oil and natural gas production and reserves, and 100% of LPG and condensates production and reserves, of the transferred assets.

Block	Average net oil production for the year ended December 31, 2021 (Mbbbl/d)⁽⁵⁾	Average net gas production for the year ended December 31, 2021 (MMm³/d)⁽⁵⁾	Average net NGL production for the year ended December 31, 2021 (Mbbbl/d)⁽⁵⁾
Neuquina Basin			
Bajada del Palo Oeste	20.8	0.76	—
Entre Lomas Río Negro	2.3	0.14	0.35
Jagüel de los Machos	2.3	0.12	—
25 de Mayo-Medanito	2.4	0.03	—
Entre Lomas Neuquén	1.1	0.08	0.07
Bajada del Palo Este	0.4	0.07	0.05
Coirón Amargo Norte	0.3	0.00	—
Jarilla Quemada ⁽¹⁾	0.2	0.03	0.01
Coirón Amargo Sur Oeste ⁽²⁾	0.0	0.00	—
Águila Mora	—	—	—
Charco del Palenque ⁽¹⁾	—	—	—
Aguada Federal ⁽³⁾	0.1	0.00	—
Bandurria Norte ⁽³⁾	—	—	—
Golfo San Jorge Basin			
Sur Río Deseado Este ⁽⁴⁾	—	—	—
Noroeste Basin			
Acambuco	0.0	0.02	—

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

Concessions

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

Neuquina Basin: (a) a 100% operating interest in the exploitation concessions Bajada del Palo Oeste, Bajada del Palo Este, Aguada Federal, Bandurria Norte (in all cases, as operator); (b) a 84.62% operating interest in the exploitation concession Coirón Amargo Norte (as operator); (c) a 90% operating working interest in the unconventional exploration concession Águila Mora (as operator); and

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

As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

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

Bajada del Palo Oeste

We are the operator and holder of 100% of the unconventional exploitation concession granted for the Bajada del Palo Oeste block in the Neuquina Basin located in the Province of Neuquén. This block has proved reserves of 219.8 MMboe of shale reserves and 2.0 MMboe of conventional reserves as of December 31, 2023, and production of 33.8 Mboe/d (85% oil) for the year ended December 31, 2023. The 35-year term unconventional exploitation concession was granted to us in December 2019 and expires on December 19, 2053. In connection with the granting of such unconventional concession, as of December 31, 2023, Vista had already fulfilled the commitment of drilling eight horizontal wells for a total investment of US\$105.6 and US\$14.7 million related facilities.

During 2023, we completed and tied-in six pads (pad BPO-16 to BPO-21), adding 23 shale oil wells and taking the shale oil well count in Bajada del Palo Oeste to 83 at year-end 2023. Total shale production in 2023 increased to 43,339 boe/d, out of which 32,588 boe/d corresponds to the shale production of Bajada del Palo Oeste.

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

Well name	Pad number ⁽¹⁾	Landing zone	Lateral length (mts)	Total completion stages
2013	BPO-1	Organic	2,483	33
2014	BPO-1	La Cocina	2,633	35
2015	BPO-1	Organic	2,558	34
2016	BPO-1	La Cocina	2,483	34
2029	BPO-2	Organic	2,189	37
2030	BPO-2	La Cocina	2,248	38
2032	BPO-2	Organic	2,047	35
2033	BPO-2	La Cocina	1,984	33
2061	BPO-3	La Cocina	2,723	46
2062	BPO-3	Organic	2,624	44
2063	BPO-3	La Cocina	3,025	51
2064	BPO-3	Organic	1,427	36
2025	BPO-4	Lower Carbonate	2,186	26

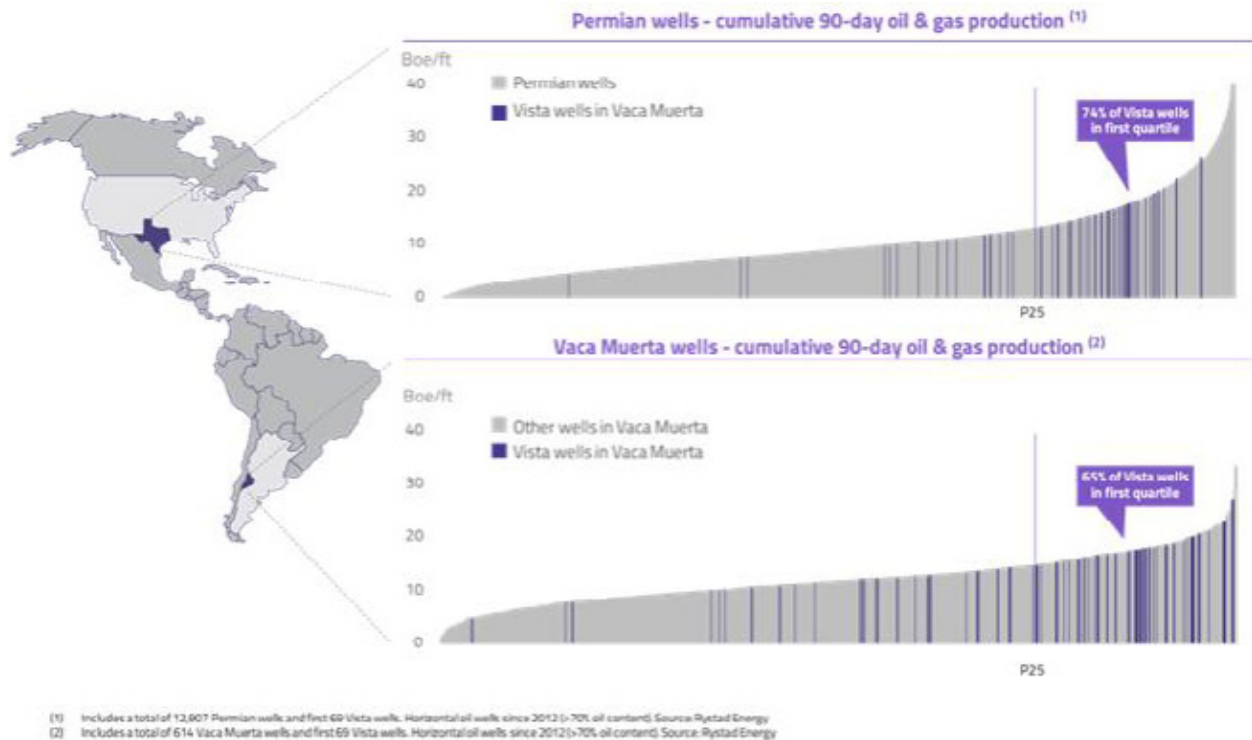
Well name	Pad number ⁽¹⁾	Landing zone	Lateral length (mts)	Total completion stages
2026	BPO-4	La Cocina	2,177	44
2027	BPO-4	Lower Carbonate	2,551	31
2028	BPO-4	La Cocina	2,554	51
2501	BPO-5	La Cocina	2,538	52
2502	BPO-5	Organic	2,436	50
2503	BPO-5	La Cocina	2,468	50
2504	BPO-5	Organic	2,332	44
2391	BPO-6	La Cocina	2,715	56
2392	BPO-6	Organic	2,804	54
2393	BPO-6	La Cocina	2,732	56
2394	BPO-6	Organic	2,739	57
2261	BPO-7	La Cocina	2,710	46
2262	BPO-7	Organic	2,581	45
2263	BPO-7	La Cocina	2,609	45
2264	BPO-7	Organic	2,604	46
2211	BPO-8	Organic	2,596	53
2212	BPO-8	La Cocina	2,576	53
2213	BPO-8	Organic	2,608	54
2214	BPO-8	La Cocina	2,662	54
2351 ⁽²⁾	BPO-9	La Cocina	3,115	63
2352 ⁽²⁾	BPO-9	Organic	3,218	62
2353 ⁽²⁾	BPO-9	La Cocina	3,171	61
2354 ⁽²⁾	BPO-9	Organic	2,808	56
2441 ⁽²⁾	BPO-10	La Cocina	3,094	63
2442 ⁽²⁾	BPO-10	Organic	2,883	50
2443 ⁽²⁾	BPO-10	La Cocina	2,816	57
2444 ⁽²⁾	BPO-10	Organic	2,625	45
2081 ⁽²⁾	BPO-11	La Cocina	2,785	49
2082 ⁽²⁾	BPO-11	Organic	2,662	41
2083 ⁽²⁾	BPO-11	La Cocina	2,365	37
2084 ⁽²⁾	BPO-11	Organic	2,378	35
2311 ⁽²⁾	BPO-12	La Cocina	3,104	54
2312 ⁽²⁾	BPO-12	Organic	3,161	55
2313 ⁽²⁾	BPO-12	La Cocina	3,259	55
2481 ⁽²⁾	BPO-13	La Cocina	2,950	61
2482 ⁽²⁾	BPO-13	Organic	2,826	57
2483 ⁽²⁾	BPO-13	La Cocina	2,738	56
2484 ⁽²⁾	BPO-13	Organic	2,576	52
2601 ⁽²⁾	BPO-14	La Cocina	2,935	38
2602 ⁽²⁾	BPO-14	Organic	2,968	51
2603 ⁽²⁾	BPO-14	La Cocina	2,878	49
2604 ⁽²⁾	BPO-14	Organic	2,508	43
2411 ⁽²⁾	BPO-15	La Cocina	2,319	39
2412 ⁽²⁾	BPO-15	Organic	3,181	54
2413 ⁽²⁾	BPO-15	La Cocina	3,199	53
2414 ⁽²⁾	BPO-15	Organic	3,192	55
2415 ⁽²⁾	BPO-15	La Cocina	3,190	53
2341 ⁽³⁾	BPO-16	La Cocina	3,128	54
2342 ⁽³⁾	BPO-16	Organic	3,101	54
2343 ⁽³⁾	BPO-16	La Cocina	1,969	34
2344 ⁽³⁾	BPO-16	Organic	3,101	54
2321 ⁽³⁾	BPO-17	La Cocina	2,722	47
2322 ⁽³⁾	BPO-17	Organic	2,813	49
2323 ⁽³⁾	BPO-17	La Cocina	2,490	43
2324 ⁽³⁾	BPO-17	Organic	2,526	44
2007	BPO-18	La Cocina	2,026	35
2008	BPO-18	Organic	1,893	33
2009	BPO-18	La Cocina	1,968	34
2010	BPO-18	Organic	2,066	36

Well name	Pad number ⁽¹⁾	Landing zone	Lateral length (mts)	Total completion stages
2681 ⁽³⁾	BPO-19	La Cocina	3,012	52
2682 ⁽³⁾	BPO-19	Organic	2,986	52
2683 ⁽³⁾	BPO-19	La Cocina	2,780	48
2684 ⁽³⁾	BPO-19	Organic	2,756	48
2942	BPO-20	La Cocina	2,490	43
2943	BPO-20	Organic	2,698	47
2944	BPO-20	La Cocina	2,664	46
2251	BPO-21	La Cocina	2,931	51
2252	BPO-21	Organic	2,920	51
2253	BPO-21	La Cocina	2,884	51
2254	BPO-21	Organic	2,889	51

- (1) BPO-11 formerly pad #12, BPO-12 formerly pad #13, BPO-13 formerly pad #14.
(2) Well included in Joint Venture with Trafigura as described below. Vista has 80% working interest on these wells.
(3) Well included in Joint Venture with Trafigura as described below. Vista has 75% working interest on these wells.

We believe the productivity of our new wells demonstrates the quality of our Vaca Muerta acreage. As of the date of this report, the Vista average well after 720 days of production (represented by the average of our pads BPO-1 to BPO-10) was performing 6% above our Bajada del Palo Oeste type curve.

The 90-day performance of our first 69 wells compares favorably against the horizontal oil wells drilled in the Permian and Vaca Muerta and tied-in between 2012 and 2022, as shown in the charts below:



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

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

On June 28, 2021, we formed an unincorporated joint venture and entered into an investment agreement with Trafigura Argentina S.A. (“Trafigura”), initially, for the joint development of five pads of four wells each at Bajada del Palo Oeste, effective as of July 1, 2021:

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

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

As of the date of this annual report, seven pads for a total of 28 wells have been tied-in under the terms of this agreement, after Trafigura exercised the option in item (c) above.

On October 11, 2022, we established an un-incorporated joint venture and entered into an investment agreement with Trafigura, for the joint development of three pads in Bajada del Palo Oeste. Under the terms of such agreement, effective as of October 1, 2022:

- (a) Trafigura (A) has a contractual right over 25% of the hydrocarbon production of the wells included in such agreement, (B) bears 25% of the capital expenditures, as well as the corresponding royalties and direct taxes, with respect to the wells included in such agreement, and (C) will pay Vista (i) US\$1,700,000 for each tied-in well (equivalent to US\$6,800,000 for a 4-well pad), (ii) a fee, capped at 12.5 \$/bbl, over Trafigura's share of total production to compensate Vista for any improvements in international crude oil prices above 60 \$/bbl and up to 110 \$/bbl, and (iii) a fee on Trafigura's share of total production to compensate Vista for all operating expenses, G&A expenses, midstream costs within the block and well abandonment costs.
- (b) We remain operator of the block and hold 100% of the title of the Bajada del Palo Oeste concession, and, with respect to the wells included in the agreement, will: (i) retain rights over 75% of the hydrocarbon production, (ii) bear 75% of the capital expenditures, as well as the corresponding royalties and direct taxes, and (iii) bear all other costs, including operating and midstream costs.

In conjunction with the agreement, Vista and Trafigura have extended by 12 months the previous crude oil sales and purchase agreement, under which Vista would sell to Trafigura 380,000 barrels of crude oil per month during the first half of 2023 and 345,000 barrels of crude oil per month during the second half of 2023, at a purchase price to be agreed between the parties based on price and market conditions.

As of the date of this annual report, three pads for a total of 12 wells have been tied-in yet under the terms of this agreement.

Bajada del Palo Este

We are the operator and holder of 100% of the exploitation concession granted for the Bajada del Palo Este block in the Neuquina Basin located in the Province of Neuquén. This block has proved reserves of 40.1 MMboe as of December 31, 2023, and production of 4.8 Mboe/d (91% oil) for the year ended December 31, 2023. A 35-year term unconventional exploitation concession was granted on December 21, 2019 and expires on December 19, 2053.

The unconventional exploitation concession includes a commitment to perform an initial pilot plan, during which Vista must (i) drill five new horizontal wells, and (ii) construct surface facilities, for a total investment of approximately US\$51.9 million. As of December 31, 2023, we drilled, completed and tied-in the four wells of such pilot.

Bajada del Palo Este has 48,853 gross acres with exposure to shale oil Vaca Muerta acreage. We estimate there are up to 150 new well locations to be drilled in this block.

Aguada Federal

On September 16, 2021, we acquired a 50% non-operated working interest in Aguada Federal from ConocoPhillips Petroleum Holdings B.V. On January 17, 2022, we acquired an additional 50% interest from Wintershall DEA Argentina S.A. and, therefore, as of such date, we became the operator and sole concession holder of the block. Aguada Federal is an unconventional exploitation concession in the Neuquina Basin located in the Province of Neuquén, covering approximately 24,058 gross acres.

As of December 31, 2023, we had tied-in our first ten shale wells on the block. The block had proved reserves of 39.3 MMboe as of December 31, 2023, and production of 5.2 Mboe/d (88% oil) for the year ended December 31, 2023. We estimate that there are up to 150 new well locations to be drilled in this block. The concession expires on December 20, 2050. As of the date of this annual report, we have no pending commitments in this block.

Águila Mora

We are the operator and holder of a 90% participation interest in the unincorporated joint venture with G&P (which owns the remaining 10% participation interest) for the unconventional exploitation concession over the Águila Mora block in the Neuquina Basin located in the Province of Neuquén, which covers approximately 23,475 gross acres. The block had proved reserves of 1.3 MMboe as of December 31, 2023, and production of 1.3 Mboe/d (89% oil) for the year ended December 31, 2023. We estimate there are up to 100 new well locations to be drilled in this block.

On November 29, 2019, the Neuquén Province issued the Decree No. 2597 pursuant to which GyP was granted an unconventional exploitation concession over the Águila Mora block for a term of 35 years (renewable upon termination and subject to certain conditions for successive 10-year extensions) in replacement of the existing exploration permit over the block.

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

The abovementioned unconventional exploitation concession includes the commitment to perform an initial pilot, during which Vista must (i) return to production three wells previously drilled and completed by the former operator, (ii) drill two new horizontal wells, and (iii) build surface facilities, for a total investment of approximately US\$32.8 million. As of the date of this annual report, we have no pending commitments. The concession expires on November 28, 2055.

Bandurria Norte

On September 16, 2021, we acquired a 50% non-operated working interest in the Bandurria Norte from ConocoPhillips Petroleum Holdings B.V. On January 17, 2022, we acquired an additional 50% working interest from Wintershall DEA Argentina S.A. and therefore, as of such date, we became the operator and sole concession holder of the block. Bandurria Norte is an unconventional exploitation concession in the Neuquina Basin located in the Province of Neuquén, which covers approximately 26,404 gross acres. The block had no proved reserves as of December 31, 2023, nor production for the year ended December 31, 2023. Since 2017, a total of four horizontal wells have been drilled in this concession, all of which proved hydrocarbon production, prior to being shut-in in 2019. We estimate there are up to 150 new well locations to be drilled in this block. The concession expires in 2050. As of the date of this annual report, we have no pending commitments in this block.

Coirón Amargo Norte

We are the operator and holder of an 84.6% working interest in the unincorporated joint venture for the exploitation concession for Coirón Amargo Norte in the Neuquina Basin located in the Province of Neuquén, which covers approximately 26,598 gross acres. This block has proved reserves of 0.3 MMboe as of December 31, 2023, and a production of 0.2 Mboe/d (96% oil) for the year ended December 31, 2023. The concession expires on February 22, 2037. There are no pending capital commitments.

Based on the solid productivity results of our pilot in Bajada del Palo Este, we have added 50 new well locations to the drilling inventory in Coirón Amargo Norte.

Acambuco

We hold a 1.5% working interest in the unincorporated joint venture for the exploitation concession for Acambuco in the Noroeste Basin located in the Province of Salta, which covers approximately 293,747 gross acres. The operator of this assessment block is Pan American Energy which holds a 52% interest. The remaining interests are held by YPF, which holds 22.5% interest, Shell Argentina, which holds 22.5%, and Northwest Argentina, which holds the remaining 1.5% interest. This block has proved net reserves of 0.6 MMboe as of December 31, 2023, and a net production of 0.2 Mboe/d (11% oil) for the year ended December 31, 2023. San Pedrito Exploitation lot under the Acambuco concession expires in 2036 and Macueta Exploitation lot, also under the Acambuco concession, expires in 2040. There are no pending capital commitments.

CAT Exploitation Concessions

As a result of the Conventional Assets Transaction, effective March 1, 2023, Aconcagua became the operator of the following concessions in the Neuquina basin, in Argentina: Entre Lomas Neuquén, located in the Province of Neuquén, and Entre Lomas Río Negro, Jarilla Quemada, Charco del Palenque, Jagüel de los Machos and 25 de Mayo-Medanito SE, each located in the Province of Río Negro. Vista remains the concession title holder until no later than the final closing date on February 28, 2027, when the CAT Exploitation Concessions will be transferred to Aconcagua, subject to provincial approvals. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

As of the date of this annual report, the Company had the following commitments pending of execution (i) in Entre Lomas Río Negro to drill and complete two development wells for an estimated cost of US\$4.4 million; (ii) in Entre Lomas Río Negro to make capital investments in five well workovers and abandon two wells for an estimated cost of US\$3.0 million; and (iii) in 25 de Mayo—Medanito S.E. and Jagüel de los Machos to make capital investments in six well workovers and abandon 19 wells for an estimated cost of US\$7.6 million. As per the Conventional Assets Transaction agreement, Aconcagua shall assume all past investment commitments, as well as costs, taxes and royalties related to the CAT Exploitation Concessions.

Vista retains the right to explore and develop the Vaca Muerta formation in the CAT Exploitation Concessions and seek to obtain one or more independent and separate unconventional concessions to develop such resources.

Mexico

CS-01 Block

We hold a 100% interest in the license agreement entered into with CNH for block CS-01, which we operate. The block covers approximately 14,332 gross acres and is located in the state of Tabasco. During 2023, we relinquished a part of the area as strategy to reduce payments to the CNH. As of December 31, 2023, the block had proved reserves of 10.1 MMboe, and a production of 0.7 Mboe/d (94% oil). This license agreement will terminate in 2047. As of the date of this annual report, we have no pending investment commitments.

Oil and Natural Gas Reserves

Reserves

The information included in this annual report regarding proved reserves is derived from estimates of the proved reserves as of December 31, 2023, from the 2023 Reserves Report. The 2023 Reserves Report is included as Exhibit 99.1 to this annual report.

D&M is an independent reserves engineering consultant. The 2023 Reserves Report prepared by D&M is based on information provided by us and present an appraisal as of December 31, 2023, of oil and gas reserves located in the Entre Lomas Río Negro, Entre Lomas Neuquén, Bajada del Palo Oeste, Bajada del Palo Este, Charco del Palenque, Jarilla Quemada, Coirón Amargo Norte, Acambuco, Jagüel de los Machos, 25 de Mayo-Medanito, Aguada Federal, Aguila Mora and Bandurria Norte blocks in Argentina and of our oil and gas reserves located in the CS-01 block in Mexico.

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

The Company considers that its remaining estimated volumes of oil and gas proved recoverable reserves are fair and that these estimates were prepared according to SEC regulations and ASC 932, as amended. Consequently, crude oil prices used in determining proved reserves were the average price during the 12 months prior to the end date of December 31, 2023, and 2022, respectively, determined as an unweighted average of the first day of the month for each month within these periods. Moreover, since there are no natural gas prices available in the benchmark market in Argentina, we used the average gas prices for the previous year to determine gas reserves. In addition, for certain gas volumes, Vista will obtain an incentive price subsidized by the Argentine government through Gas Plan IV. A weighted average price is estimated for certain areas per subsidized and unsubsidized volume.

The following table sets forth summary information about the oil and natural gas net proved developed and undeveloped reserves of the assets we own in Argentina and Mexico as of December 31, 2023. The proved developed and undeveloped reserves estimates included below were calculated at their respective working interest percentages.

	Crude oil, condensate and NGL ⁽¹⁾ (MMbbl)	Consumption plus natural gas sales ⁽²⁾ (MMboe)	Consumption plus natural gas sales ⁽²⁾ (Bcf)	Total proved reserves (MMboe)	% Oil
Net Proved developed:	72.7	16.0	90.0	88.7	82%
Argentina	71.0	15.2	85.5	86.2	82%
Mexico	1.8	0.8	4.5	2.6	69%
Net Proved undeveloped:	196.8	32.9	184.7	229.7	86%
Argentina	191.3	30.9	173.3	222.2	86%
Mexico	5.5	2.0	11.4	7.5	73%
Total Net Proved	269.6	48.9	274.6	318.5	85%
Argentina	262.3	46.1	258.8	308.4	85%
Mexico	7.3	2.8	15.9	10.1	72%

Total figures may not add up due to rounding.

- (1) Our hydrocarbon liquid volumes include crude oil, condensate and NGL (LPG and natural gasoline). We do not include separate figures for NGL reserves because they represented less than 1% of our proved developed and undeveloped reserves as of December 31, 2023, respectively.
- (2) Natural gas consumption represented 11% of total natural gas reserves (consumption plus natural gas sales) as of December 31, 2022, and 9% as of December 31, 2023.

As of December 31, 2023, the oil and gas proved reserves of the assets we own (developed and undeveloped) totaled 318.5 MMboe (269.6 MMbbl of oil, condensate and NGL and 274.6 Bnfc, or 48.9 MMboe of gas). Proved undeveloped reserves of crude oil, condensate and NGL represented 62% of our total proved reserves.

	Total Proved Developed			Total of oil and gas proved developed reserves (MMboe)	Total Proved Undeveloped			Total of oil and gas proved undeveloped reserves (MMboe)	Total Proved			Total of oil and gas proved reserves (MMboe)
	Crude oil, condensate and NGL ⁽¹⁾ (MMbbl)	Consumption plus natural gas sales ⁽²⁾ (MMboe) (Bcf)			Crude oil, condensate and NGL ⁽¹⁾ (MMbbl)	Consumption plus natural gas sales ⁽²⁾ (MMboe) (Bcf)			Crude oil, condensate and NGL ⁽¹⁾ (MMbbl)	Consumption plus natural gas sales ⁽²⁾ (MMboe) (Bcf)		
Argentina:												
Bajada del Palo Oeste	56.4	10.6	59.4	67.0	131.5	23.3	130.7	154.8	188.0	33.9	190.1	221.8
Bajada del Palo Este	4.9	1.0	5.6	5.9	31.7	2.5	13.9	34.2	36.7	3.5	19.5	40.1
Charco del Palenque	0.1	0.1	0.5	0.2	0.0	0.0	0.0	0.0	0.1	0.1	0.5	0.2
Coirón Amargo Norte	0.2	0.0	0.2	0.3	0.0	0.0	0.0	0.0	0.2	0.0	0.2	0.3
Entre Lomas Rio Negro	0.8	1.4	7.7	2.2	0.1	0.2	0.9	0.2	0.9	1.5	8.6	2.4
Entre Lomas Neuquén	0.3	0.2	1.4	0.5	0.0	0.0	0.0	0.0	0.3	0.2	1.4	0.5
Jagüel de los Machos	0.5	0.3	1.7	0.8	0.0	0.0	0.1	0.0	0.5	0.3	1.8	0.8
Jarilla Quemada	0.0	0.1	0.6	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.6	0.1
25 de Mayo–Medanito	0.8	0.2	0.8	0.9	0.0	0.0	0.1	0.0	0.8	0.2	0.9	1.0
Acambuco	0.1	0.5	3.0	0.6	0.0	0.0	0.0	0.0	0.1	0.5	3.0	0.6
Aguada Federal	5.8	0.7	3.7	6.4	28.0	4.9	27.7	32.9	33.7	5.6	31.4	39.3
Aguila Mora	1.1	0.2	0.9	1.3	0.0	0.0	0.0	0.0	1.1	0.2	0.9	1.3
Bandurria Norte	—	—	—	—	—	—	—	—	—	—	—	—
Argentina Subtotal	71.0	15.2	85.5	86.2	191.3	30.9	173.3	222.2	262.3	46.1	258.8	308.4
Mexico:												
CS-01	1.8	0.8	4.4	2.6	5.5	2.0	11.4	7.5	7.3	2.8	15.8	10.1
Mexico Subtotal	1.8	0.8	4.4	2.6	5.5	2.0	11.4	7.5	7.3	2.8	15.8	10.1
Total	72.7	16.0	90.0	88.7	196.8	32.9	184.7	229.7	269.6	48.9	274.6	318.5

- (1) Our hydrocarbon liquid volumes include crude oil, condensate and NGL (LPG and natural gasoline). We do not include separate figures for NGL reserves because they represented less than 1% of our proved developed and undeveloped reserves as of December 31, 2023.
- (2) Natural gas consumption represented 11% of total natural gas reserves (consumption plus natural gas sales) as of December 31, 2022, and 9% as of December 31, 2023.

Changes in our proved undeveloped reserves during 2023

As of December 31, 2023, we had an estimated volume of proved undeveloped reserves of 229.7 million barrels of oil equivalent (MMboe). This compares to an estimate of proved undeveloped reserves of 165.4 MMboe as of December 31, 2022. The total increase of 64.3 MMboe (+57.3 MMbbl of crude oil, condensate and NGL and +39.1 Bcf of natural gas) in proved undeveloped reserves in 2023 is attributable to:

Argentina:

- An increase of 84.9 MMboe (+74.85 MMbbl of crude oil, condensate and NGL and +56.47 Bcf of natural gas) due to extensions and discoveries, mainly related to the drilling activity targeting the Vaca Muerta formation: (a) the drilling of 15 wells (4 pads) in the Aguada Federal concession (+9.09 MMbbl of crude oil, condensate and NGL and +9.09 Bcf of natural gas); (b) the drilling of 24 wells (11 pads) in the Bajada del Palo Este concession (+28.91 MMbbl of crude oil, condensate and NGL and +12.05 Bcf of natural gas) and (c) the drilling of 33 wells (9 pads) in the Bajada del Palo Oeste concession (+36.85 MMbbl of crude oil, condensate and NGL and +35.33 Bcf of natural gas);
- A decrease of 18.02 MMboe (-15.00 MMbbl of crude oil, condensate and NGL and -16.95 Bcf of natural gas) due to the conversion of proved undeveloped reserves to proved developed reserves as a result of: (a) the drilling success in Vaca Muerta formation of 8 wells (2 pads) in Bajada del Palo Oeste (-7.84 MMbbl of crude oil, condensate and NGL and -7.90 Bcf of natural gas); (b) the conversion of 8 wells (2 pads) Bajada del Palo Oeste (Farmout Agreement II) (-6.94 MMbbl of crude oil, condensate and NGL and -6.99 Bcf of natural gas); and (c) the drilling of one well in Entre Lomas Río Negro (-0.22 MMbbl of crude oil, condensate and NGL and -2.06 Bcf of natural gas);
- A decrease of 6.14 MMboe (-5.09 MMbbl of crude oil, condensate and NGL and -5.88 Bcf of natural gas) due to revisions to previous estimates related to: (a) an adjustment in Aguada Federal due to the latest well results (-5.82 MMbbl of crude oil, condensate and NGL and -6.58 Bcf of natural gas); and (b) other effects, including the positive revision of proved reserves associated with the extension of the economic life of proved developed reserves in Bajada del Palo Oeste (+0.73 MMbbl of crude oil, condensate and NGL and +0.70 Bcf of natural gas); and
- A decrease of 0.2 MMbbl of crude oil, condensate and NGL related to the Conventional Assets Transaction. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Mexico:

- An increase 0.5 MMbbl of crude oil, condensate and NGL due to the latest drilling and discovery campaigns in Amate and Encajonado formations;
- An increase of 4.24 MMboe (+3.1 MMbbl of crude oil, condensate and NGL and +6.4 Bcf of natural gas) related to the revision of government cash-paid royalties for reserves and production volumes that were discounted in previous periods;
- An increase of 1.02 MMboe (+0.9 MMbbl of crude oil, condensate and NGL and +0.7 Bcf of natural gas) due to the extension of acreage from the drilling campaign in the same blocks with Vernet-1053 and 1054 wells; and
- A decrease of 1.95 MMboe (-1.65 MMbbl of crude oil, condensate and NGL and -1.67 Bcf of natural gas) from the conversion of proved undeveloped reserves to proved developed reserves generated by the successful drilling campaign of Vernet-1001, 1002, 1004, 1005, and 1006.

During 2023, we invested US\$200.9 million (corresponding to the drilling, completion and tie-in activities of 16 new shale wells) to convert proved undeveloped reserves to proved developed reserves. During 2022, we invested US\$92.4 million (corresponding to the drilling, completion and tie-in activities of nine new shale wells and two new conventional wells) to convert proved undeveloped reserves to proved developed reserves.

We plan to put 100% of our reported 2023 year-end proved undeveloped reserves into production through activities to be implemented within five years of initial disclosure.

As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Reserves Estimation Process—Internal Controls

We maintain an internal staff of petroleum engineers and geoscience professionals who work closely with our independent reserves engineering consultants to ensure the integrity, accuracy and timeliness of data used by our independent reserves engineering consultants in their estimation process and who have knowledge of the specific properties under evaluation. Our Chief Operating Officer, Juan Garoby, is primarily responsible for overseeing the preparation of our reserves estimates and for the internal control over our reserves estimation. He has more than 20 years of experience in exploration and production and oilfield services.

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

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

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

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

Independent Reserves Engineer Consultants

The 2023 reserves estimates of the assets we own in Argentina and Mexico were certified by D&M, a global oil and gas consultancy that has been offering technical, commercial, and strategic advice to the oil and gas industry since 1936. Vista asked D&M to prepare the 2023 Reserves Report which was issued on February 7, 2024, covering reserves as of December 31, 2023, of the assets we own in Argentina and Mexico. For the year ended December 31, 2023, the technical person within the third-party engineering firm overseeing the preparation of the reserves estimates presented in our filing for Argentina and Mexico was Mr. Federico Dordoni. For disclosure describing the qualifications of D&M’s technical person primarily responsible for overseeing our reserves evaluation, see Exhibit 99.1 to this annual report.

Technology used in reserves estimation

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

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

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

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

Our estimated proved reserves as of December 31, 2023 are based on estimates generated through the integration of available and appropriate data, utilizing well-established technologies that have been demonstrated in the field to yield repeatable and consistent results. Data used in these integrated assessments include information obtained directly from the subsurface via wellbore, such as well logs, reservoir core samples, fluid samples, static and dynamic pressure information, production test data, and surveillance and performance information. The data utilized also include subsurface information obtained through indirect measurements, including high quality 2-D and 3-D seismic data, calibrated with available well controls. Where applicable, geological outcrop information was also utilized. The tools used to interpret and integrate all this data included both proprietary and commercial software for reservoir modeling, simulation and data analysis. In some circumstances, where appropriate analog reservoir models are available, reservoir parameters from these analog models were used to increase the reliability of our reserves estimates.

Acreage

As of December 31, 2023, our total developed and undeveloped operated acreage in Argentina and Mexico, both gross and net, was as follows. The table includes the total acreage by us and our subsidiaries, joint operations and associates.

	<u>Total Acreage</u>		<u>Total Developed Acreage</u>		<u>Total Undeveloped Acreage</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Argentina	212,029	205,591	30,270	28,077	181,760	177,514
Mexico	14,332	14,332	13,591	13,591	741	741

Figures are approximate amounts.

As of December 31, 2023, we held a non-operated participation of 1.5% in Acambuco, which had 293,747 gross acres, of which 18,311 acres are developed and 275,436 acres are undeveloped. As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. As of December 31, 2023, these assets had a combined gross acreage of 359,200, of which 70,178 acres are developed and 289,022 acres are undeveloped. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Productive Wells

As of December 31, 2023, we owned and operated 268 gross productive wells, 258 net productive wells and three injector wells. As of December 31, 2023, our total gross and net operated productive wells in Argentina and Mexico were as follows. The table includes the total gross and net operated productive wells by us and our subsidiaries. We did not drill any exploratory wells during 2023.

	<u>Oil</u>		<u>Gas</u>		<u>Total</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Argentina	228	218	31	31	259	249
Mexico	9	9	0	0	9	9

Figures are approximate amounts.

We hold a non-operated participation of 1.5% in Acambuco, as of December 31, 2023, Acambuco had a total of five productive wells (representing five gross wells and zero net wells for the Company). As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. As of December 31, 2023, these assets had a total of 674 gross productive wells. See “Item 4—Information on the Company— Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Present Activities

The following table shows the number of wells in Argentina and Mexico, operated by Vista, that are in the process of being drilled or were in active completion stages, and the number of wells suspended or waiting on completion as of December 31, 2023. For more information on our present activities, see “Item 4—Information on the Company—History and Development of the Company—Oil and Natural Gas Reserves Production—Drilling Activities.”

	<u>Wells in process of being drilled or in active completion in Argentina</u>	<u>Wells in process of being drilled or in active completion in Mexico</u>
Oil wells		
Gross	17	0
Net	17	0
Gas wells	0	0
Gross	0	0
Net	0	0

We hold a non-operated participation of 1.5% in Acambuco. As of December 31, 2023, Acambuco had a total of zero wells in process of being drilled or in active completion. As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. As of December 31, 2023, these assets had a total of two gross gas wells in process of being drilled or in active completion. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Production

The following tables set forth information on our oil and natural gas production volumes in Argentina and Mexico for the years ended December 31, 2023, December 31, 2022 and December 31, 2021.

Block	Working interest	Operator	Production for the year ended December 31, 2023		Production for the year ended December 31, 2022	
			Crude Oil ⁽¹⁾ (in thousands barrels)	Natural gas sales ⁽²⁾ (in millions of cubic feet)	Crude Oil ⁽¹⁾ (in thousands barrels)	Natural gas sales ⁽²⁾ (in millions of cubic feet)
Neuquina Basin						
Bajada del Palo Oeste	100%	Vista	10,501.18	10,293.94	9,631.42	10,215.23
Entre Lomas Río Negro	— (7)	Aconcagua ⁽⁷⁾	500.42	1,065.73	990.52	1,483.85
Jagüel de los Machos	— (7)	Aconcagua ⁽⁷⁾	352.14	594.19	811.20	1,407.85
25 de Mayo-Medanito	— (7)	Aconcagua ⁽⁷⁾	373.90	166.53	829.10	414.39
Entre Lomas Neuquén	— (7)	Aconcagua ⁽⁷⁾	170.82	200.85	374.04	1,035.63
Bajada del Palo Este	— (7)	Vista	1,623.49	813.83	928.21	812.97
Coirón Amargo Norte	86.4%	Vista	60.57	14.55	77.10	15.73
Jarilla Quemada ⁽³⁾	— (7)	Aconcagua ⁽⁷⁾	43.65	150.08	78.45	123.56
Coirón Amargo Sur Oeste	— (4)	Shell	—	—	—	—

Block	Working interest	Operator	Production for the year ended December 31, 2023		Production for the year ended December 31, 2022	
			Crude Oil ⁽¹⁾ (in thousands barrels)	Natural gas sales ⁽²⁾ (in millions of cubic feet)	Crude Oil ⁽¹⁾ (in thousands barrels)	Natural gas sales ⁽²⁾ (in millions of cubic feet)
Águila Mora	90%	Vista	428.01	287.27	—	—
Charco del Palenque ⁽³⁾	— (7)	Aconcagua ⁽⁷⁾	—	—	—	—
Aguada Federal	100% ⁽⁵⁾	Vista	1,673.56	1,233.63	899.48	662.04
Bandurria Norte	100% ⁽⁵⁾	Vista	—	—	—	—
Golfo San Jorge Basin						
Sur Río Deseado Este	— (6)	Alianza Petrolera	—	—	—	—
Noroeste Basin						
Acambuco	1.5%	Pan American Energy	6.41	304.00	5.94	258.91
Mexico						
CS-01	100% ⁽⁸⁾	Vista	227.40	77.03	167.19	31.39
A-10	— (8)	Pantera	—	—	—	—
TM-01	— (8)	Jaguar	—	—	—	—

- Oil production is comprised of production of crude oil, condensate, natural gasoline, and NGLs.
- Natural gas production excludes natural gas consumption.
- Jarilla Quemada consolidates the Agua Amarga production information (Jarilla Quemada plus Charco del Palenque production).
- Fully divested 10% working interest to Shell. The effective date of the transaction is April 1, 2021.
- Acquired 50% working interest in Aguada Federal and Bandurria Norte concessions on September 16, 2021. Acquired an additional 50% working interest in Aguada Federal and Bandurria Norte concessions on January 17, 2022.
- The 25-year term of the SRDE exploitation concession, with 16.9% working interest, expired on March 21, 2021, and Vista decided not to request the 10-year extension filed by the operator.
- Assets transferred to Aconcagua, effective on March 1, 2023. After such date, Aconcagua remains the operator of the transferred assets and Vista remains entitled to 40% of crude oil and natural gas production and reserves, and 100% of LPG and condensates production and reserves, of the transferred assets.
- In August 2021, we announced an asset transfer whereby, through one of our subsidiaries, we (i) increased our interest in operated block CS-01 to 100%, and (ii) divested our entire interest in blocks TM-01 and A-10 in favor of Jaguar and Pantera, respectively.

Block	Production for the year ended December 31, 2021	
	Crude oil ⁽¹⁾ (in thousands of barrels)	Natural gas ⁽²⁾ (in millions of cubic feet)
Neuquina Basin		
Bajada del Palo Oeste	7,609.03	9,749.30
Entre Lomas Río Negro	852.00	1,842.81
Jagüel de los Machos	857.14	1,570.18
25 de Mayo-Medanito	879.57	440.04
Entre Lomas Neuquén	401.05	994.69
Bajada del Palo Este	152.46	896.68
Coirón Amargo Norte	95.22	6.25
Jarilla Quemada ⁽³⁾	88.85	423.64
Coirón Amargo Sur Oeste	6.02	2.82
Águila Mora	—	—
Charco del Palenque ⁽³⁾	—	—
Aguada Federal	35.96	23.43
Bandurria Norte	—	—
Golfo San Jorge Basin		
Sur Río Deseado Este	—	—
Noroeste Basin		
Acambuco	6.77	281.35
Mexico		
CS-01	94.59	14.73
A-10	—	171.25
TM-01	2.53	—

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

As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Drilling Activities

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

During the year ended December 31, 2023, as operators, we drilled and completed 31 net wells in Argentina and six net wells in Mexico and performed one workovers. All of these drilled and completed net wells targeted oil-weighted formations and no net wells targeted gas formations. We invested US\$734.3 million, of which US\$501.9 million correspond to drilling and completion activity in Vaca Muerta, where we completed 31 new net wells during the year. Capital expenditures in development facilities were US\$168.7 million and capital expenditures in geological and geophysical studies, IT and other projects totaled US\$63.7 million.

During the year ended December 31, 2022, as operators, we drilled and completed 26 net wells and performed five workovers. Among the drilled and completed wells, 24 new net wells targeted oil-weighted formations, whereas 2 net wells targeted gas formations. We invested US\$540.0 million, of which US\$361.6 million correspond to our Vaca Muerta development, where we completed 26 new net wells during the year. Capital expenditures in conventional drilling and workover activities were US\$12.5 million and capital expenditures in associated facilities and others totaled US\$165.9 million.

During the year ended December 31, 2021, as operators, we drilled and completed 25 net wells and performed four workovers. Among the drilled and completed wells, 21 net new wells targeted oil-weighted formations, whereas three net wells targeted gas formations and one net exploratory well. We invested US\$324.1 million, of which US\$220.0 million correspond to the drilling and completion activities in our Vaca Muerta development in Bajada del Palo Oeste, where we completed our 4-well pads BPO-6, BPO-7 and drilled and completed pads BPO-8, BPO-9 and BPO-10. Capital expenditures in conventional drilling and workover activities were US\$26.9 million and capital expenditures in associated facilities and others totaled US\$77.2 million.

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

Argentina

<u>For the Year Ended December 31,</u>	<u>Oil development net well – productive</u>	<u>Gas development net well – productive</u>	<u>Oil development net well – dry</u>	<u>Gas development net well – dry</u>	<u>Exploratory net well – productive</u>	<u>Exploratory net well – dry</u>
2021	21	3	0	0	0	0
2022	24	2	0	0	0	0
2023	35	0	0	0	0	0

Mexico

<u>For the Year Ended December 31,</u>	<u>Oil development net well – productive</u>	<u>Gas development net well – productive</u>	<u>Oil development net well – dry</u>	<u>Gas development net well – dry</u>	<u>Exploratory net well – productive</u>	<u>Exploratory net well – dry</u>
2021	0	0	0	0	1	0
2022	0	0	0	0	0	0
2023	0	0	0	0	6	0

We hold a non-operated participation of 1.5% in Acambuco. During the year ended December 31, 2023, we did not participate in any drilling activities in Acambuco. As a result of the Conventional Assets Transaction, we transferred the operations of six conventional assets in Argentina, effective March 1, 2023. During the year ended December 31, 2023, four gross wells were drilled in these assets. See “Item 4—Information on the Company—Business Overview—Transaction to increase focus on shale oil operations in Vaca Muerta.”

Delivery Commitments

We are committed to providing fixed and determinable quantities of crude oil, natural gas and NGL in the near future under a variety of contractual arrangements, some of them under firm arrangements and others on a spot basis.

As of December 31, 2023, our oil production was not subject to delivery commitments.

For natural gas, in April 2023 we signed annual commitments, for the period May 2023 to April 2024, which added to the commitments already assumed with the Plan Gas.Ar until 2028 representing approximately 85% of our marketable total production, with seasonal pricing arrangements. The remainder is sold to the spot market. The annual commitments for the period May 2024 to April 2025 are expected to be signed by the end of April 2024.

For LPG, we are committed to deliver a specific quota of propane under an agreement with the SdE that represents approximately 17% of our annual production to guarantee local demand of residential grids, whereas the remaining production is freely marketed. Regarding Butane we deliver under a National Decree approximately 71% of our annual production to guarantee local LPG cylinders demand for residential consumers.

One Team Contracts

We have implemented a contracting approach (“One Team Contracts”) which aims to align the commercial interests of Vista and key contractors through performance payments. Operationally, we aim to integrate our operating team with our service providers’ team by sharing common objectives and goals and by using same key performance indicators, which provide economic incentives to the personnel of all companies working under the One Team Contracts. The One Team Contracts program covers the most important suppliers to our shale oil development: (i) One Team Drilling, which involves SLB and Nabors drilling, and (ii) One Team Completion, which involves SLB and Brent Energía y Servicios.

Transportation and Treatment

In our operated blocks in Argentina, we treat and transport our oil, gas and water production in existing transportation treatment facilities that have sufficient capacity to process and deliver our current hydrocarbon production. As of the date of this annual report, these existing treatment facilities are comprised of several oil and gas pipelines, eight batteries distributed throughout the blocks, one oil treatment plant, two water treatment plants and four compression stations.

All multiphase production from Bajada del Palo Oeste, Bajada del Palo Este, Aguada Federal and Coirón Amargo Norte is collected in primary separation batteries. Oil is pumped through pipeline to the Entre Lomas treatment plant to reach sales specifications (70,000 bbl/d capacity). Water is treated at, and pumped to disposal wells from, the Bajada del Palo water treatment plant (PIAS Borde Montuoso; capacity 19,000 bpd) and the Entre Lomas water treatment plant (capacity 80,000 boe/d). Gas production from Bajada del Palo Oeste and shale production of Bajada del Palo Este is compressed and dehydrated in two compressor stations to be injected to TGS Vaca Muerta system at Tratayen for further treatment. Sales Gas is injected to the TGS or TGN systems. Gas production from Aguada Federal is boosted and sent to a low-pressure gathering system in a neighboring block. Gas is treated and compressed into TGS sales pipelines. Gas from Coiron Amargo Norte is dehydrated and injected into the TGN Centro Oeste system. Conventional Gas from Bajada del Palo Este production is injected to Entre Lomas gas treatment plant (45 MMscf/d capacity), which injects spec gas into TGS system. Aguila Mora production is separated in the block. Gas is compressed, dehydrated and injected into a gas pipeline on a neighboring block, which injects to the TGS Vaca Muerta system. Oil and water are trucked to a tank battery at Bajada del Palo Oeste, where fluids are incorporated into the Bajada del Palo Oeste systems described above.

As a result of the Conventional Assets Transaction with Aconcagua, the gas complex in Entre Lomas Central Production Facility is now operated by Aconcagua. Vista Argentina and Aconcagua have signed two agreements, whereby (i) Aconcagua will treat and dispatch the natural gas corresponding to Vista Argentina injected at the Entre Lomas Central Production Facility, and (ii) Vista Argentina will treat and transport the crude oil and water corresponding to Aconcagua arising from Agua Amarga and Entre Lomas.

Midstream

Once treated, we use the oil pipeline system and oil tankers to transport oil to our customers. Oil is customarily sold through contracts whereby producers are responsible for transporting produced oil from the field to refinery gate or a port for shipping, with all costs and risks associated with transportation borne by the producer. Gas, however, is sold at the point of delivery of the gas pipeline system near the field and, therefore, the customer bears all transportation costs and risks associated therewith. Oil and gas transportation in Argentina mostly operates in an “open access” non-discriminatory environment under which producers have equal and open access to the transportation infrastructure. We maintain limited storage capacity at the oil Terminal located in Puerto Rosales, near Bahía Blanca from which oil is delivered to our end customers.

As of the date of this report, we held approximately 50 Mbb/d of oil pipeline transportation capacity, which includes our existing capacity in the Oldelval system and access to Chile through the OTASA/OTC pipeline to Chile. We also have approximately 11 Mbb/d of oil transportation capacity through trucking. We are currently working on an expansion of our loading bays at our oil treatment plant to add to this capacity.

Additionally, we have acquired capacity in three expansion projects, as shown below:

- On December 21, 2022, the Company, through its subsidiary Vista Argentina, was awarded crude oil transportation capacity of 31.5 Mbb/d under the project to expand the current line from Allen to Puerto Rosales implemented by Oldelval (transportation concession holder) for 315 Mbb/d. Thus, the Company undertook to make an upfront payment of US\$118.0 million between 2023 and 2025, to be recovered from the monthly service fee.
- On January 27, 2023, the Company, through its subsidiary Vista Argentina, was awarded a storage and dispatch capacity of 225 Mbb and 37.4 Mbb/d, respectively, under the program to extend Puerto Rosales marine terminal and pumping station, in which Oiltanking Ebytem S.A. bid for a storage and dispatch capacity of 1,887 Mbb and 315 Mbb/d, respectively. Thus, the Company undertook to make an upfront payment of US\$28.4 million between 2023 and 2025, to be recovered from the monthly service fee as from the beginning of the program.
- On May 16, 2023, through its subsidiary Vista Argentina, the Company entered into an agreement with YPF S.A., Equinor Argentina B.V. Sucursal Argentina (“Equinor”) and Shell Argentina S.A. (“Shell”), whereby Vista was assigned an 8% interest on the Vaca Muerta Norte pipeline, equivalent to a crude oil transportation capacity of 12.5 Mbb/d.

For more detail on the midstream infrastructure network in Argentina, see “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Frameworks in Argentina—Oil Midstream and Downstream.”

Overview of exploitation concessions in Argentina

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

Customers and Marketing

Oil Markets

In Argentina, our crude oil production was sold to domestic refineries and exported during 2023, 2022 and 2021. During 2023, we exported 52% of our oil sales volumes, compared to 44% in 2022 and 28% in 2021. During the past three years, our main domestic customers were Raizen and Trafigura. Approximately 99% of our oil is produced in the Neuquina Basin and is referred to Medanito crude oil, a high-quality oil generally in demanded by Argentine refiners for subsequent distribution in the domestic market. Production from our Neuquina Basin properties is transported to Puerto Rosales, a major industrial port in the southern region of the Province of Buenos Aires through the Oldelval pipeline system, then goes to either the domestic refining market, which consists of five active refiners, or to international customers through maritime transportation. Additionally, as of May 2023, we initiated oil exports to Chile through the OTASA/OTC oil pipeline. Even though we prioritize long-term relationships with domestic customers, we have developed relationships with international customers in order to establish a diversified portfolio for our expected production increase in the upcoming years.

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

Natural Gas Markets and NGL

In Argentina, we have established a diversified portfolio of customers for natural gas. Our primary customers in 2023 were industrial customers, representing 45% of our total natural gas sales volumes for such period, whereas in 2022 our primary customers were industrial customers, representing 32% of our total natural gas sales volumes for such period. Argentina has a highly developed natural gas market and a sophisticated infrastructure in place to deliver natural gas to export markets or to industrial and residential customers in the domestic market. However, natural gas markets in Argentina are regulated by the Argentine government. Even though the Argentine government sets the price at which natural gas producers sell volumes to residential customers, volumes that are sold to industrial and other customers are not regulated and pricing varies with seasonal factors and industry category. We generally sell our natural gas to Argentine customers pursuant to short-term contracts and in the spot market. The Neuquina Basin is served by a substantial gas pipeline network that delivers gas to the Buenos Aires metropolitan and surrounding areas, and the industrial regions of Bahía Blanca and Rosario. Natural gas produced in our Neuquina Basin properties is readily marketed due to accessibility to such infrastructure. Our properties are well situated in the Basin with four major pipelines in close proximity. In Mexico, all the natural gas production is sold to Pemex.

In relation to the Gas.Ar Plan, on December 22, 2022, through Resolution No. 860/2022 of the SdE, Vista Argentina was awarded a base volume of 0.86 MMcm/d at an annual average price of 3.29 USD/MMBtu, applicable until December 31, 2024. On April 19, 2023, through Resolution No. 265/2023 of the SdE, the base volume awarded to Vista Argentina was increased to 1.14 MMcm/d, maintaining the annual average price of 3.29 USD/MMBtu, applicable for a four-year period as from January 1, 2025. See “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Gas Market—Gas Plan 2020-2024 (Gas.Ar Plan).”

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

Competition

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

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

Intellectual Property

Our intellectual property is an essential element of our business, and our success depends, at least in part, on our ability to protect our core technology and intellectual property. To accomplish this, we rely on a combination of patent, trade secret, trademark and other intellectual property laws, confidentiality agreements and license agreements to establish and protect our intellectual property rights. As of December 31, 2023, we had all our trademarks duly registered with the regulatory authorities, noting as well that patent applications is not part of our usual business.

Information Technology

We rely on our information technology systems and automated machinery to effectively manage our production processes and operate our business. Our computer systems are supported by Dell and IBM infrastructure for data processing, NetApp and EMC for storage and backup; Cisco for networking and firewall cybersecurity. We have implemented S/4 Hana, a cloud-based ERP licensed by SAP standardizing administrative processes and internal control across our entire organization.

As with other companies, our information technology systems may be vulnerable to damage or interruption from cyber-attacks and other security breaches. We follow the Cybersecurity Framework developed by U.S. Department of Commerce's National Institute of Standards and Technology ("NIST"). We assess the maturity level tested against the latest cybersecurity trends and disclosure research with our partner KPMG. Our framework follows NIST's five core functions to help us identify cybersecurity compliance gaps and requirements. During 2023, we reached a 3.65 NIST maturity level, above our target of 3.50. We utilize Google Cloud Platform ("GCP") as a repository of all the structured and real time data in line with our business intelligence and advance analytics strategy. Migrating to the cloud allows us to reduce the cost of ownership of new servers and provides flexibility to incorporate more demanding data and processing applications. We are currently applying artificial intelligence and machine learning to core business processes with software-as-a-service solutions that run on processing data from our cloud.

We focus on enhancing the use of our real-time acquired data to empower solutions that facilitate Near Real-Time decision-making. All our field offices are connected to the internet through a high bandwidth fiber optic network (>200mbps) with enough redundancy to guarantee +95% uptime, in line with our Cloud strategy.

We depend on digital technology, including information systems to process financial and operating data, analyze seismic and drilling information and oil and gas reserves estimates as well as real-time systems for monitoring and controlling production. Because of the critical nature of their infrastructure and the increased accessibility enabled through connection to the Internet, they may face a heightened risk of cyber-attack. See "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry—Our industry has become increasingly dependent on digital technologies to carry out daily operations" and "Item 16K—Cybersecurity."

ESG Matters

During 2023, we believe that we reinforced our commitment to sustainability. The main highlights in the Environmental, Social and Governance fronts are summarized below:

Environmental

- Ongoing execution of plan to reduce our scope 1 & 2 GHG emissions intensity to 7 kgCO₂e/boe by 2026. This target constitutes an improvement compared to our 9 kgCO₂/boe target established in 2021.
- We made good progress in our decarbonization plan, mainly through investments in vapor recovery units, replacement of blanketing gas, improvement of operation parameters of the glycol dehydration process and electrification of Coiron Amargo Norte block, leading to the reduction in absolute scope 1 & 2 GHG emissions by 13% y-o-y. Additionally, we recorded a scope 1 & 2 GHG emissions intensity of 15.6 kgCO₂e/boe for the year, a 14% year-over-year reduction.

- We continued executing NBS projects: we are currently working on 9 projects (2 ARR, 1 REDD+, 3 regenerative livestock, 3 regenerative agriculture) across 26,000 hectares in Corrientes, Salta, Santa Fe, and Buenos Aires provinces, in Argentina.
- For more information, please see “Item 4—Information on the Company—Environmental Policy.”

Social

- We recorded a consolidated Total Recordable Injury Rate of 0.2, below the 1.0 target for the fourth consecutive year.
- We furthered our gender initiatives through hiring and development of female talent, issuance of new policies and workshops to increase employee awareness.
- We made social investments in an amount of US\$1 million in Argentina and Mexico across five areas: Education, Entrepreneurship, Institutional Strength, Inclusion and Values in Sports and Health, and Infrastructure.

Governance

- We strengthened our governance by making public our policies related to business ethics, and increased training hours for staff on these matters.
- We achieved NIST (National Institute of Standards and Technology of the USA) cybersecurity score of 3.65 and recorded zero critical cybersecurity incidents.
- We approved a policy for the recovery of erroneously awarded compensation in line with new SEC and NYSE regulations.
- We released updated Code of Ethics and Conduct, reflecting the new Vista Way code of values, increased focus on Diversity, Equity, and Inclusion and updated content following the release of business ethics policies.

We expect to publish our 2023 Sustainability Report in the second quarter of 2024. We expect to align the 2023 Sustainability Report with Global Reporting Initiative (“GRI”) Standards GRI 1: Foundation 2021 and GRI 11: Oil and Gas Sector 2021, and with the Sustainability Accounting Standards Board (“SASB”) for industry specific ESG topics most relevant to our financial performance and long-term value creation. For the third consecutive year, our Sustainability Report will include information aligned with the recommendations published by the Task Force on Climate-Related Financial Disclosures (“TCFD”) and will have limited assurance on certain relevant GRI indicators by EY Argentina Sustainability team. Additionally, we expect to share our contribution to UN Sustainable Development Goals. Our ESG progress encompasses the 10 universal principles of the United Nations Global Compact and serves as the 2023 Communication on Progress (CoP) report of the United Nations Global Compact (UNGC). For the full version of our 2023 Sustainability Report, please visit our website (<https://vistaenergy.com/sustainability>) once published. Information contained on, or accessible through, our website is not incorporated by reference in, and will not be considered part of, this annual report.

VX Ventures

VX Ventures AenP (“VX Ventures”) is Vista’s corporate venture capital fund, launched with an initial US\$12.5 million funding commitment (which yearly investments represent less than 1% of Vista’s capital expenditures), with the objective of developing new businesses that can thrive through the energy transition and support Vista becoming a lower carbon & lower cost company. During 2023, funding has been increased by US\$2.5 million reaching a total of US\$15 million.

In 2023, we continued to pursue entrepreneurial, agile and dynamic companies that may become key agents of change and leverage Vista's technical and project management skills with an entrepreneurial drive to access new markets.

Moreover, VX Ventures plays a role of exposing Vista to the optionality of new businesses that can potentially scale up and can also help us secure the access and retention of top talent.

Each investment is funded through specific special purpose vehicles controlled by Vista, where certain relevant executives of the Company are given the option to co-invest through class B shares with no political rights to incentivize their engagement and align their interests with those of the invested project.

Among our VX Ventures portfolio, we have created and funded Aike NBS S.A.U. to deliver top-quality carbon offsets through the development of Nature Based Solutions projects, including forestry and soil carbon capture projects. Aike will also provide services to third companies to help them to fulfill their NBS project development needs and achieve their net-zero commitments which will in turn benefit Vista by providing larger scale for Vista's NBS projects. Aike has already started providing services to us in connection with Vista's own NBS portfolio.

Environmental Policy

In 2021, we announced our ambition to become Net Zero in scope 1 and 2 GHG Emissions by 2026. We plan to achieve this ambition through a multi-year plan to reduce our operational carbon footprint and the implementation of our own portfolio of NBS projects to offset the residual emissions.

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

Our plan to reduce our operational footprint is forecasted to reduce our carbon intensity from 39 kilograms of CO₂e per boe (KgCO₂e/boe) in 2020 to 7 kgCO₂e/boe in 2026. In 2023, we recorded GHG emissions intensity of 15.6 kgCO₂e/boe for the year, a 14% reduction compared to 18.1 kgCO₂e/boe in 2022.

We believe we have designed a diversified NBS portfolio—in terms of geography, project type and operating model—which should enable us to offset the residual emissions from our operation through carbon capture in soil and forest. During 2022, we created Aike NBS S.A.U., a Vista subsidiary, set up to design, manage and execute our carbon offset projects, staffed with leading local experts. In 2023, we made good progress in the execution of NBS projects in Argentina, such as:

- *Mixed Forestry:* We, (i) completed planting trees in Rolón Cue (2,300 hectares, 2.5 million trees), (ii) initiated soil preparation activities in Villa Zenaida (1,400 hectares), and (iii) completed our social baseline and definition of socioenvironmental impact plan.
- *Forest Conservation:* We requested permits for firebreaks, initiated construction of fences, water wells and housing in first quarter of 2024. In addition, we initiated social and biodiversity baseline studies.
- *Regenerative Livestock:* In 2023, we added 5,740 hectares, reaching a total of 7,640 hectares.
- *Regenerative Agriculture:* In 2023, we added 4,300 hectares, reaching a total of 6,950 hectares.

Further, in 2023, we filed afforestation, conservation, and regenerative livestock projects with Verra, a leading carbon credit registry that manages the Verified Carbon Standard.

We believe NBS is the most actionable, proven, efficient and scalable carbon removal alternative. Through the development of a top-tier NBS portfolio, we expect to generate carbon credits by 2026 sufficient to offset the remaining emissions from our core business and fulfill our strategic ambition to become net zero.

Emissions and carbon credits calculation methodology

Vista’s GHG emissions inventory reports two of the most prevalent GHG components in oil and gas operations: methane (CH4) and carbon dioxide (CO2). In addition, the calculated emission totals include nitrous oxide (N2O) as well. Although emissions of the other GHG components may exist in the Company’s operation, their relative contribution to the total GHG emissions is considered non material.

Emissions from CO2, N2O, and CH4 are calculated and converted to total CO2 equivalent (CO2e) emissions by multiplying the emissions of each constituent by its respective global warming potential.

The GHG emissions inventory for Vista was developed by adhering to the oil and gas industry best practices and guidelines for quantifying, reporting, and managing GHG emissions. Specifically, the guidelines utilized by the Company are: (i) International Petroleum Institute Environmental Conservation Association (IPIECA) Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions, 2011, and (ii) American Petroleum Institute (API) Compendium of Greenhouse Gas Methodologies for the Oil and Natural Gas Industry, 2009. The inventory calculations quantify GHG emissions by applying consistent, standardized methodologies provided in the API Compendium for Vista’s relevant emission sources. The emission factors used in the calculation of GHG emissions are derived from published references within the API Compendium.

Vista’s GHG inventory is organized to follow the Operational Control approach to reporting GHG emissions data, meaning each asset owned and operated by a company is reported at 100% of the asset’s emissions, in Argentina. Vista’s operated assets in Argentina include the following concessions: Aguila Mora, Aguada Federal, Bajada del Palo, Coiron Amargo Norte, as well as the Entre Lomas treatment plan. GHG emissions inventory is broken down by emission sources within each area of this organizational structure.

Vista’s GHG inventory tool is classified into Scope 1 and Scope 2 sources, as shown below:

GHG Source Category	GHG Emission Sources
Scope 1 Sources	
Stationary Combustion	<ul style="list-style-type: none"> ■ Heaters (i.e., Treaters and Ovens) ■ Gas Turbine / Centrifugal Compressor Drivers ■ Internal Combustion Engines
Mobile Combustion	<ul style="list-style-type: none"> ■ Automobiles ■ Light Duty Trucks
Flares	<ul style="list-style-type: none"> ■ Flares
Fugitives	<ul style="list-style-type: none"> ■ Onshore Oil and Gas Production Equipment Component Leaks (e.g., Valves, Connectors, Open-Ended Lines, etc.)
Venting	<ul style="list-style-type: none"> ■ Glycol Dehydrators ■ Natural Gas-Operated Chemical Injection Pumps ■ Natural Gas-Operated Pneumatic Devices ■ Storage Tank Flashing Losses ■ Tank Blanketing using Natural Gas ■ Maintenance and Turnaround Activities ■ Other Venting (i.e., Blowdowns and Emergency Shutdowns)
Scope 2 Sources	
Indirect Energy	<ul style="list-style-type: none"> ■ Imported Electricity ■ Imported Electricity by a Third Party

It should be noted that the inventory excludes GHG sources with insignificant potential for GHG emissions that are immaterial to the total emissions quantified (also referred to as de minimis sources). Examples of insignificant sources include fire-fighting equipment and laboratory equipment.

For many GHG emission sources, there are multiple options for determining the emissions, often with different accuracies. In general, emissions from a particular source are derived by applying an emission factor (“EF”) for a specific type of source or event with the corresponding activity factor. EFs used in the calculation methods come from published sources, referenced in the API Compendium and derived from publications by the IPCC, the EIA, the Gas Research Institute, and the U.S. Environmental Protection Agency.

Where possible, emissions factors are derived based on site-specific gas compositional data. In many instances for combustion sources, the CO₂ EF represents the application of material balance principles and the assumption that 100% of the carbon available in the fuel stream is oxidized to CO₂. In addition, for flaring sources; a destruction efficiency of 98% is assumed to calculate the CH₄ EF.

After GHG emissions inventory tool is completed and results obtained for every calendar year, a third party verification (provided by EY, a consultancy firm) is carried out. GHG emission inventory results are only published once the verification is completed, and the calculations verified.

Regarding the credit carbon calculation approach, soil and wood carbon capture projections from Vista's projects are made based on Verra methodologies, which are specifically designed for each type of project activity. These methodologies are in turn based on the United Nations IPCC guidelines, establishing specific calculation procedures, variables and factors.

Health and Safety Policy

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

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

In 2023 our TRIR was 0.2 (based on 5.6 million work hours during the period) as compared to a 0.86 (based on 4.6 million work hours during the period) as of December 31, 2022, and 0.29 (based on 3.5 million work hours during the period) as of December 31, 2021. We had no fatalities due to workforce incidents involving Vista employees related to operations in the years ended December 31, 2023, December 31, 2022, and December 31, 2021.

Insurance

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

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

General regulatory matters

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

- require the acquisition of various permits or other authorizations or the preparation of environmental assessments, studies or plans (such as well closure plans) before seismic or drilling activity commences;
- enjoin some or all of the operations of facilities deemed not in compliance with permits;

- restrict the types, quantities and concentration of various substances that can be released into the environment in connection with oil and natural gas drilling, production and transportation activities;
- require establishing and maintaining bonds, reserves or other commitments to plug and abandon wells; and
- require remedial measures to mitigate or remediate pollution from our operations, which, if not undertaken, could subject us to substantial penalties.

INDUSTRY AND REGULATORY OVERVIEW

Argentina's Oil and Gas Industry Overview

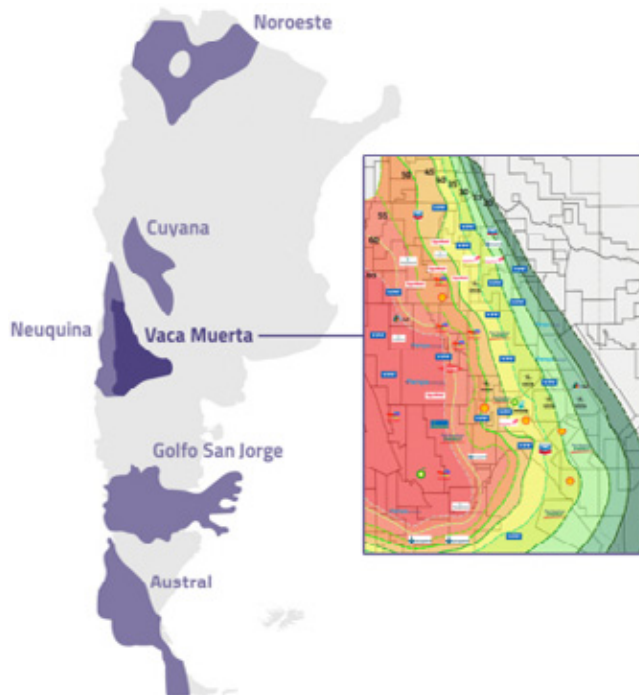
Argentina has five producing oil & gas basins: Noroeste, Cuyana, Neuquina, Golfo San Jorge and Austral. As of December 31, 2022, Argentina's oil & gas reserves were 5,749 MMboe as informed by the SdE. During 2023, Argentina oil production was 651.7 Mbbl/d and gas production was 131.8 MMm³/d, of which 305.7 Mbbl/d of oil production and 57.6 MMm³/d of gas production corresponded to the Vaca Muerta formation.

Vaca Muerta Shale Formation

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

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

Vaca Muerta players



Source: Company's Information and Press Articles

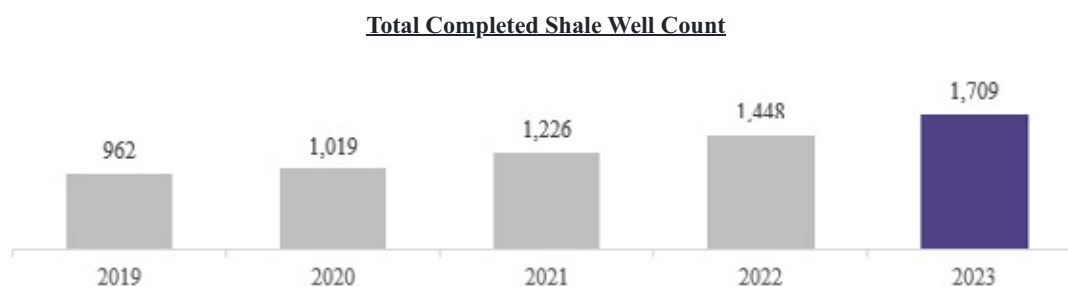
Vaca Muerta exhibits similar geological properties than several of the most successful shale plays in the United States. The table below sets forth the geological characteristics of Vaca Muerta compared to top tier U.S. onshore plays.

Play	Total Organic Content (“TOC”) (%)	Thickness (m)	Reservoir Pressure (psi)
Vaca Muerta	3-10	30-450	4,500-9,500
Eagle Ford	3-5	30 – 100	4,500-8,500
Wolfcamp (Permian)	3	200 – 300	4,600
Barnett	4-5	60-90	3,000-4,000
Haynesville	0.5-4	60-90	7,000-12,000
Marcellus	2-12	10-60	2,000-5,500

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

Vaca Muerta acreage is estimated at more than 8.6 million acres, and the top 5 oil operators are YPF, Vista, Shell, Pluspetrol and Pan American Energy. Most concessions are within the 30,000 to 100,000 acres range, which is significantly larger than the average leasehold in the United States. The terms of concessions in Argentina are also competitive compared to those in the United States, with unconventional concessions of 35 years and flat royalties of 12%.

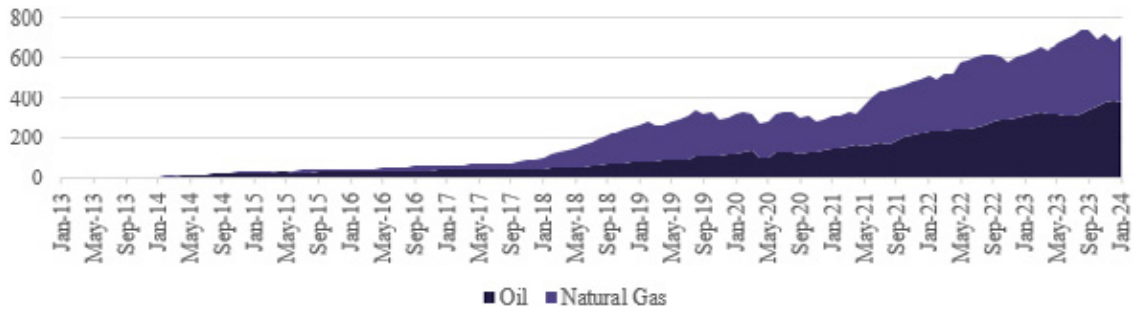
Over the past years, Vaca Muerta has increased significantly its well activity from 962 wells tied-in by year-end 2019 to 1,709 wells tied-in by year-end 2023.



Source: Argentine Secretariat of Energy.

Production from Vaca Muerta was 686.1 Mboe/d during 2023, a 20% increase compared to 2022. Production from Vaca Muerta reached 715.4 Mboe/d in January 2024. The shale oil production was mainly driven by Loma Campana, La Amarga Chica, Bandurria Sur and Bajada del Palo Oeste, which contributed with 229.9 Mbbbl/d. Shale gas production was mainly driven by Fortín de Piedra, Aguada Pichana Este, Aguada Pichana Oeste and La Calera, which contributed with 204.7 Mboe/d.

Gross Shale Oil & Gas Production (Mboe/d)

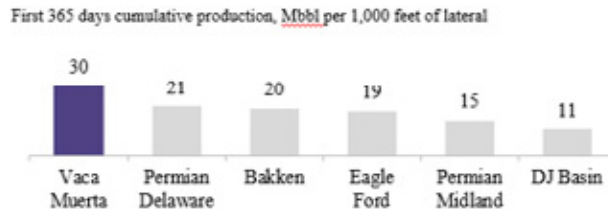


Source: Argentine Secretariat of Energy.

Vaca Muerta is in a relatively early stage of its development compared to shale plays in the United States and Canada. The Permian Basin is a good analogue for Vaca Muerta, with similar geological characteristics and a long history of unconventional hydrocarbon development. However, Vaca Muerta has even more thickness than the Permian, with up to five different pay zones already tested in different blocks of the basin. Operators have drilled around 1,700 wells in Vaca Muerta compared to more than 110,000 in the Permian. It is possible that Vaca Muerta could have a growth trajectory similar to that of the Permian Basin or other U.S. shale plays in the coming years. The growing investment in Vaca Muerta by international operators is similar to the early stages of the Permian Basin’s remarkable growth since 2008, becoming one of the most prolific shale plays in the world.

After an initial period of incorporating the technology required for unconventional development, progressing along the learning curve, and adopting best practices, the average well productivity in Vaca Muerta now exceeds its shale peers in the United States.

Best-in-class average well productivity



Source: Rystad Energy ShaleWellCube. Includes only horizontal oil wells put on production in 2021-2022.

Oil Midstream and Downstream

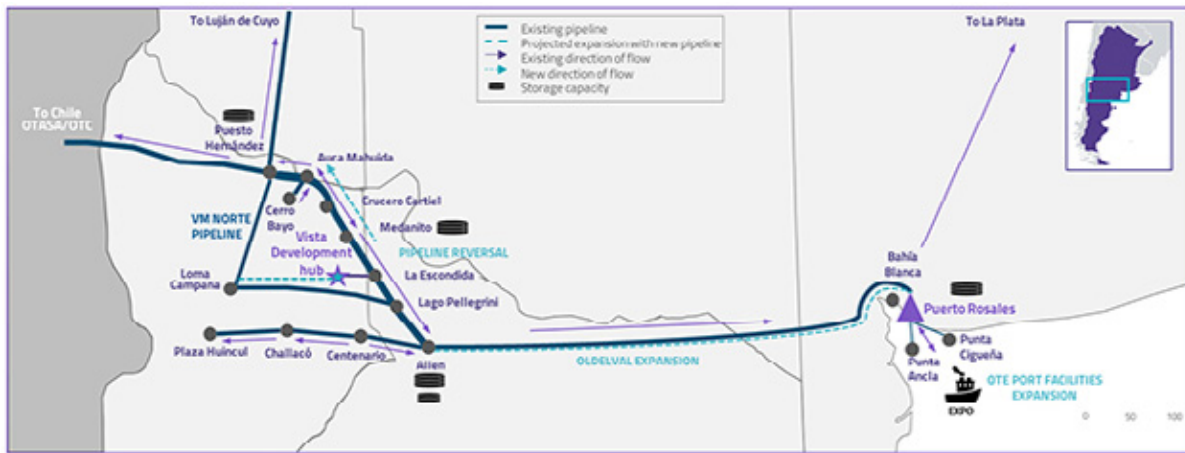
The Argentine crude oil pipeline network connects the producing basins with the refineries. Refineries are in the Cuyo Basin (Luján de Cuyo), the Neuquina Basin (Plaza Huincul), the Noroteste Basin (Refinor) and in the Province of Buenos Aires (La Plata, Bahía Blanca, Dock Sud, Campana). Argentina’s key crude pipeline is the Oleoductos del Valle S.A. (“Oldelval”) system, with an oil pipeline from Puesto Hernández in the Neuquina Basin to Puerto Rosales near the Bahía Blanca, transporting approximately 70% of the production from the Neuquina Basin, with a capacity of approximately 300,000 bbl/d.

In Puerto Rosales, a marine export terminal is operated by Oiltanking Ebytem S.A. (“OTE”), a company owned by YPF (30%) and Oiltanking (70%). OTE has 18 tanks with a storage capacity of 3,020 Mbbbl, of which 1,070 Mbbbl are used to store Medanito type crude oil, and has two buoys, Punta Ancla and Punta Cigueña, with capacities of 106,000 and 70,000 deadweight tonnage, respectively. These two buoys provide services mainly for Panamax vessels loading and unloading.

During 2023, the OTASA/OTC pipeline connecting the Argentine system to Chile was put on operation after being shut for more than a decade. This enabled export flows from the Neuquena basin to Chile starting in May 2023. This pipeline has a total capacity of 110,000 bbl/d. In November 2023, the Vaca Muerta Norte pipeline, connecting Loma Campana to Puesto Hernandez and with the OTASA/OTC pipeline, was commissioned.

As of the date of this annual report, two projects are currently under execution to enable the transportation of new production from Vaca Muerta to Puerto Rosales. Oldelval’s Duplicar project is designed to lay a second trunk pipeline connecting Vaca Muerta to the Atlantic export terminal. This project is expected to increase the pipeline capacity to 377,000 bbl/d by year-end 2024 and 540,000 bbl/d by the second quarter of 2025. Additionally, OTE is executing an expansion project designed to upgrade the Atlantic export terminal through additional storage and throughput capacity.

As of the date of this annual report, Argentina six main refineries were: La Plata, Luján de Cuyo, Plaza Huincol, Campana, Dock Sud, and Eliçabe, which refined approximately 504 Mbbbl/d during 2023. The remaining oil production that is not refined and consumed in Argentina is exported. During 2023, Argentina exported 134.6 Mbbbl/d, according to the INDEC.



* Based on data provided by project operators and Company estimates

Oil and Gas Regulatory Framework in Argentina

The Hydrocarbons Law, as amended by Law No. 26,197 (the “Short Law”) and Law No. 27,007, is the main body of legislation for oil and gas exploration and production. The enforcement authority for the Hydrocarbons Law is the Argentine Secretariat of Energy (“SdE”). As a result of the amendment of the Hydrocarbons Law by means of the Short Law, each province has its own enforcement authority. In particular, the Province of Neuquén has passed its own Hydrocarbons Law No. 2,453, among other laws and regulations on these activities. The transportation, distribution and marketing of gas are independently regulated by Argentine National Law No. 24,076.

In the first quarter of 2024, the Argentine Executive Branch sent to Congress a bill which, among other things, proposes amendments to the Hydrocarbons Law. For more detail, “Item 3—Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Our business is largely dependent upon economic and political conditions in Argentina.”

Exploration Permits and Exploitation Concessions

Upstream business is based on exploration permits and exploitation concessions granted by each provincial government; the federal government retains jurisdiction over reservoirs located as of 12 miles offshore.

Holders of exploration permits and exploitation concessionaires have exclusive rights on their areas. Companies may acquire rights to exploration permits or exploitation concessions through public bids held by the provinces or the federal government. Companies may also acquire rights by means of farm-in agreements or assignment of rights agreements entered into with third parties on existing permits or concessions. Oil rights are independent from surface rights. Oil production belongs to the title holder of an exploration permit or exploitation concession as from its extraction.

State-owned companies are entitled to hold exploration permits and exploitation concessions and to operate them. In the case of the Province of Neuquén, in 2009 all vacant and relinquished areas were reserved in favor of the provincial state-owned company, GyP, and it was empowered to explore, develop and exploit such areas by its own and/or with the assistance of or in association with other companies.

Pursuant to Article 23 of the Hydrocarbons Law, the maximum terms of validity of exploration permits to be established by tender are the following: (i) for exploration with a conventional objective: first term up to three years; second term up to three years; and extension period up to five years; and (ii) for exploration with an unconventional objective: first term up to four years; second term up to four years; and extension period up to five years.

Conventional exploitation concessions shall have 25-year terms, while unconventional exploitation concessions shall have 35-year terms. Unconventional exploitation concessions shall include a pilot plan period of up to five years, to be defined by the concessionaire and approved by the enforcement authority at the time of the concession’s commencement. The Argentine Executive Branch may indefinitely extend the period of each exploitation concessions, both conventional and unconventional, for up to 10 years in each extension period, subject to compliance with applicable obligations, the concession’s production and an investment plan.

According to Article 59 of the Hydrocarbons Law, the exploitation concessionaire shall pay to the state monthly a royalty of 12% of the production of liquid hydrocarbons at the well head, which can be reduced to up to 5% taking in to account the productivity, conditions, and location of wells. As a result of the process of transfer of eminent domain from the federal government to the provinces, the federal government has assigned the collection of royalties to the provinces. In the event of an extension of the term of an exploitation concession, an additional royalty up to 3% at the time of a first extension and up to a total maximum of 18% royalty for the following extensions shall be paid.

The competent provincial authorities have the right to revoke the licenses in the event of non-compliance with the conditions of the permit or concession by the licensee (Article 80 of the Hydrocarbons Law). Licensees may also partially or totally relinquish, at any time, the surface of a permit or concession. If an exploration permit is relinquished, the licensee will be obliged to pay the investment amounts committed and not fulfilled.

Exploration and Production

The exploration and production of oil and natural gas is carried out through exploration permits and exploitation concessions. Nevertheless, the Hydrocarbons Law permits surface reconnaissance of territories not covered by exploration permits or exploitation concessions, subject to prior authorization of the surface owner and the application authority.

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

Holders of exploration permits and exploitation concessions are required to carry out all necessary works to find or extract hydrocarbons, using appropriate techniques, and to make the investments specified in their respective permits or concessions. In addition, holders must avoid damage to oil and gas fields and hydrocarbon waste, and undertake adequate measures to prevent accidents and damages.

Both holders of exploration permits and holders of exploitation concessions must pay an annual fee based on the land area covered by the corresponding permit or concession (as provided in Section 7 of the Hydrocarbons Law). Holders of exploitation concessions are required to pay for such concessions, and to make certain royalty payments to the Argentine government.

Reserves and Resources Certification in Argentina

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

The information regarding Vista's proved reserves in this annual report has been prepared according to the definitions of Rule 4-10(a) of Regulation S-X or the Society of Petroleum Engineers' Petroleum Resources Management System, which differ from the relevant guidelines published by the SdE.

Transportation

The Hydrocarbons Law grants hydrocarbon producers the exclusive right to obtain from the Argentine government a concession for the transportation of oil, gas and their by-products through a public tender process for a period equivalent to the period granted for the exploitation concession linked to the transportation concession, under terms specified in the Hydrocarbons Law and Decree No. 44/91 as amended by Decree No. 115/2019 and complemented by Resolution 571/2019 (amended by Resolution No. 35/2021). Transportation concessions include storage, ports, pipelines and any other fixed facilities necessary for the transportation of oil and by-products.

The term for transport concessions shall be granted and extended to the equivalent terms for exploitations concessions related to the transportation concessions and may be extended for an additional 10 years.

Depending on whether gas or crude oil is transported, tariffs are subject to approval by the National Gas Regulatory Agency (*Ente Nacional Regulador del Gas*) in Argentina established by Law No. 24, 076 ("ENARGAS") or the SdE. SdE Resolution No. 5/04, as amended, sets forth maximum amounts: (i) For tariffs on hydrocarbon transportation through oil pipelines and multiple purpose pipelines, as well as for tariffs on storage, the use of buoys and the handling of liquid hydrocarbons; and (ii) That may be deducted in connection with crude oil transportation by producers that, as of the date of the regulation, transport their production through their own unregulated pipelines, for the purpose of calculating royalties.

Equity Requirements

To be holders of exploration permits or exploitation concessions, irrespective of the province where the activities are developed, companies must be registered with the Registry of Hydrocarbon Exploration and Exploitation Companies maintained by the SdE. Such holders and concessionaires must have adequate financial resources, pursuant to Disposition No. 335/2019 issued by the Undersecretariat of Hydrocarbons, and technical capabilities to perform the operations involved in the rights bestowed upon them. Further, such holders shall assume exclusive responsibility for liabilities associated with exploration and production activities. Registration with the Registry is also a requirement to be able to be an operator of permits and concessions and has to be annually renewed and can be revoked if technical capacity cannot be proved. Holders of permits and concessions shall establish legal domicile within Argentina.

In all cases, the company or association of companies holding the permit or concession must maintain such net equity throughout the term of the permit or concession. These equity requirements may be satisfied by means of financial or other guarantees.

Crude Oil Market

The Hydrocarbons Law empowers the Argentine Executive Branch to set the national policy with respect to the exploitation, industrialization, transportation, and commercialization of hydrocarbons, with the main purpose of satisfying the country's hydrocarbons needs with the production of its deposits, maintaining reserves that ensure such purpose. Likewise, Section 1 of the Hydrocarbons Sovereignty Law declared the achievement of self-sufficiency of hydrocarbons as a national public interest and as a priority objective of the Argentine Republic. In this context, the final purchaser of crude oil in the domestic market may be a refinery, a large producer or a fuel trader.

Decree No. 488/2020 fixed, on a transitory basis, the commercialization price in the local market of a barrel of crude oil. However, by the end of August 2020, the price set by Decree No. 488/2020 ceased to be in force and crude oil prices were once again governed by supply and demand.

Export operations of crude oil and oil by-products currently require prior registration in the Registry of Export Operations Agreements (*Registro de Contratos de Operaciones de Exportación*) and authorization by the SdE (according to the regime established in Resolution S.E. No. 241-E/2017 and its subsequent amendments and complements, Disposition No. 329/2019 and Resolution No. 360/2021, in turn modified by Resolution No. 774/2022). Oil companies and oil refineries intending to export crude oil, liquefied petroleum gas or gasoil, among others, must demonstrate, prior to obtaining the authorization, that the offer for sale of such product has already been made to and rejected by local buyers. See "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks relating to Argentina—We are or could be subject to direct and indirect restrictions on exports under Argentine law."

In the first quarter of 2024, the Argentine Executive Branch sent to Congress a bill which, among other things, proposes amendments to the Hydrocarbons Law. For more detail, see "Item 3—Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Our business is largely dependent upon economic and political conditions in Argentina."

Gas Market

As mentioned in previous sections, gas exploration and production are regulated by the Hydrocarbons Law, whereas natural gas transportation and distribution are regulated by means of Law No. 24,076. According to this law, provinces have jurisdiction over reservoirs located within 12 miles offshore, while the federal government retains jurisdiction over reservoirs located beyond this distance. Therefore, exploration permits and exploitation concessions are granted by either provincial authorities or the federal government, depending on the location. However, the National Executive Branch establishes the national policy regarding the exploitation and marketing of hydrocarbons.

In order to foster the production of natural gas, the Argentine government adopted different stimulus programs over the past years, such as the "Gas.Ar Plan" implemented by means of Decree No. 892/2020 (amended by Decree No. 730/2022).

Gas Plan 2020-2024 (Gas.Ar Plan)

By means of Decree No. 892/2020, (amended by Decree No. 730/2022), the Argentine government implemented the Argentine Plan for the Promotion of Natural Gas Production – Supply and Demand Scheme 2020-2024 (“*Plan de Promoción de la Producción de Gas Natural Argentino – Esquema de Oferta y Demanda 2020-2024*”).

The Gas.Ar Plan establishes the framework for the implementation of direct contracts (initially lasting four years, with the possibility of extension by the SdE for additional one-year periods) between gas producers, on the one hand, and gas distributors and/or sub-distributors (to meet priority demand) and CAMMESA (to meet the demand of thermal power plants), on the other. These contracts were awarded, and the price of gas at the point of entry into the transportation system (“PIST” for its acronym in Spanish) was determined through a tender procedure carried out by the SdE. The Argentine government may assume monthly payment of a portion of the price of natural gas in the PIST to prevent the increase in the cost of natural gas tariffs for end users.

On November 4, 2022, Decree No. 730/2022 was published in the Official Gazette, extending the Gas.Ar Plan until the year 2028. The Gas.Ar Plan is based on (i) voluntary participation by producers, public distribution service providers, and sub-distributors (making direct acquisitions from producers) and CAMMESA; (ii) a competitive scheme where the SdE calls for the signing of direct contracts between producers on one side, and priority demand (distribution licensees and/or sub-distributors) as well as the demand from thermal power plants (with CAMMESA) on the other; (iii) a framework of free market competition regarding the price of gas in the PIST, subject to the conditions set by the Federal Government

Decree No. 70/2023

On December 20, 2023, the Argentine Executive Branch issued Urgency and Necessity Decree No. 70/2023, declaring a state of public emergency with respect to economic, financial, fiscal, administrative, pension, tariff, health and social matters until December 31, 2025. Among other measures, the Decree empowered the SE to (i) redetermine the electricity and natural gas subsidy structures on the basis of the end users’ household income, (ii) calculate the cost of basic consumption on the basis of the rates at each supply point, and (iii) define mechanisms in connection with the allocation of subsidies and their collection by users.

The Decree also introduces a series of amendments to different laws, such as amendments to Law No. 19,550 and Law No. 23,696, establishing that state-owned companies shall be subject to state supervision, and providing that the National State shall not be granted any public law prerogatives or advantages with respect to companies in which the National State is a shareholder. In addition, the Decree introduces amendments and repeals a number of existing laws, such as (i) Law No. 27,545, which established certain rules for the display of products on store shelves, (ii) Law No. 20,680, which granted the Secretary of Commerce the ability to impose severe regulations and penalties relating to supply and distribution of goods, and (iii) Law No. 27,221, which setting forth new rules applicable to real state lease agreements executed for touristic purposes.

The Decree No. 70/2023 became effective on December 29, 2023. The decree is subject to review by the Argentine Congress, and could be left without effect in case that both Chambers of Congress decide to reject it. On March 14, 2024, Decree No. 70/2023 was rejected by the Chamber of Senators. However, its treatment by the Chamber of Deputies is still pending and, therefore, the decree currently remains in force. In addition, the decree is currently the subject of several challenges in Argentine courts.

In light of the above, it is not possible to predict whether Decree No. 70/23 will remain in force in the future, or whether the current administration will issue new decrees or regulations that could impact our business.

Proposed “Bases and Starting Points for the Freedom of the Argentine People” Bill

On December 27, 2023, the Argentine Executive Branch submitted a draft bill entitled “Bases and Starting Points for the Freedom of the Argentine People” to the National Congress. The draft bill declared a public emergency in economic, financial, fiscal, social security, defense, tariff, energy, health and social matters until December 31, 2025, extendable for two additional years, and delegates a series of legislative powers to the Argentine Executive Branch for the duration of the emergency. The proposed bill also included a series of legal, institutional, tax and criminal reforms, affecting various sectors of the economy.

However, when the draft bill was put to vote, it was sent back to congressional committees by the ruling party, after several articles were rejected by the Lower House. The proposed bill was withdrawn from extraordinary parliamentary sessions on February 6, 2024. On April 9, 2024, the Executive sent a new draft of the “Base Law” to members of the Lower House, with certain modifications to the version proposed in December 2023, which is intended to be approved by Congress in the coming weeks. The new bill proposes the following amendments to the Hydrocarbons Law to incorporate the following changes: (i) building on the self-sufficiency paradigm of the original law to include maximization economic profits; (ii) establishing a free trade principle, expressly stating that the Argentine Executive Branch may not intervene or set domestic prices and that state-owned companies must sell at a price which reflects the competitive equilibrium of the industry (i.e., export or import parity, as applicable) (iii) including the principle of freedom of hydrocarbon exports, only subject to objection by the Secretary of Energy based on certain technical and economic criteria; and (iv) other changes such as limiting subsequent renewals of the concessions, granting more discretion powers to the provinces in setting forth royalties, enlarging activities to include the processing of hydrocarbons, and implementing more flexible requirements to access transportation authorizations.

As of the date of this annual report, (i) the Argentine Executive Branch has not presented new draft bill to the Argentine Congress, and (ii) the review of several challenges to the validity of the draft bill on unconstitutionality grounds remained pending before Argentine courts. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks relating to Argentina—Political uncertainty regarding measures to be adopted by the Argentine government could affect macroeconomic, political, regulatory, or social conditions in Argentina.”

Special Regimes for Access to the Foreign Exchange Market

For more information, see “Item 10—Additional Information—Exchange Controls—Other specific provisions—Regime for Access to Foreign Currency for Incremental Petroleum Production (RADPIP).”

Sustainability

Argentina has regulation regarding the protection of the environment on a federal, provincial and municipal level, as well as in the Argentine Constitution.

For instance, Argentina applies the “polluter pays” principle and requires a mandatory approval of an environmental impact assessment for conducting risky activities. Moreover, legislation guarantees the right to access to environmental information, public participation in the environmental decision-making process, and access to justice in environmental matters. Environmental insurance is required, and reporting duties are also established. Argentina has approved several human rights international treaties and, in particular, related to the environment.

A national administration procurement regime has been established by means of Decrees No. 1023/01 and No. 1030/16, which requires to consider sustainability in the decision-making process in the acquisition of services and goods by the public administration. Furthermore, Decree No. 31/2023 declares a national public priority policy for the sustainable management of resources used by national public agencies. Those practices provide for the efficient management of the following: electric energy; water; natural gas; waste; public procurement; accessibility; sustainable mobility; and green areas and spaces.

Likewise, by means of its Resolution No. 635/2022 (as amended by its Resolution No. 668/2022) the Ministry of Transportation approved the National Sustainable Transportation Plan. Its main objective is to promote energy transition and efficiency in transportation to achieve sustainable mobility. Such plan contains a set of strategies and policies to be implemented by 2030, promoting the reduction of GHG emissions. Other sustainability regulations have been passed. Its impact on the oil & gas industry has yet to be assessed.

In addition, as a member of the United Nations Framework Convention on Climate Change (“UNFCCC”) and a Party to the Paris Agreement, Argentina has committed to submit its Nationally Determined Contributions (“NDCs”), which are basically the proposed climate actions. The emission limit committed by Argentina, according to the information that emerges from the updated NDCs in October 2021, is not to exceed the net emission of 349 million tons of carbon dioxide equivalent (MtCO₂e) in the year 2030. This goal is applicable to all sectors of the economy.

The NDCs set forth that towards 2030, the Argentine Republic will carry out an energy transition, focusing its efforts on the promotion of energy efficiency, renewable energies, and the promotion of distributed generation, using natural gas as a transition fuel during this period.

In order to follow up on this commitment -which aim is to contribute to the standards set forth in the Paris Agreement- Argentina must draft and report to the UNFCCC the National Green House Gases Inventory (INGEI for its acronym in Spanish). In addition, by means of Resolution No. 363/2021 issued by the Ministry of Environment and Sustainable Development, Argentina has created the National Registry of Climate Change Mitigation Projects, where the existing mitigation projects are registered. The scope of such register has not been determined as of the date of this annual report; therefore, its application cannot yet be defined.

Argentine Regulatory Framework in connection with climate change

The UNFCCC, which entered into force on March 21, 1994, aims to stabilize of the GHG concentrations in the atmosphere to a level that would prevent dangerous anthropogenic interference with the climate system.

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

Argentina approved UNFCCC by Federal Law No. 24,295 in December 1993, the Kyoto Protocol by Federal Law No. 25,438 on June 20, 2001, and the Doha Amendment by Federal Law No. 27,137 on April 29, 2015.

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

Furthermore, Argentine Law No. 26,190, as amended and complemented by Law No. 27,191 and its implementing decrees, established a legal framework which promotes an increase in the participation of energies from renewable sources in Argentina’s electricity market. In this line, in 2019, the Argentine Congress enacted Law No. 27,520 on Minimal Standards on Global Climate Change Adaptation and Mitigation, which focused on implementing policies, strategies, actions, programs and projects that can prevent, mitigate or minimize the damages or impacts associated with climate change.

Moreover, the National Registry of Climate Change Mitigation Projects was established (Federal Environmental Ministry Resolution No. 363/2021). In addition, the Secretariat of Energy has set forth the “National Program for the Measurement and Reduction of Fugitive Emissions from Hydrocarbon Exploration and Production Activities” (Resolution No. 970/2023); the Ministry of Environment and Sustainable Development has approved the “Second National Plan for Adaptation and Mitigation to Climate Change” (Resolution No. 146/2023); the Secretariat of Energy has approved the “National Energy Transition Plan to 2030” (Resolution No. 517/2023) and the “Guidelines and scenarios for the Energy Transition to 2050” (Resolution No. 518/2023).

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

Mexico's Oil and Gas Industry Overview

According to the US' International Trade Administration, Mexico is the thirteenth largest producer of oil in the world and twenty first in oil reserves. Mexico has significant hydrocarbon resources with estimated oil and gas proved developed and undeveloped reserves of 8.16 Bnboe and 3P reserves of 23.08 Bnboe, in each case as of January 1, 2023, according to the CNH. Multiple formations exist to develop productive fields.



Mexico's Basins, *Source*: Wood Mackenzie.

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

**Mexican Oil and Gas Reserves as of January 1, 2023
(Bnboe)**

<u>Geological Basin</u>	<u>Cumulative production</u>	<u>Reserves</u>	
		<u>1P</u>	<u>3P</u>
Southeast	47.1	6.2	14.5
Tampico Misantla	6.1	0.9	5.2
Burgos	2.1	0.1	0.4
Veracruz	0.8	0.7	2.1
Sabinas	0.1	0.0	0.0
Others*	0.0	0.0	0.0
Deepwater	0.0	0.1	0.7
Total Mexico	57.2	8.0	22.9

* Includes Cinturón Plegado de Chiapas and Plataforma Burro-Picachos

Source: Pemex and CNH.

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

Multiple E&P plays across basins



Source: EIA.

There are three principal means for private entities to invest in Mexico’s E&P sector: Exploration and Production Agreements (E&P Agreements), Pemex farm-outs and E&P services contract migrations.

The CNH is entitled to allocate E&P Agreements, for which prequalification requirements are established, such as the operational, technical, financial, and legal capabilities required, and the bidding process is conducted by a committee of CNH members. In October 2021, the government presented the Five-Year Plan for 2020-2024, pursuant to which the current administration determined that it will not undertake new bids to award contractual areas for exploration and production activities until the current contracts can demonstrate that profits have been obtained.

Farm-outs are a mechanism by which a license holder to an energy resource assigns an interest in the license to another party. Pemex is using farm-outs to partner with international E&P operators with the financial resources and expertise to accelerate development and extract value from its extensive hydrocarbon asset base.

As to E&P services contract migrations, Pemex is entitled to migrate existing oil and gas integrated E&P services contracts to production sharing agreements or licenses, as a means to continue boosting investment in the E&P sector. These contracts were signed by Pemex and private companies prior to the energy reform. With the regulatory regime in force, it is expected that these services contracts will migrate into E&P services contracts, transforming the relationship with Pemex from a service contractor into a joint venture.

Oil and Gas Regulatory Framework in Mexico

Upstream and Downstream

In 2013, the Mexican Constitution was amended leading to the opening of the oil, natural gas, and power sectors to private investment. In 2014, the Mexican Congress passed secondary laws to implement the reforms. The reforms allow the Mexican government to grant contracts to private-sector entities in the upstream sector through public tenders. These amendments also allow private-sector entities to obtain permits for the processing, refining, marketing, transportation, storage, import and export of hydrocarbons.

The legislation enacted in 2014 includes the Mexican Hydrocarbons Law (*Ley de Hidrocarburos*), which preserves the concept of state ownership over hydrocarbons while located in the subsoil but allows private companies to take ownership over the hydrocarbons once they are extracted. The Mexican Hydrocarbons Law allows private-sector entities holding a permit granted by the Mexican Energy Regulatory Commission (*Comisión Reguladora de Energía*, “CRE”) to store, transport, distribute, commercialize and carry out direct sales of hydrocarbons, as well as to own and operate pipelines and liquefaction, regasification, compression and de-compression stations or terminals, and related equipment in accordance with technical and other regulations. In addition, private-sector entities may import or export hydrocarbons subject to a permit from the SENER. Furthermore, legislation requires that oil companies make small percentage payments to landowners for any oil or gas extracted on their property. It also increased the amount of oil revenue that is to be transferred to local and state governments.

In May 2021, two bills to reform and amend the Hydrocarbons Law (*Ley de Hidrocarburos*) were published on the Official Gazette (the “Hydrocarbons Law Reforms”). In general terms, the Hydrocarbons Law Reforms affects the permit regime originally set forth in the Hydrocarbons Law, by granting greater powers to the SENER and the CRE to grant, review and revoke the different permits contemplated in the Hydrocarbons Law. Moreover, the Hydrocarbons Law Reforms wrestles back public control of Mexico’s fuel sales sector. Consequently, the Hydrocarbons Law Reform has a greater impact on entities in the downstream and midstream segments.

While the Hydrocarbons Law Reforms, in principle, do not seem to affect the activities of hydrocarbons exploration and production under our E&P license contract, it is important to note that, given the broad authority granted to the CRE and SENER, the Hydrocarbons Law Reform may potentially impact our sale of crude oil and natural gas, as such activity is executed through our commercialization permit granted by the CRE (and may indirectly affect the development of our E&P activities under our license contracts). Private companies pursued judicial challenges, alleging that these reforms are unconstitutional. The Mexican Supreme Court ruled that one of the reforms (which eliminated asymmetric regulations imposed on Pemex on hydrocarbon sales and commercialization activities), is unconstitutional. The definitive ruling on the other reform, relating to suspension of permits and occupation of facilities of private companies, is still pending resolution.

Notwithstanding the foregoing, the energy sector, at a constitutional level, remains unchanged as it was approved during the 2013 energy reform.

On January 5, 2024, President Andrés Manuel López Obrador, appointed Martha Patricia Jiménez Oropeza, Baldemar Hernández Márquez, and José Alfonso Pascual Solórzano Fraga to serve as CNH commissioners for periods of five, three and two years, respectively.

Additionally, on February 28, 2023, the CRE published resolution A/004/2023 (the “Resolution”), whereby it reinstated, as of March 1, 2023, the procedures previously suspended by the CRE during the COVID-19 pandemic, in accordance with certain rules.

After its publication in the Federal Register (*Diario Oficial de la Federación*), the Resolution lifted the suspension of legal deadlines as of March 1, 2023. The Resolution intends to address the three-year delay and meet the needs of the regulated market. With this Resolution, CRE expects to respond to all the pending procedures as a consequence of the implementation of COVID-19 pandemic mitigation measures.

Reserves and Resources Certification in Mexico

On August 13, 2015, CNH published a set of guidelines (the “CNH Guidelines”) that governs the valuation and certification of Mexico’s reserves and the related contingency resources. The CNH Guidelines follow the same SPE/WPC/AAPG international standards as those described with respect to the reserves and resources certification process in Argentina (see “Item 4—Information on the Company—Industry and Regulatory Overview—Oil and Gas Regulatory Framework in Argentina—Reserves and Resources Certification in Argentina”). Therefore, the processes for reserves classification and certification in Mexico are similar to those described with respect to Argentina.

Economic valuation criteria established by the CNH for proved reserves also follow the U.S. Securities and Exchange Commission’s definitions in Rule 4-10(a) of Regulation S-X which establishes that selling prices considered shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first day-of-the-month price for each month within such period.

State Oil Company

As a result of the energy reform, Pemex was transformed from a decentralized public entity into a productive state-owned company on October 7, 2014—the day on which the new Pemex Law took effect, with the exception of certain provisions. As a productive state-owned company, Pemex remains wholly owned by the Mexican government and has the corporate purpose of generating economic value and increasing the income of the Mexican nation subject to principles of equity, as well as social and environmental responsibility.

Transportation

Before the energy reform, Pemex had exclusivity on certain activities such as processing, storage, transportation, distribution and marketing of petroleum products. The energy reform allows private sector participation in the construction and operation of oil products storage and transportation facilities.

Market Regulations

In the past, the Mexican government has imposed price controls on the sales of natural gas, NGL, gasoline, diesel, gas oil intended for domestic use, fuel oil and other products. Nonetheless, currently, sale prices of gasoline and diesel have been fully liberalized and are determined by the free market.

However, the Mexican Tax Administration Service (*Servicio de Administración Tributaria SAT*) published the Seventh Resolution of Amendments to the General Rules of Foreign Trade for 2020 (*Séptima Resolución de Modificaciones a las Reglas Generales de Comercio Exterior para 2020*), which generated uncertainty among investors given that only State-owned productive enterprises (Pemex or CFE) and their subsidiaries may obtain import or export authorizations. This amendment may significantly restrict the private sector’s options to export from, and import petrochemicals and hydrocarbons to, Mexico.

Federal Environmental Law

The Mexican Federal Environmental Liability Law (*Ley Federal de Responsabilidad Ambiental*) enacted on July 7, 2013 regulates environmental liability arising from damages to the environment including remediation and compensation. In the event of intentional and unlawful action or inaction, the responsible party will be fined up to approximately 65 million Mexican Pesos for 2024. This liability regime is independent from administrative, civil or criminal liability regimes, which may be applicable depending on the performed conduct.

Environmental liability may be attributed to an entity for conduct carried out by its representatives, managers, directors, employees, or officers who are directly involved in operations. The statute of limitations to claim environmental liability is 12 years from the date of the environmental damage. The law allows the interested parties to solve disputes by means of alternative dispute resolution mechanisms, provided that public interest or third-party rights are not affected.

Bills to amend the Constitution.

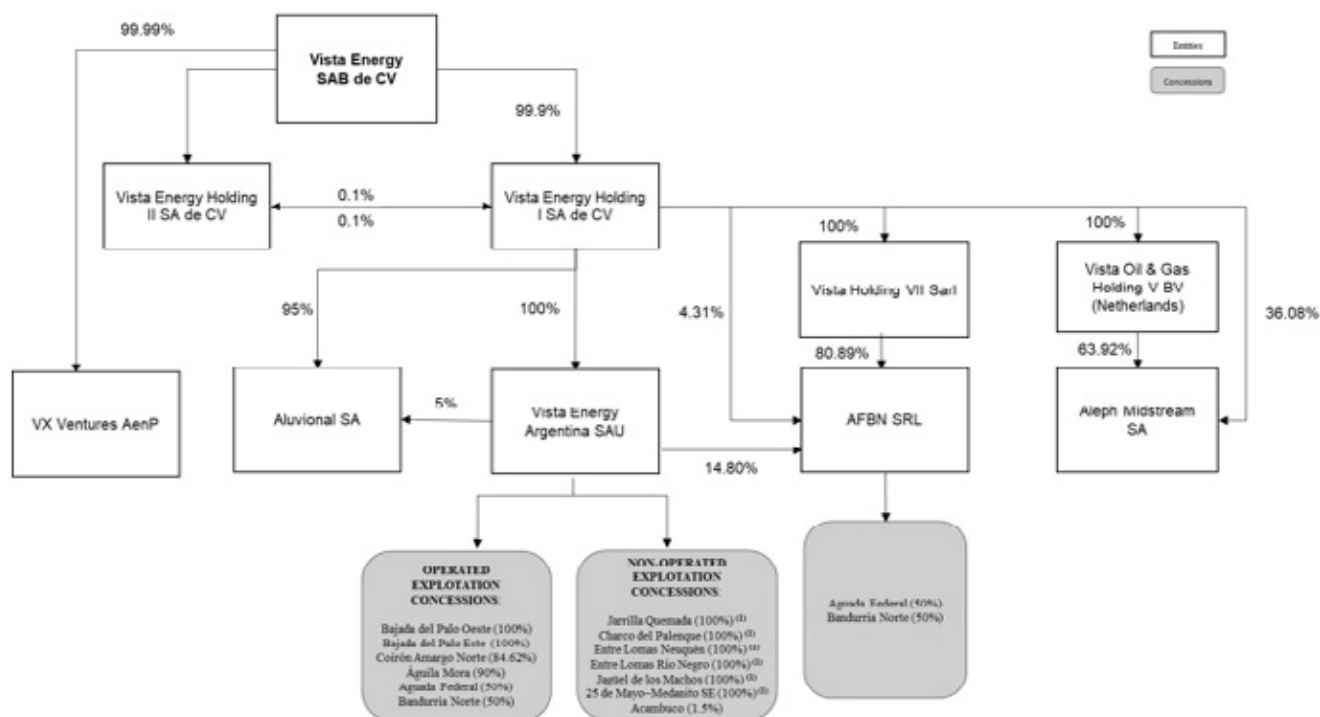
On February 5, 2024, President Andrés Manuel López Obrador submitted several draft bills to amend the Mexican Constitution. The legislative process for these amendments to be enacted requires the approval of two thirds of the Federal Congress (Senate and House of Representatives) and at least 17 of the State congresses. If approved, two of the bills may have an impact on the oil and gas industry.

One bill aims to eliminate the productive state-owned company's regime to which Pemex is subject to. As a result, Pemex would no longer be required to create value and be profitable.

The other bill allegedly aims to simplify the federal administration by eliminating autonomous regulatory agencies such as the Federal Economic Competition Commission (COFECE), the Energy Regulatory Commission (CRE), and the National Hydrocarbon Commission (CNH) and consolidating their authorities with the Executive branch. COFECE's authorities would be assumed by the Ministry of Finance (*Secretaría de Hacienda*) while CNH's and CRE's would be assumed by the Ministry of Energy (*Secretaría de Energía*).

ORGANIZATIONAL STRUCTURE

The following diagram shows our main subsidiaries as of the date of this annual report:



(1) Assets transferred to Aconcagua, effective on March 1, 2023.

PROPERTY, PLANT AND EQUIPMENT

We have freehold and leasehold interests, but there is no specific interest that is individually material to us. The majority of our property, consisting of oil and gas reserves, oil and gas wells and corporate office buildings are located in Argentina. In each of the countries in which we operate, the state is the exclusive owner of all hydrocarbon resources located in such country and has full authority to determine the rights, royalties or compensation to be paid by private investors for the exploration or production of any hydrocarbon reserves. In Argentina, the Argentine Republic grants such rights through exploitation concessions. In Mexico, the Mexican State performs E&P activities through entitlements, granted to productive state-owned companies, or by granting productive state-owned companies or private entities, individually or under a consortium, exploration and extraction agreements. Entitlements and exploration and extraction agreements have different regulatory schemes. Entitlements can only be granted to productive state-owned companies (in Mexico, only Pemex), and are assigned directly by the Mexican government. In contrast, exploration and extraction agreements are granted through public and competitive bidding processes held by CNH.

We are subject to several environmental laws and regulations promulgated by local and federal governments in Argentina and Mexico which may affect the utilization of the assets. In addition, other environmental issues may influence the Company's use of property, plant and equipment. See "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry—The oil and gas industry is subject to particular operational and economic risks" and "Item 4—Information on the Company—Business Overview—ESG Matters."

ITEM 4A UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

This section contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from those discussed in the forward-looking statements as a result of various factors, including, without limitation, those set forth in “Forward-Looking Statements” and “Item 3—Key Information—Risk Factors” and the matters set forth in this annual report generally.

The following discussion is based on, and should be read in conjunction with our Audited Financial Statements and related notes contained in this annual report.

ITEM 5A. OPERATING RESULTS

The following table presents our selected financial data as of and for each of the years in the three-year period ended December 31, 2023. Our historical results for any prior period do not necessarily indicate results to be expected for any future period.

The selected consolidated statement of comprehensive income for the years ended December 31, 2023, 2022 and 2021 and the selected consolidated statement of financial position as of December 31, 2023, and 2022, have been prepared in accordance with IFRS as issued by the IASB and have been derived from our Audited Financial Statements included elsewhere in this annual report.

The entire summary financial information included in the following tables is denominated in U.S. Dollars. The financial data that has been derived from our Audited Financial Statements was prepared in accordance with IFRS. For further information, see “Presentation of Information—Financial Statements and Information.”

You should read the information below in conjunction with our Audited Financial Statements, including the notes thereto, as well as the sections “Presentation of Financial Information.”

In the financial statements as of December 31, 2023, the Company has made a change in the “Export Duties” presentation in the “Royalties and others”, which was previously included in “Revenues from contract with customers.” The comparative information for the years ended December 31, 2022 and 2021, has been reclassified to ensure consistency with the consolidated financial statements as of December 31, 2023. This change had no effect on the net profit for the years ended December 31, 2022 and 2021.

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
	<i>(in thousands of US\$)</i>		
Revenue from contracts with customers	1,168,774	1,187,660	665,310
Cost of sales			
Operating costs	(94,685)	(133,385)	(107,123)
Crude oil stock fluctuation	(2,058)	(500)	(905)
Depreciation, depletion and amortization	(276,430)	(234,862)	(191,313)
Royalties and others	(176,813)	(188,677)	(99,364)
Other non-cash costs related to the transfer of conventional assets	(27,539)	—	—
Gross profit	591,249	630,236	266,605
Selling expenses	(68,792)	(59,904)	(42,748)
General and administrative expenses	(70,483)	(63,826)	(45,858)
Exploration expenses	(16)	(736)	(561)
Other operating income	203,812	26,698	23,285
Other operating expenses	302	(3,321)	(4,214)
(Impairment) reversal of long-lived assets	(24,585)	—	14,044
Operating profit	631,487	529,147	210,553
Interest income	1,235	809	65
Interest expense	(21,879)	(28,886)	(50,660)
Other financial income (expense)	(65,484)	(67,556)	(7,194)
Financial income (expense), net	(86,128)	(95,633)	(57,789)
Profit before income tax	545,359	433,514	152,764
Current income tax (expense)	(16,393)	(92,089)	(62,419)
Deferred income tax (expense)	(132,011)	(71,890)	(39,695)
Income tax (expense)	(148,404)	(163,979)	(102,114)
Profit for the year, net	396,955	269,535	50,650
Other comprehensive income			
<i>Other comprehensive income that shall not be reclassified to profit (loss) in subsequent periods</i>			
- Profit (loss) from actuarial remediation related to employee benefits	6,565	(4,181)	(4,513)
- Deferred income tax (expense) benefit	(2,298)	1,463	2,048
Other comprehensive income that shall not be reclassified to profit (loss) in subsequent years, net of taxes	4,267	(2,718)	(2,465)
Total comprehensive profit for the year	401,222	266,817	48,185
Earnings per share			
Basic (in U.S. Dollars per share):	4.237	3.068	0.574
Diluted (in U.S. Dollars per share):	4.000	2.755	0.543
Adjusted EBITDA⁽¹⁾	870,657	764,540	380,107
Adjusted EBITDA Margin⁽²⁾	69%	67%	58%
Adjusted Net Income⁽³⁾	491,430	371,775	78,483
ROACE⁽⁴⁾	39%	40%	17%

(1) We calculate Adjusted EBITDA as profit for the year, net, plus income tax expense, financial income (expense), net, depreciation, depletion and amortization, transaction costs related to business combinations and gain from asset disposals, restructuring and reorganization expenses, gain related to the transfer of conventional assets, other non-cash costs related to the transfer of conventional assets and impairment (reversal) of long-lived assets. We present Adjusted EBITDA because we believe it provides investors with a supplemental measure of the financial performance of our core operations that facilitates period to period comparisons on a consistent basis. Our management uses Adjusted EBITDA, among other measures, for internal planning and performance measurement purposes. Adjusted EBITDA is not a measure of liquidity or operating performance under IFRS and should not be construed as an alternative to net profit, operating profit, or cash flow provided by operating activities (in each case, as determined in accordance with IFRS). See “Presentation of Information—Non-IFRS Financial Measures.”

(2) We calculate Adjusted EBITDA Margin as the ratio of Adjusted EBITDA to revenue from contracts with customers plus Gain from Exports Increase Program. See “Presentation of Information—Non-IFRS Financial Measures.”

(3) We calculate Adjusted Net Income as profit for the year, net, plus deferred income tax (expense), changes in fair value of warrants, gain related to the transfer of conventional assets, other non-cash costs related to the transfer of conventional assets and impairment (reversal) of long-lived assets. We add back these four adjustments since they are non-cash items that do not reflect the fair net income generation of the Company. See “Presentation of Information—Non-IFRS Financial Measures.”

- (4) We calculate ROACE as Adjusted EBITDA, plus depreciation, depletion and amortization, gain related to the transfer of conventional assets and other non-cash costs related to the transfer of conventional assets, divided by the sum of the average total debt and average total shareholders' equity. For purposes of this definition, total debt is comprised of current borrowings, non-current borrowings, current lease liabilities and non-current lease liabilities. See "Presentation of Information—Non-IFRS Financial Measures."

The following table sets forth the reconciliation of Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt, Adjusted Net Income and ROACE:

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
	<i>(in thousands of US\$)</i>		
Profit for the year, net	396,955	269,535	50,650
Income tax expense	148,404	163,979	102,114
Financial income (expense), net	86,128	95,633	57,789
Depreciation, depletion and amortization	276,430	234,862	191,313
Restructuring and reorganization expenses	276	531	2,284
Gain from asset disposals.	—	—	(9,999)
Impairment (reversal) of long-lived assets	24,585	—	(14,044)
Gain related to the transfer of conventional assets	(89,659)	—	—
Other non-cash costs related to the transfer of conventional assets	27,539	—	—
Adjusted EBITDA	870,657	764,540	380,107
Revenue from contracts with customers	1,168,774	1,187,660	665,310
Gain from Exports Increase Program	86,173	—	—
Adjusted EBITDA Margin	69%	64%	57%

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
	<i>(in thousands of US\$)</i>		
Profit for the year, net	396,955	269,535	50,650
Adjustments:			
(+) Deferred Income tax (expense)	132,011	71,890	39,695
(+) Changes in the fair value of Warrants	—	30,350	2,182
(+) Impairment (reversal) of long-lived assets	24,585	—	(14,044)
(+) Gain related to the transfer of conventional assets	(89,659)	—	—
(+) Other non-cash costs related to the transfer of conventional assets	27,539	—	—
Adjustments to Net Income	94,476	102,240	27,833
Adjusted Net Income	491,430	371,775	78,483

	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
	<i>(in thousands of US\$)</i>		
Current and non-current borrowings	616,055	549,332	610,973
Cash, bank balances and other short-term investments	213,253	244,385	315,013
Net Debt	402,802	304,947	295,960

	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
	<i>(in thousands of US\$)</i>		
Adjusted EBITDA	870,657	764,540	380,107
Depreciation, depletion and amortization	(276,430)	(234,862)	(191,313)
Gain related to the transfer of conventional assets	89,659	—	—
Other non-cash costs related to the transfer of conventional assets	(27,539)	—	—
Average current and non-current borrowings	582,694	580,153	575,380
Average current and non-current lease liabilities	49,831	28,134	25,378
Average total shareholders' equity	1,045,538	704,660	537,193
ROACE	39%	40%	17%

Selected Consolidated Statement of Financial Position

	As of December 31, 2023	As of December 31, 2022
Assets		
Noncurrent assets		
Property, plant and equipment	1,927,759	1,606,339
Goodwill	22,576	28,288
Other intangible assets	10,026	6,792
Right-of-use assets	61,025	26,228
Investments in associates	8,619	6,443
Trade and other receivables	136,351	15,864
Deferred income tax assets	5,743	335
Total noncurrent assets	2,172,099	1,690,289
Current assets		
Inventories	7,549	12,899
Trade and other receivables	205,102	90,406
Cash, bank balances and other short-term investments	213,253	244,385
Total current assets	425,904	347,690
Total assets	2,598,003	2,037,979
Equity and liabilities		
Equity		
Capital stock	517,874	517,873
Other equity instruments	32,144	32,144
Legal reserve	8,233	2,603
Share-based payments	42,476	40,744
Share repurchase reserve	79,324	49,465
Other accumulated comprehensive income (losses)	(4,427)	(8,694)
Accumulated profit (losses)	571,391	209,925
Total equity	1,247,015	844,060
Liabilities		
Noncurrent liabilities		
Deferred income tax liabilities	383,128	243,411
Lease liabilities	35,600	20,644
Provisions	12,339	31,668
Borrowings	554,832	477,601
Employee benefits	5,703	12,251
Total noncurrent liabilities	991,602	785,575
Current liabilities		
Provisions	4,133	2,848
Lease liabilities	34,868	8,550
Borrowings	61,223	71,731
Salaries and payroll taxes	17,555	25,120
Income tax liability	3	58,770
Other taxes and royalties	36,549	20,312
Trade and other payables	205,055	221,013
Total current liabilities	359,386	408,344
Total liabilities	1,350,988	1,193,919
Total equity and liabilities	2,598,003	2,037,979
Dividends and Shares		
Number of shares	95,355,432	88,406,480
Dividends declared	—	—
Dividends declared per-share	—	—

Source of Revenues

Vista is principally engaged in the oil and gas business in the E&P industry. Our oil and gas operations derive revenues mainly from the sale of crude oil, natural gas, and NGL. During the year ended December 31, 2023, oil sales contributed 93.9% of our total revenues, natural gas sales contributed 5.8% of our total revenues and NGL sales contributed 0.3% of our total revenues. During the year ended December 31, 2022, oil sales contributed 93.7% of our total revenues, natural gas sales contributed 5.8% of our total revenues and NGL sales contributed 0.5% of our total revenues. During the year ended December 31, 2021, oil sales contributed 90.9% of our total revenues, natural gas sales contributed 8.3% of our total revenues

and NGL sales contributed 0.7% of our total revenues. During 2023, 2022 and 2021, most of our revenues were generated in Argentina.

Our sales volumes directly impact our results of operations. As reservoir pressure declines, production from a given well or formation decreases. Growth in our future production and reserves will depend on the development of our acreage and the corresponding capital expenditure, which will determine our ability to add proved reserves in excess of our production. Accordingly, we plan to maintain our focus on adding reserves by further drilling our shale oil acreage in Vaca Muerta. Our ability to add reserves through acquisitions is dependent on many factors, including prevailing market conditions and our ability to raise capital, obtain regulatory approvals, procure drilling rigs and personnel and successfully identify and consummate acquisitions.

Our business is inherently volatile due to the influence of external factors, such as domestic demand, market prices, availability of financial resources for our business plan and its corresponding costs and government regulations. Consequently, our past financial condition, results of operations and the trends indicated by such results and financial condition may not be indicative of current or future financial conditions, results of operations or trends.

We sell our oil and gas to many creditworthy purchasers. Since our production is sold in the commodities market where several customers or markets are accessible to us, we do not believe the loss of any customer would have a material adverse effect on our business.

Production Results and Other Operating Data

The following table sets forth summary unaudited information about the oil and natural gas historical production volumes and other relevant operating and financial data of the assets we own in Argentina and Mexico. For the year ended December 31, 2023, the historical production volumes and other relevant operating data included below was calculated at their respective working interest percentages. Royalties payable to provinces have not been deducted from our net production amounts given that substantially all of our production is currently in Argentina and under Argentine law royalties constitute a production tax payable in cash (and do not give provinces a direct interest in such production to make lifting and sales arrangements independently). We account for royalties as cost of sales.

	Year ended December 31 2023	Year ended December 31 2022	Year ended December 31 2021
Net production volumes⁽¹⁾:			
Oil (MMbbl)	15.8	14.6	11.1
— Argentina	15.6	14.4	11
— Mexico	0.2	0.2	0.1
Natural Gas (Bncf)	15.2	16.5	16.4
— Argentina	15.1	16.5	16.2
— Mexico	0.1	0	0.2
NGL (MMboe)	0.2	0.2	0.2
— Argentina	0.2	0.2	0.2
— Mexico	0	0	0
Total (MMboe)	18.7	17.7	14.2
— Argentina	18.4	17.5	14.1
— Mexico	0.2	0.2	0.1
Average daily net production (boe/d)	51,149	48,560	38,845
— Argentina	50,488	48,087	38,488
— Mexico	661	473	357
Average realized sales price:			
Oil (US\$/bbl)	66.7	72.3	54.9
Natural Gas (US\$/MMBtu)	3.5	4.0	3.2
NGL (US\$/tn)	351.3	377	312
Average realized sales price (US\$/boe)	58.4	63.7	46
Average unit costs (US\$/boe)⁽²⁾:			
Operating expenses	5.1	7.5	7.6
Royalties ⁽³⁾	6.9	8.2	6.1
Depreciation, depletion and amortization	14.8	13.3	13.5
Other data (in thousands of US\$)			
Operating expenses	94,685	133,385	107,123
Royalties ⁽³⁾	128,723	144,837	86,241
Depreciation, depletion and amortization	276,430	234,862	191,313

⁽¹⁾ Measured based on our working interest. There was no production due to others during the applicable periods. Oil production is comprised of production of crude oil, condensate and natural gasoline. Natural gas production excludes natural gas consumption. NGL production is comprised of production of propane and butane (LPG) and excludes natural gasoline.

⁽²⁾ We calculate average unit costs per boe by dividing operating expenses, royalties or depreciation, depletion and amortization for the relevant period, as applicable, by average daily net production multiplied by days in each period (365 days for 2021, 365 days for 2022 and 365 days for 2023).

- (3) Measured based on our working interest. Royalties are applied to the total production of the concessions, and are calculated by applying the applicable royalty rate to the production, after discounting certain expenses in order to obtain the value of crude oil, natural gas and liquefied gas volumes at the wellhead.

The following table highlights certain operating data through the end of the fourth quarter of 2023:

	Three-month period ended <u>December 31, 2023</u>	Three-month period ended <u>September 30, 2023</u>	Three-month period ended <u>June 30, 2023</u>	Three-month period ended <u>March 31, 2023</u>
Average Brent Oil Price (US\$per bbl) ⁽¹⁾	82.9	85.9	77.7	82.2
Average Medanito Crude Oil Price (US\$per bbl) ⁽²⁾	62.9	63.4	63.6	65.9
Average Natural Gas Price (US\$per MMBtu) ⁽³⁾	3.2	3.7	3.6	3.2
Net production volumes:				
Oil (MMbbl)	4.46	3.82	3.57	3.96
Natural Gas (Bnct)	3.86	3.95	3.47	3.92
NGL (MMboe)	0.04	0.03	0.05	0.04
Total (Mboe)	5.18	4.55	4.24	4.70
Average realized sales price:				
Oil (US\$/bbl)	67.8	67.6	64.3	66.6
Natural Gas (US\$/MMBtu)	2.2	3.3	3.9	4.7
NGL (US\$/tn)	271	233	357	351
Lifting Cost (US\$/boe)	4.3	4.8	4.8	6.4
Number of conventional wells drilled as operator	0	0	4	2
Number of shale wells drilled as operator	11	11	4	9
Revenue from contracts with customers	309,196	302,760	239,628	317,190

(1) *Source:* Bloomberg.

(2) Light oil extracted from the Neuquina Basin. *Source:* Argentine Secretariat of Energy.

(3) *Source:* Argentine Secretariat of Energy and US\$/AR\$exchange rate according to Communication “A” 3500 of the Argentine Central Bank.

Factors Affecting our Results of Operations

Our operations are affected by a number of factors, including:

- (i) the volume of crude oil, natural gas and liquid gas we produce and sell;
- (ii) pricing dynamics and pricing regulation;
- (iii) hydrocarbon export regulations set by the Argentine and Mexican governments and domestic supply requirements;
- (iv) international and domestic prices of crude oil and oil products;
- (v) discount of our oil production to market prices;
- (vi) our capital expenditures and financing availability;
- (vii) supply chain dynamics and cost increases;
- (viii) market demand for hydrocarbon products;
- (ix) operational risks, labor strikes and other forms of public protest;
- (x) taxes, including export taxes;
- (xi) regulation of capital flows;

- (xii) exchange rates;
- (xiii) interest rates; and
- (xiv) changes to demand for hydrocarbon products and related services as the result of global trends such as conflicts, pandemics and consumer behavior.

Our business is inherently volatile due to the influence of external factors, such as domestic demand, market prices, availability of financial resources for our business plan and its corresponding costs and government regulations and policies. Consequently, our past financial condition, results of operations and trends indicated by such results and financial condition may not be indicative of current or future financial conditions, results of operations or trends.

Discovery and Exploitation of Reserves

Our results of operations depend to a large extent on our level of success in the development of our shale oil acreage. While we have geological reports evaluating certain proved, contingent and prospective reserves in our blocks, there is no assurance that we will continue to be successful in the exploration, appraisal, development and commercialization of oil and gas. The calculation of our geological and petrophysical estimates is complex and imprecise, which means it is possible that our future exploration or appraisal in undeveloped acreage will not result in additional discoveries, and, even if we are able to successfully make such discoveries, it is uncertain whether the discoveries will be commercially viable to produce.

Funding our capital expenditures partially relies on oil prices remaining close to, or higher than, our estimates together with other factors to generate sufficient cash flow. Low oil prices may affect our revenues, which in turn may affect our debt capacity and remaining within the leverage ratios defined in the covenants in our financing agreements, as well as our cash flow from operations. Our operations, investor confidence and share price could be adversely affected if we are not able to generate enough cash flows to fund our future operating expenses and capital expenditures.

If average realized oil prices are higher than expected, we would have the ability to allocate additional capital to engage in new in-house projects, potential acquisition opportunities and accelerate the pace of existing operations, in all cases leading to a potential increase of our oil and gas production and cash flows.

Our operations results would be adversely affected in the event that our oil and natural gas reserves and the capital expenditure return does not meet our expectations. In addition, we focus on several factors when analyzing new investment in our blocks or potential acquisitions. As a consequence, it is uncertain whether we will focus on the development of our current assets or make any acquisitions to increase our current production and reserves. Our business, results from operations and financial condition may be materially affected if we do not deploy the necessary capital expenditures to increase the reserves of our current blocks or increase our reserves through profitable acquisition opportunities.

Availability and Reliability of Infrastructure

Our business depends on the availability and reliability of operating and transportation facilities in the areas we operate, and in the expansion of midstream capacity to take hydrocarbon production to our customers. Prices, together with the availability of equipment and infrastructure, with the corresponding maintenance thereof, affect our ability to follow our investment plan to operate our business, and thus our operations results and financial condition. See “Item 4—Information on the Company—History and Development of the Company—Our Operations—Oil and Natural Gas Reserves Production—Transportation and Treatment” and Our Business—Our Operations—Investment in Property, Plant and Equipment.”

Contractual Obligations

In order to protect our exploitation rights in our concessions, we must achieve certain milestones, including investment commitments, related to drilling and production in determined time periods, as stated in the corresponding agreements. The operating and maintenance costs may increase significantly due to adverse local or international market conditions, including local recession, foreign exchange volatility or high financing costs, which could prevent

us from meeting our commitments under such agreements on commercially reasonable terms or at all, which may force us to forfeit our interests in such areas. If we do not succeed in renewing these agreements and maintaining our operations in these concessions, or securing new ones, our ability to grow our business may be materially affected. See “Item 5—Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Expenditures.”

The Argentine and Mexican Economies

Our main assets and most of our operations are located in Argentina and to a lesser extent in Mexico. Accordingly, our financial condition and results of operations depend to a significant extent on macroeconomic and political conditions prevailing from time to time in Argentina, and to a lesser extent in Mexico.

The general performance of the Argentine economy affects the demand for energy, while inflation, fluctuations in currency exchange rates and social stability affect our costs and our margins. Inflation primarily affects our business by increasing operating costs in Argentine Pesos.

The following table sets forth key economic indicators in Argentina during the periods indicated:

	2023	2022	2021	2020	2019
Real GDP (% change) ⁽¹⁾	(1.6)	5.2	10.3	(9.9)	(2.2)
Nominal GDP (in millions of AR\$) ⁽¹⁾	189,780,357	82,650,240	46,687,236	27,021,238	21,650,351
Consumer Price Index (CPI) variation (in %) ⁽¹⁾	211.4	94.8	50.9	36.1	53.8
Nominal Exchange Rate (in AR\$/US\$ at period end) ⁽²⁾	808.5	177.1	102.8	84.1	59.9

⁽¹⁾ Source: INDEC. Preliminary and provisional data are shown as stated by INDEC.

⁽²⁾ Source: Data in accordance with foreign exchange rate set forth in Communication “A” 3,500 issued by the BCRA.

For more information on these macroeconomic and political conditions, see “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments.”

Foreign Exchange Rates

The following tables show, for the periods indicated, certain information regarding the exchange rates for U.S. Dollars, expressed in nominal Argentine Pesos per Dollar (According to Communication “A” 3500 of the BCRA). See “Item 10—Additional Information—Exchange Controls.”

	<u>Average⁽¹⁾</u>	<u>End of Period</u>
Year Ended December 31, 2019	49.5	59.9
Year Ended December 31, 2020	70.6	84.1
Year Ended December 31, 2021	95.2	102.8
Year Ended December 31, 2022	130.6	177.1
Year Ended December 31, 2023	295.2	808.5
Month Ended September 31, 2023	350.0	350.0
Month Ended October 31, 2023	350.0	350.0
Month Ended November 30, 2023	353.8	360.5
Month Ended December 31, 2023	642.0	808.5
Month Ended January 31, 2024	818.3	826.3
Month Ended February 29, 2024	834.9	842.3
Month Ended March 31, 2024	850.3	857.4

⁽¹⁾ Yearly data reflect average of month-end rates. Monthly data reflect average of day-end rates.

Source: Data in accordance with foreign exchange rate set forth in Communication “A” 3,500 issued by the BCRA.

The following tables show, for the periods indicated, certain information regarding the exchange rates for U.S. Dollars, expressed in nominal Mexican Pesos per Dollar (price to settle obligations published by Banco de México).

	<u>Average⁽¹⁾</u>	<u>End of Period</u>
Year Ended December 31, 2019	19.3	18.9
Year Ended December 31, 2020	21.5	19.9
Year Ended December 31, 2021	20.3	20.6
Year Ended December 31, 2022	20.1	19.4
Year Ended December 31, 2023	17.7	17.0
Month Ended September 31, 2023	17.3	17.4
Month Ended October 31, 2023	18.1	18.0
Month Ended November 30, 2023	17.4	17.4
Month Ended December 31, 2023	17.2	17.0
Month Ended January 31, 2024	17.1	17.1
Month Ended February 29, 2024	17.1	17.1
Month Ended March 31, 2024	16.8	16.6

(1) Reflects average of day-end rates.

Sources: Banco de México

Most of our sales are directly denominated in U.S. Dollars or indexed to the U.S. Dollar. We collect a significant portion of our revenues in Argentine Pesos pursuant to prices which are indexed to the U.S. Dollar, mainly revenues resulting from the sale of crude oil and natural gas, which sales are invoiced in U.S. Dollars using the U.S. Dollar/Argentine Peso exchange rate as of the date of issuance of the invoice payable within a 19- to 50-day payment period. However, our invoices are subject to adjustment to the prevailing U.S. Dollar/Argentine Peso exchange rate in effect as of the date of payment. Any significant increase in the Argentine Peso price as a result of a decline in the Peso/Dollar exchange rate could lead to decreased sales volumes as a result of increases in the effective price in Argentine Pesos paid by our customers for natural gas and crude oil. We are exposed to the risk that purchasers of our natural gas and crude oil may be unable to pay amounts owed to us following a depreciation of the Argentine Peso.

Argentine Foreign Exchange Regulations

Since September 1, 2019, with the purpose of strengthening the normal functioning of the economy, fostering a prudent administration of the exchange market, reducing the volatility of financial variables, and containing the impact of the variations of financial flows on the real economy, foreign exchange controls were reinstated in Argentina. See “Item 10—Additional Information—Exchange Controls.”

The value of the peso compared to other currencies depends, among other factors, on the level of international reserves held by the BCRA, which have also shown significant fluctuations in recent years, as well as on the fiscal and monetary policies adopted by the Argentine government. The Argentine macroeconomic environment, in which we operate, was affected by the continuous devaluation of the peso, which in turn had a direct impact on our financial and economic position. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Company—We are exposed to foreign exchange risks relating to our operations in Argentina and Mexico.”

Policy and Regulatory Developments in Argentina and Mexico

The Argentine and Mexican oil and gas industry have been subject to major reforms during the past five years and there can be no assurance that future reforms or reversal of existing ones will not have an adverse impact on our revenues and results of operations. Our business is, to a large extent, dependent upon regulatory conditions prevailing in the countries in which we operate and our results of operations may be materially and adversely affected by regulatory changes in these countries. Additionally, the regulatory burden on the oil and gas industry increases the cost of doing business in the industry and consequently affects profitability.

For more information regarding policy and regulatory developments relating to the oil and gas industry in Argentina, see “Item 4—Information on the Company—Industry and Regulatory Overview —Argentina’s Oil and Gas Industry Overview.” For more information regarding policy and regulatory developments relating to the oil and gas industry in Mexico, see “Item 4—Information on the Company—Industry and Regulatory Overview —Mexico’s Oil and Gas Regulatory Overview.”

Seasonality

Although there is some historical seasonality to the prices that we are paid for our production, seasonality does not play a significant role in our ability to conduct our operations, including drilling and completion activities as planned in our budgets. For example, seasonal demand behavior during winter and autumn affects the prices that we receive for our production. However, the impact of such seasonality has historically not been material.

Warrants

Under IFRS, a contract to issue a variable number of common shares, such as warrants, should be classified as a financial liability and measured at fair value, with changes in fair value recognized in the consolidated statement of profit or loss and comprehensive income. On March 2, 2023, Vista concluded the process with the CNBV to update the registration of Vista’s warrants in the RNV. These warrants have been accounted for as a liability and are subject to adjustment of their fair market value at each reporting period. The determination of fair market value is subject to assumptions and estimates and changes to these assumptions and estimates could impact the valuation of the warrants, which could in turn have an effect on our consolidated statement of profit or loss and comprehensive income. On March 15, 2023, Vista exercised all outstanding warrants on a cashless basis resulting in the early termination of all outstanding warrants. Holders of the warrants received one series A share for every 31 warrants owned by each holder. Holders only received whole series A shares (not fractions). In addition, holders of warrants received a payment in Pesos for any fractions held by them. As of the date of this annual report, there are no outstanding warrants.

Deferred Income Tax

Under IFRS, the difference between the book value of property, plant and equipment (measured in U.S. Dollars, our functional currency) and the tax basis of such property, plant and equipment (which tax basis is expressed in Argentine Pesos or Mexican Pesos, as applicable, and may not be re-valued due to foreign exchange fluctuations under applicable tax laws) is a temporary difference to be considered in the calculation of deferred income tax. For more information, see Note 2.4.14.2 to our Audited Financial Statements. In addition to property, plant and equipment, we recognize deferred tax assets with respect to the temporary difference between the accounting and tax basis of the well plugging and abandonment provisions relating to our oil and gas properties.

On December 29, 2017, the Argentine government enacted Law No. 27,430 which introduced several changes to the Argentine income tax regime as well as to other federal taxes. Pursuant to Law No. 27,430 the income tax rate for Argentine companies would be gradually reduced from 35% to 30% commencing on tax periods initiated after January 1, 2018 and through December 31, 2019, and to 25% commencing on tax periods initiated after January 1, 2020 (an additional income tax withholding on actual or presumed dividend distributions to Argentine resident individuals or to foreign resident shareholders was also enacted at a 7% and 13% rate, respectively, so that an aggregate 35% tax burden is completed). On December 23, 2019, the Solidarity Law was published in the Official Gazette, providing –among many other federal tax aspects, including the creation of the so-called “PAIS Tax”- the suspension of the application of the 25% corporate tax rate for one tax period. Pursuant to further clarifications unofficially made by the Argentine tax authorities, the 25% corporate tax rate (coupled with the 13% income tax withholding on actual or presumed dividend distributions of profits) would be applicable as of tax periods initiated after January 1, 2021. Through Law No. 27,630, the income tax rate applicable to Argentine companies is again modified, establishing a progressive tax rate system with a rate of 25% to 35% based on the accumulated net taxable income and a 7% withholding applicable to any distribution of dividends or profits made by such entities to individuals’ resident in Argentina and to beneficiaries abroad, regardless of the tax period in which such dividends or profits are made available to the shareholders. These amendments are applicable to tax periods beginning on or after January 1, 2021. Despite these changes, there are many transactions and calculations for which the ultimate tax determination is still uncertain. We recognize liabilities for potential tax claims based on estimates of whether additional taxes will be due in the future. For more information, see Note 2.4.14 to our Audited Financial Statements.

Depreciation, Depletion and Amortization

IFRS requires us to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, among other line items, relating to our oil and gas properties. Actual results could differ from such estimates. Depreciation, depletion and amortization rates can fluctuate as a result of development costs, acquisitions, impairments, as well as changes in proved reserves or proved developed reserves. For more information, see Note 2.4.2.1 of our Audited Financial Statements.

Oil and Gas Market Conditions

The oil and gas industry is cyclical and commodity prices are highly volatile. During 2021, global economic recovery after the COVID-19 pandemic boosted the demand for crude oil. Oil demand increased to 99.4 MMBbl/d in 2022 from 97.1 in 2021, a 2% increase year-over-year. In addition, the countries grouped under Organization of Petroleum Exporting Countries (“OPEC”) agreed on production quotas to unwind the above-mentioned curtailment of 9.7 MMBbl/d. The average Brent oil price in 2021 was US\$71.0/bbl. This trend continued into 2022, and global oil prices were back to pre-pandemic levels by early 2022. During the first quarter of 2022, Brent prices increased driven by the ongoing conflict involving Russia and Ukraine, which resulted in sanctions from several countries (including the U.S. and European Union countries) to Russia, leading to concerns regarding global energy supply as Russia was the third largest oil producer and largest oil exporter. This led to a peak in Brent prices of US\$128.0/bbl on March 8, 2022. On March 31, 2022, the U.S. government announced a release of 1 MMBbl/d over the next six months from its Strategic Petroleum Reserve resulting in a decrease of Brent prices. Overall, Brent oil prices increased from US\$77.8/bbl on December 31, 2021, to US\$85.9/bbl on December 31, 2022, with an average of US\$99.0/bbl for the year 2022, a 39% increase year-over-year. During 2023, Brent oil prices decreased from US\$85.9/bbl on December 31, 2022, to US\$77.0/bbl on December 31, 2023, with an average of US\$82.3/bbl for the year 2023, a 17% decrease year-over-year. This decrease was mainly driven by lower than expected increase in oil demand, driven in turn by lower economic growth and rising interest rates. In the first quarter of 2024, Brent oil prices averaged US\$81.8/bbl .

It is likely that commodity prices will continue to fluctuate due to global supply and demand, inventory supply levels, weather conditions, geopolitical and other factors. Additionally, the oil and gas industry is subject to a number of operational trends, some of which affect the basins we operate. Oil and gas companies are increasingly utilizing new techniques to lower drilling costs and increase the efficiency of operations.

The operating results and cash flows of our business are susceptible to risks relating to the volatility of international oil prices. Due to regulatory, economic and government policy factors, oil prices in Argentina in the past have lagged far behind the prevailing prices in the international market. Furthermore, in order to ensure the domestic supply and increase government revenue, Argentina’s government has imposed export duties and other restrictions on exports in the past that have prevented companies from benefiting from increases in international oil prices. Oil exports remain subject to authorization from the SdE, which requires producers to demonstrate that local demand has been met or that an offer to sell oil to the local buyer has been made and rejected. We cannot predict if, when or what measures will be implemented or maintained by the Argentine government, nor what effects such measures will have, particularly on oil prices in Argentina.

The price of natural gas in Argentina has been limited by a series of government measures intended to ensure domestic supply at affordable prices. Therefore, gas producers can elect to sell to distributors the gas necessary to meet the needs of the regulated internal market at prices established by the relevant authorities. Alternatively, gas producers can only sell their surplus gas production on the deregulated market, either in Argentina or potentially, and subject to meeting certain requirements, through exports. Historically, gas prices in the regulated market have lagged far behind prices in the deregulated and regional markets.

The following table highlights the quarterly average price trends for crude oil and natural gas in U.S. Dollars for the periods presented:

	2023				2022	2021	2020	2019	2018	2017
	Q4	Q3	Q2	Q1						
Average Brent Oil Price (per bbl) ⁽¹⁾	82.9	85.9	77.7	82.2	99.0	71.0	43.2	43.2	71.7	54.7
Average 25 de Mayo-Medanito Crude Oil Price (per bbl) ⁽²⁾	62.9	63.4	63.6	65.9	67.1	53.1	40.64	54.0	64.98	56.52
Average Natural Gas Price (per MMBtu) ⁽³⁾	3.2	3.7	3.6	3.2	3.2	2.89	2.29	3.35	4.42	3.76

(1) *Source:* Bloomberg.

(2) Light oil extracted from the Neuquina Basin. *Source:* Argentine Secretariat of Energy.

(3) *Source:* Argentine Secretariat of Energy and US\$/AR\$ exchange rate according to Communication “A” 3500 of the BCRA.

A sustained drop in oil, natural gas and NGL prices may not only decrease our revenues but may also reduce the amount of oil, natural gas and NGL that we can produce economically and therefore potentially lower our oil, natural gas and NGL reserve quantities.

Results of Operations

The following discussion relates to certain financial and operating data for the years indicated. You should read this discussion in conjunction with our Audited Financial Statements and the accompanying notes thereto. We measure our performance by our Profit for the year, net for the period, gross profit and operating profit and use these metrics to make decisions about allocating resources and to evaluate our financial performance.

Year ended December 31, 2023 compared to year ended December 31, 2022

	Year ended December 31, 2023		Year ended December 31, 2022	
	(in thousands of US\$ except per share data)	(% of revenues)	(in thousands of US\$ except per share data)	(% of revenues)
Revenue from contract with customers	1,168,774	100%	1,187,660	100%
Cost of sales	(577,525)	(49)%	(557,424)	(47)%
Gross profit	591,249	51%	630,236	53%
Selling expenses	(68,792)	(6)%	(59,904)	(5)%
General and administrative expenses	(70,483)	(6)%	(63,826)	(5)%
Exploration expenses	(16)	(0)%	(736)	(0)%
Other operating income	203,812	17%	26,698	2%
Other operating expenses	302	0%	(3,321)	(0)%
Reversal (Impairment) of long- lived assets	(24,585)	(2)%	—	0%
Operating profit	631,487	54%	529,147	45%
Interest income	1,235	0%	809	0%
Interest expense	(21,879)	(2)%	(28,886)	(2)%
Other financial income (expense)	(65,484)	(6)%	(67,556)	(6)%
Financial income (expense), net	(86,128)	(7)%	(95,633)	(8)%
Profit before income tax	545,359	47%	433,514	37%
Current income tax (expense)	(16,393)	(1)%	(92,089)	(8)%
Deferred income tax (expense)	(132,011)	(11)%	(71,890)	(6)%
Income tax (expense)	(148,404)	(13)%	(163,979)	(14)%
Profit for the year	396,955	34%	269,535	23%
Other comprehensive income				
<i>Other comprehensive income that shall not be reclassified to profit or (loss) in subsequent periods</i>				
(Loss) profit from actuarial remediation related to employee benefits	6,565	1%	(4,181)	(0)%
Deferred income tax benefit (expense)	(2,298)	(0)%	1,463	0%
Other comprehensive income that shall not be reclassified to profit or loss in subsequent years, net of taxes				
	4,267	0%	(2,718)	(0)%
Total comprehensive profit for the year	401,222	34%	266,817	22%
Earnings per share				
Basic (In US Dollars per share):	4.237	N/A	3.068	N/A
Diluted (In US Dollars per share):	4.000	N/A	2.755	N/A

Revenue from contracts with customers

The detail of our revenues from contracts with customers is the following:

Types of goods	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenues from crude oil sales	1,097,316	1,113,411
Revenues from natural gas sales	67,290	68,663
Revenues from NGL sales	4,168	5,586
Revenue from contracts with customers	1,168,774	1,187,660

Total revenue from contracts with customers decreased to US\$1,168.8 million during the year ended December 31, 2023, compared to US\$1,187.7 million during the year ended December 31, 2022. Such decrease was mainly driven by lower realized oil prices, partially offset by oil production growth.

Revenues from crude oil decreased to US\$1,097.3 million during the year ended December 31, 2023, compared to US\$1,113.4 million during the year ended December 31, 2022, which represented 94% of our total revenue from contracts with customers during both periods. Such decrease was primarily driven by a decrease in realized crude oil price of 8%, partially offset by an increase in crude oil sales volumes of 7% year over year.

Total volume of crude oil sold increased to 15.7 MMbbl during the year ended December 31, 2023, compared to 14.8 MMbbl during the year ended December 31, 2022, mainly driven by a 5% production growth year-over-year, which in turn resulted from 31 shale oil wells tied-in during 2023, increasing the total number of shale wells on production to 99 at year-end. This activity boosted oil production, which increased 8% year-over-year during 2023. On a pro forma basis, adjusted by the transfer of the conventional assets as of March 1, 2023, oil production grew 20% year-over-year during 2023.

Average realized crude oil sales prices decreased to US\$66.7/bbl during the year ended December 31, 2023, compared to US\$72.3/bbl during the year ended December 31, 2022, a decrease that was mainly driven by a lower Brent price, which decreased 17% during 2023 compared to 2022, on average.

In 2023, 8.2 MMbbl of crude oil, or 52% of total crude oil volumes, were sold to export markets for a total net revenue of US\$593.8 million. In 2022, 6.6 MMbbl of crude oil, or 44% of total crude oil volumes, were sold to export markets for a total net revenue of US\$559.6 million.

Revenues from natural gas decreased to US\$67.3 million during the year ended December 31, 2023, compared to US\$68.7 million during the year ended December 31, 2022, which represented 6% of our total revenue from contracts with customers during both periods. Such decrease was primarily driven by a decrease in the realized natural gas price, which decreased 13% during 2023 compared to 2022.

Total volume of natural gas sold increased to 3.3 MMboe during the year ended December 31, 2023, compared to 3.0 MMboe during the year ended December 31, 2022.

The average realized natural gas sales prices was US\$3.5/MMBtu during the year ended December 31, 2023, a 13% decrease compared to US\$4.0/MMBtu during the year ended December 31, 2022. Such decrease was mainly driven by lower prices to industrial customers at US\$2.3/MMBtu during 2023, compared to US\$3.7/MMBtu in 2022.

Revenues from NGL decreased to US\$4.2 million during the year ended December 31, 2023, compared to US\$5.6 million during the year ended December 31, 2022, which represented less than 1% of our total revenue from contracts with customers during both periods.

During the year ended December 31, 2023, 99% of our revenue was generated by our oil and gas properties in Argentina, as well as during the year ended December 31, 2022.

Cost of Sales

	For the year ended December 31, 2023	For the year ended December 31, 2022
	(in thousands of US\$)	
Operation costs	(94,685)	(133,385)
Crude oil stock fluctuation	(2,058)	(500)
Depreciation, depletion and amortization	(276,430)	(234,862)
Royalties and others	(176,813)	(188,677)
Other non-cash costs related to the transfer of conventional assets	(27,539)	—
Cost of sales	(577,525)	(557,424)

Cost of sales increased to US\$577.5 million during the year ended December 31, 2023, compared to US\$557.4 million during the year ended December 31, 2022. Total cost of sales included operating expenses, fluctuations in the inventory of crude oil, depreciation, depletion and amortization, royalties and others, and other non-cash costs related to the transfer of conventional assets.

Operating expenses decreased to US\$94.7 million during the year ended December 31, 2023, compared to US\$133.4 million during the year ended December 31, 2022, which represented 16% and 24% of our total cost of sales, respectively. Operating expenses per produced barrel decreased to US\$5.1/boe during the year ended December 31, 2023, from US\$7.5/boe during the year ended December 31, 2022. This decrease was primarily driven by the savings generated by the Conventional Assets Transaction to fully-focus on shale oil operations as of March 1, 2023, economies of scale driven by production volume growth, and focus on cost efficiency.

The crude oil stock fluctuation increased to US\$2.1 million during the year ended December 31, 2023, compared to US\$0.5 million during the year ended December 31, 2022. This was primarily due to the decrease in crude oil stock at the end of the period.

Depreciation, depletion and amortization increased to US\$276.4 million during the year ended December 31, 2023, compared to US\$234.9 million during the year ended December 31, 2022, which represented 48% and 42% of our total cost of sales, respectively. This increase was primarily driven by higher capital expenditures and total production in 2023 compared to 2022.

Royalties and others decreased to US\$176.8 million during the year ended December 31, 2023, compared to US\$188.7 million during the year ended December 31, 2022, which represented 31% and 34% of our total cost of sales, respectively. This decrease was primarily driven by the above-mentioned decrease in realized oil price and realized natural gas price.

Other non-cash costs related to the transfer of conventional assets was US\$27.5 million during the year ended December 31, 2023, which represented 5% of our total cost of sales during the period. These non-cash were mainly related to the Conventional Assets Transaction.

Gross Profit

Gross profit decreased to US\$591.2 million during the year ended December 31, 2023, compared to US\$630.2 million during the year ended December 31, 2022, which represented 51% and 53% of our total revenue from contracts with customers, respectively.

Selling Expenses

Selling expenses increased to US\$68.8 million during the year ended December 31, 2023, compared to US\$59.9 million during the year ended December 31, 2022, which represented 6% and 5% of our total revenue from contracts with customers, respectively. This increase was primarily driven by an increase of 104% in Fees and compensation for services, and 15% in Transport, in both cases during 2023 compared to 2022.

General and Administrative Expenses

General and administrative expenses increased to US\$70.5 million during the year ended December 31, 2023, compared to US\$63.8 million during the year ended December 31, 2022, which represented 6% and 5% of our total revenue from contracts with customers, respectively. This increase was primarily driven by a 40% increase in Share-based payments, a 39% increase in Employee Benefits and a 19% increase in Fees and compensation for services, in all cases during 2023 compared to 2022.

Exploration Expenses

Exploration expenses decreased to US\$0.02 million during the year ended December 31, 2023, compared to US\$0.7 million during the year ended December 31, 2022.

Other Operating Income

Other operating income increased to US\$203.8 million during the year ended December 31, 2023, compared to US\$26.7 million during the year ended December 31, 2022. This increase was mainly driven by the gains related to the Conventional Asset Transaction and the gains related to the repatriation of 27% of the export proceeds of the fourth quarter of 2023 at the bluechip swap exchange rate, as per applicable regulations.

Other Operating Expenses

Other operating expenses resulted in a gain of US\$0.3 million during the year ended December 31, 2023, compared to a loss of US\$3.3 million during the year ended December 31, 2022.

Operating Profit

Operating profit increased to US\$631.5 million during the year ended December 31, 2023, compared to US\$529.1 million during the year ended December 31, 2022, which represented 54% and 45% of our total revenue from contracts with customers, respectively.

Interest Income

Interest income increased to US\$1.2 million during the year ended December 31, 2023, compared to US\$0.8 million during the year ended December 31, 2022.

Interest Expense

As of December 31, 2023, the interest expense decreased to US\$21.9 million from US\$28.9 million for the year ended December 31, 2022. This decrease was primarily due to new debt issuances at a lower interest rate.

Other Financial Results

Other financial results totaled a loss of US\$65.5 million for the year ended December 31, 2023, compared to a loss of US\$67.6 million for the year ended December 31, 2022. This change was primarily due to a 183% decrease in the discount of assets and liabilities at present value, a 210% decrease in changes in the fair value of financial assets and a 45% in net changes in foreign exchange rate, partially offset by a 36% increase in revaluations of loans originated by financial liabilities incurred in Argentina adjusted by the reference stabilization ratio (“UVA” for its acronym in Spanish).

Profit Before Income Taxes

Profit before income taxes totaled a gain of US\$545.4 million during the year ended December 31, 2023, compared to a loss of US\$433.5 million during the year ended December 31, 2022.

Income Tax expense

Our income tax expenses totaled a loss of US\$148.4 million during the year ended December 31, 2023, compared to a loss of US\$164.0 million during the year ended December 31, 2022. This change was primarily driven by a net effect of (i) an decrease in current income tax expenses from US\$92.1 million to US\$16.4 million compared to the year ended December 31, 2022, and (ii) an increase in deferred income tax expense of US\$132.0 million in 2023, compared to US\$71.9 million in 2022, mainly driven by the deferred tax inflation adjustment from our main subsidiary Vista Argentina, and the depreciation of the Argentine peso with respect to the US\$ affecting the Company's tax deductions of non-monetary assets.

Profit for the year, net

During the year ended December 31, 2023, the profit for the year, net totaled US\$397.0 million, compared to US\$269.5 million during year ended December 31, 2022.

Year ended December 31, 2022 compared to year ended December 31, 2021

	Year ended December 31, 2022		Year ended December 31, 2021	
	(in thousands of US\$ except per share data)	(% of revenues)	(in thousands of US\$ except per share data)	(% of revenues)
Revenue from contract with customers	1,187,660	100%	665,310	100%
Cost of sales	(557,424)	(47)%	(398,705)	(60)%
Gross profit	630,236	53%	266,605	40%
Selling expenses	(59,904)	(5)%	(42,748)	(6)%
General and administrative expenses	(63,826)	(5)%	(45,858)	(7)%
Exploration expenses	(736)	0%	(561)	(0)%
Other operating income	26,698	2%	23,285	3%
Other operating expenses	(3,321)	0%	(4,214)	(1)%
Reversal (Impairment) of long- lived assets	—	0%	14,044	2%
Operating profit	529,147	45%	210,553	32%
Interest income	809	0%	65	0%
Interest expense	(28,886)	(2)%	(50,660)	(8)%
Other financial income (expense)	(67,556)	(6)%	(7,194)	(1)%
Financial income (expense), net	(95,633)	(8)%	(57,789)	(9)%
Profit before income tax	433,514	37%	152,764	23%
Current income tax (expense)	(92,089)	(8)%	(62,419)	(9)%
Deferred income tax (expense)	(71,890)	(6)%	(39,695)	(6)%
Income tax (expense)	(163,979)	(14)%	(102,114)	(15)%
Profit for the year	269,535	23%	50,650	8%
Other comprehensive income				
<i>Other comprehensive income that shall not be reclassified to profit or (loss) in subsequent periods</i>				
(Loss) profit from actuarial remediation related to employee benefits	(4,181)	0%	(4,513)	(1)%
Deferred income tax benefit (expense)	1,463	0%	2,048	0%
Other comprehensive income that shall not be reclassified to profit or loss in subsequent years, net of taxes				
	(2,718)	0%	(2,465)	(0)%
Other comprehensive income for the year, net of income taxes				
			(2,465)	(0)%
Total comprehensive profit for the year	266,817	22%	48,185	7%
Earnings per share				
Basic (In US Dollars per share):	3.068	N/A	0.574	N/A
Diluted (In US Dollars per share):	2.755	N/A	0.543	N/A

Revenue from contracts with customers

The detail of our revenues from contracts with customers is the following:

Types of goods	For the year ended December 31, 2022	For the year ended December 31, 2021
Revenues from crude oil sales	1,113,411	606,183
Revenues from natural gas sales	68,663	54,301
Revenues from NGL sales	5,586	4,826
Revenue from contracts with customers	1,187,660	665,310

Total revenue from contracts with customers increased to US\$1,187.7 million during the year ended December 31, 2022, compared to US\$665.3 million during the year ended December 31, 2021. Such increase was primarily driven by higher realized prices and higher production.

Revenues from crude oil increased to US\$1,113.4 million during the year ended December 31, 2022, compared to US\$606.2 million during the year ended December 31, 2021, which represented 94% and 91% of our total revenue from contracts with customers, respectively. Such increase was primarily driven by an increase in realized crude oil price of 37% and an increase in production of 25 % year over year.

Total volume of crude oil sold increased to 14,764 Mbbl during the year ended December 31, 2022, compared to 10,777 Mbbl during the year ended December 31, 2021, as a result of a year during which we tied-in 28 shale wells, increasing the total number of shale wells on production to 68 at year-end.

Average realized crude oil sales prices increased to US\$72.3/bbl during the year ended December 31, 2022, compared to US\$54.9/bbl during the year ended December 31, 2021, an increase that was mainly driven by a higher Brent price, which increased 39% during 2022 compared to 2021, on average.

In 2022, 6,567 Mbbl of crude oil, or 44% of total crude oil volumes, were sold to export markets for a total revenue of US\$559.6 million. In 2021, 3,054 Mbbl of crude oil, or 28% of total crude oil volumes, were sold to export markets for a total revenue of US\$182.2 million.

Revenues from natural gas increased to US\$68.7 million during the year ended December 31, 2022, compared to US\$54.3 million during the year ended December 31, 2021, which represented 6% and 8% of our total revenue from contracts with customers, respectively. Such increase was primarily driven by an increase in the realized natural gas price, which increased 25% during 2022 compared to 2021.

Total volume of natural gas sold increased to 3,012 Mboe during the year ended December 31, 2022, compared to 2,911 Mboe during the year ended December 31, 2021. This increase was primarily driven by higher gas production.

The average realized natural gas sales prices was US\$4.0/MMBtu during the year ended December 31, 2022, a 25% increase compared to US\$3.2/MMBtu during the year ended December 31, 2021. Such increase was mainly driven by sales to industrial customers at US\$3.7/MMBtu and exports to Chile at US\$8.0/MMBtu.

Revenues from NGL increased to US\$5.6 million during the year ended December 31, 2022, compared to US\$4.8 million during the year ended December 31, 2021, which represented less than 1% of our total revenue from contracts with customers during both periods.

During the year ended December 31, 2022, 99% of our revenue was generated by our oil and gas properties in Argentina, as well as during the year ended December 31, 2021.

Cost of Sales

	For the year ended December 31, 2022	For the year ended December 31, 2021
	(in thousands of US\$)	
Operation costs	(133,385)	(107,123)
Crude oil stock fluctuation	(500)	(905)
Depreciation, depletion and amortization	(234,862)	(191,313)
Royalties and others	(188,677)	(99,364)
Cost of sales	(557,424)	(398,705)

Cost of sales increased to US\$557.4 million during the year ended December 31, 2022, compared to US\$398.7 million during the year ended December 31, 2021. Total cost of sales included operating expenses, fluctuations in the inventory of crude oil, depreciation, depletion and amortization and royalties. This increase was primarily driven by the increase in total production.

Operating expenses increased to US\$133.4 million during the year ended December 31, 2022, compared to US\$107.1 million during the year ended December 31, 2021, which represented 26% and 28% of our total cost of sales, respectively. This increase was primarily driven by a 25% increase in total production year over year.

Operating expenses per produced barrel decreased to 7.5 US\$/boe during the year ended December 31, 2022, from 7.6 US\$/boe during the year ended December 31, 2021. This decrease was mainly driven by the fact that incremental production at Vaca Muerta has a lower marginal cost, and therefore dilutes the Company's cost base.

The fluctuation in crude oil inventories decreased to \$0.5 million during the year ended December 31, 2022, compared to \$0.9 million during the year ended December 31, 2021. This was primarily due to the decrease in crude oil stock at the end of the period due to higher sales volumes during the period.

Depreciation, depletion and amortization increased to US\$234.9 million during the year ended December 31, 2022, compared to US\$191.3 million during the year ended December 31, 2021, which represented 46% and 50% of our total cost of sales, respectively. This increase was primarily driven by higher capital expenditures and total production in 2022 compared to 2021.

Royalties and others increased to US\$188.7 million during the year ended December 31, 2022, compared to US\$99.4 million during the year ended December 31, 2021, which represented 34% and 25% of our total cost of sales, respectively. This increase was primarily driven by the abovementioned increase in total production, realized oil price and realized natural gas price.

Gross Profit

Gross profit increased to US\$630.2 million during the year ended December 31, 2022, compared to US\$266.6 million, which represented 55% and 41% of our total revenue from contracts with customers, respectively.

Selling Expenses

Selling expenses increased to US\$59.9 million during the year ended December 31, 2022, compared to US\$42.7 million during the year ended December 31, 2021, which represented 5% and 7% of our total revenue from contracts with customers, respectively. This increase was primarily driven by an increase of 47% in Transport, 19% in Taxes, rates and contributions 58% in Tax on bank account transactions, in all cases during 2022 compared to 2021.

General and Administrative Expenses

General and administrative expenses increased to US\$63.8 million during the year ended December 31, 2022, compared to US\$45.9 million during the year ended December 31, 2021, which represented 6% and 7% of our total revenue from contracts with customers, respectively. This increase was primarily driven by an increase in Salaries and payroll taxes of 34%, Share-based payments of 56% and Fees and compensation for services of 33%, in all cases during 2022 compared to 2021.

Exploration Expenses

Exploration expenses increased to US\$0.7 million during the year ended December 31, 2022, compared to US\$0.5 million during the year ended December 31, 2021, as a result of driven by geological studies.

Other Operating Income

Other operating income increased to US\$26.7 million during the year ended December 31, 2022, compared to US\$23.3 million during the year ended December 31, 2021. This increase was mainly due to a 101% increase in the Gain on the farm out agreement with Trafigura and a 100% increase in other services charges, in both cases during 2022 compared to 2021. These were partially compensated by no Gain from assets disposal during 2022 compared to US\$9,999 in 2021.

Other Operating Expenses

Other operating expenses decreased to US\$3.3 million during the year ended December 31, 2022 compared to US\$4.2 million during the year ended December 31, 2021. This decrease was primarily due to a 77% reduction in restructuring and reorganization costs and a 42% reduction in the provision for contingencies, both during 2022 compared to 2021. This was partially offset by a 107% increase in the provision for environmental measures in 2022 compared to 2021.

Operating Profit

Operating profit increased to of US\$529.1 million during the year ended December 31, 2022, compared to US\$210.6 million during the year ended December 31, 2021, which represented 46% and 32% of our total revenue from contracts with customers, respectively.

Interest Income

Interest income increased to US\$0.8 million during the year ended December 31, 2022, compared to US\$0.1 million during the year ended December 31, 2021.

Interest Expense

As of December 31, 2022, the interest expense decreased to US\$28.9 million from US\$50.7 million for the year ended December 31, 2021. This decrease was primarily due to a reduction in outstanding debt and new issuances at a lower interest rate.

Other Financial Results

Other financial results totaled a loss of US\$67.6 million for the year ended December 31, 2022 compared to a loss of US\$7.2 million for the year ended December 31, 2021. This change was primarily due to a 1,291% increase in changes in the fair value of warrants and a 176% increase in revaluations of loans originated by financial liabilities incurred in Argentina adjusted by the reference stabilization ratio (“UVA” for its acronym in Spanish).

Profit Before Income Taxes

Profit before income taxes totaled a loss of US\$433.5 million during the year ended December 31, 2022, compared to a gain of US\$152.8 million during the year ended December 31, 2021.

Income Tax expense

Our income tax expenses totaled a loss of US\$164.0 million during the year ended December 31, 2022, compared to a loss of US\$102.1 million during the year ended December 31, 2021. This change was primarily driven by a net effect of (i) an increase in current income tax expenses from US\$62.4 million to US\$92.1 million compared to the year ended December 31, 2021, which was mainly driven by the higher pre-tax income from Vista Argentina, our main subsidiary, and (ii) an increase in deferred income tax expense of US\$71.9 million in 2022, compared to US\$39.7 million in 2021, mainly driven by the deferred tax inflation adjustment from our main subsidiary Vista Argentina.

Profit for the year, net

During the year ended December 31, 2022, the profit for the year, net totaled US\$269.5 million, compared to US\$50.7 million during year ended December 31, 2021.

ITEM 5B. LIQUIDITY AND CAPITAL RESOURCES

Our financial condition and liquidity is and will continue to be influenced by a variety of factors, including:

- changes in oil, natural gas and liquid gas prices and our ability to generate cash flows from our operations;
- our capital expenditure requirements; and
- the level of our outstanding indebtedness and the interest we are obligated to pay on this indebtedness.

On August 15, 2017, we completed our US\$650 million initial global offering of 65,000,000 series A shares and 65,000,000 warrants exercisable for such series A shares (the “Warrants”), generating net proceeds to us, after offering expenses, of US\$640 million. The series A shares and warrants issued pursuant to our initial global offering are listed on the Mexican Stock Exchange.

As of the date of this annual report, there are no outstanding warrants as a result of the automatic exercise of all outstanding warrants on a cashless basis. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

Concurrently with our initial global offering, Vista Sponsor Holdings, L.P. and the Executive Team purchased a total of 29,680,000 warrants exercisable for series A shares in a private placement (the “Sponsor Warrants”), generating gross proceeds to us of US\$14,840,000. The Sponsor Warrants were identical to and fungible with the Warrants. As of the date of this annual report, there are no outstanding Sponsor Warrants as a result of the automatic exercise of all outstanding warrants on a cashless basis. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

On August 15, 2017, we also executed a forward purchase agreement (the “FPA”) pursuant to which RVCP agreed to purchase a total of up to 5,000,000 series A shares (the “FPA Shares”) and up to 5,000,000 warrants (“FPA Warrants”) for a total purchase price of US\$50 million (or US\$10 per unit). As of the date of this annual report, there are no outstanding FPA Warrants as a result of the automatic exercise of all outstanding warrants on a cashless basis. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

Further, on September 12, 2018, we entered executed a subscription agreement with Kensington Investments B.V., RVCP’s sole limited partner, for the subscription of the FPA Shares and the FPA Warrants that could be purchased by RVCP, or its permitted transferees, pursuant to the FPA. On February 12, 2019, we completed the sale of the FPA Shares and the FPA Warrants to Kensington Investments B.V. for an amount of US\$50.0 million pursuant to the FPA and, additionally, 500,000 series A shares for an amount of US\$5.0 million pursuant to certain subscription commitment among Vista and Kensington Investments B.V. The FPA Warrants were subject to the same terms as the Sponsor Warrants. As of the date of this annual report, there are no outstanding FPA Warrants as a result of the automatic exercise of all outstanding warrants on a cashless basis. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

As per the unanimous shareholders resolutions dated July 28, 2017, our shareholders resolved to reduce a portion of our outstanding capital stock. As a result, a number of series A shares, which represented a portion of the amount authorized to be reduced, were reimbursed for cash and canceled.

On April 4, 2018, the date we consummated our Initial Business Combination:

- we entered into a bridge loan agreement (the “Bridge Loan”) with Citibank, N.A., Credit Suisse AG Cayman Islands Branch and Morgan Stanley Senior Funding, Inc. in an aggregate principal amount equal to US\$260.0 million, maturing on February 11, 2019, bearing interest at a variable rate between 3.25% and 5%. The Bridge Loan was prepaid in full on or about July 19, 2018 with the proceeds of the Credit Agreement.
- approximately 31.29% of holders of series A shares exercised their redemption rights, as a result of which 20,340,685 series A shares were redeemed for an amount of US\$204.6 million. The holders of remaining series A shares were capitalized net of the deferred offering expenses paid to the underwriters in our initial global offering for an amount of US\$442.5 million, and

- we obtained from a private placement transaction a capital contribution of US\$95,000,000 representing 9,500,000 series A shares that were paid in.

In July 2019, we completed a global offering consisting of a follow-on public offering in Mexico of our series A shares and an international public offering in the United States and other countries of our series A shares represented by American Depositary Shares on the NYSE for a total amount of 10,906,257 series A shares (including all over-allotment options). Our ADSs began trading on the NYSE on July 26, 2019, under the ticker symbol “VIST.” The gross proceeds of the global offering amounted to approximately US\$101 million, before fees and expenses.

As of the date of this annual report, 3,215,454 Shares became outstanding as the Warrants in their original terms have been exercised in full. See “Item 10—Additional Information—Memorandum and Articles of Association—Warrants.”

We believe that our working capital is sufficient for our present requirements.

Indebtedness

As of December 31, 2023, we had total outstanding indebtedness of US\$616.1 million.

Banco Santander International loan

On January 19, 2021, Vista Argentina entered into a bilateral loan agreement with Banco Santander International, for the amount of US\$11,700,000, secured by cash collateral under two Pledge Agreements entered into (i) between Vista Argentina and Banco Santander International; and (ii) among us and Banco Santander International. On June 27, 2021 the first amortization, amounting to US\$ 7,000,000 was made. On January 20, 2022 the second amortization, amounting to US\$ 750,000 was made. The loan agreement provides for an additional amortization payment due on January 20, 2026.

On June 29, 2021, Vista Argentina entered into two bilateral loan agreements with Banco Santander International, for the amount of US\$13,500,000 and US\$30,000,000 respectively, each secured by cash collateral under two Pledge Agreements entered into (i) between Vista Argentina and Banco Santander International; (ii) among us and Banco Santander International. The amount outstanding under this facility is US\$15,700,000, which is due on July 2, 2026.

On December 28, 2021, Vista Argentina entered into a bilateral loan agreement with Banco Santander International, for the amount of US\$13,500,000 secured by cash collateral under two Pledge Agreements entered into (i) between Vista Argentina and Banco Santander International; (ii) among us and Banco Santander International. The amount outstanding under this facility is US\$4,700,000, which is due on January 4, 2027.

Export Finance Corp. loan

On December 21, 2022, we, as guarantors, Vista Energy Holding II, S.A. de C.V., as borrower and Elevate Export Finance Corp., as lender, entered into a loan agreement (the “Elevate Loan Agreement”) for the amount of approximately US\$9.3 million. The Elevate Loan Agreement provides for semi-annual amortization payments equal to one tenth of the total amount of the loan disbursed and maturing 54 months after the first principal payment.

Vista Argentina Bonds

On May 7, 2019, the shareholders of Vista Argentina approved the creation of a program for the issuance of short-, medium- or long-term, subordinated or unsubordinated, secured or unsecured, simple non-convertible debt securities, (obligaciones negociables simples no convertibles en acciones), for up to an aggregate principal amount at any time outstanding of US\$800,000,000 or its equivalent in other currencies (the “Notes Program”). The Notes Program was approved by the Argentine Securities Commission (the Comisión Nacional de Valores, or the “CNV”). Accordingly, Vista Argentina may publicly offer and issue debt securities in Argentina.

On February 2020, Vista Argentina issued a 48-month bullet bond for US\$50 million at a flat interest rate of 3.50% per annum (“Series III Bonds”), which on November 10, 2022, was partially exchanged for a 36-month bullet bond at a flat interest rate of 6.25% per annum amounting to US\$40.51 million (“Series XIV Bonds”). The outstanding US\$9.49 million of Series III Bond were prepaid on December 7, 2023.

On August 7, 2020, Vista Argentina issued notes for a nominal amount of US\$20 million, at a fixed annual nominal interest rate of 0%, the principal amount of which will be fully amortized in a single installment on the maturity date, on August 7, 2023 (“Series V Bonds”).

On December 4, 2020, Vista Argentina issued additional US\$10 million notes of Series V Bond, and issued notes for a nominal amount of US\$10 million, at a fixed annual nominal interest rate of 3.25%, whose principal will be fully amortized, in a single installment, on the maturity date, on December 4, 2024 (“Series VI Bond”). On December 6, 2022, Series V Bonds were partially exchanged for a 42-month bullet bond at a flat interest rate of 0% amounting to US\$26.5 million (“Series XVI Bonds”). The outstanding US\$3,4 million of Series V Bonds were prepaid on December 16, 2022.

On March 10, 2021, Vista Argentina issued notes for a nominal amount of US\$42.3 million, at a fixed annual nominal interest rate of 4.25%, whose principal will be fully amortized in a single installment on the maturity date, on March 10, 2024 (“Series VII Bonds”). On May 29, 2023, Series VII Bonds were partially exchanged for additional Series XVI Bonds amounting to US\$40.53 million. The outstanding US\$2.77 million of Series VII Bonds were prepaid on June 12, 2023.

On June 18, 2021, Vista Argentina issued notes for a nominal amount of US\$38,8 million, at a fixed annual nominal interest rate of 4%, whose principal will be fully amortized in a single installment on the maturity date, on June 18, 2023 (“Series IX Bonds”). On December 6, 2022, Series IX Bonds partially exchanged for Series XVI Bonds amounting to US\$34.4 million. The outstanding US\$4.4 million was prepaid on December 19, 2022.

On August 27, 2021, Vista Argentina issued notes for a nominal amount of US\$9.2 million, at a fixed annual nominal interest rate of 3.48%, whose principal will be fully amortized in a single installment on the maturity date, on August 27, 2025 (“Series XI Bonds”); and also issued notes for a nominal amount of US\$100.8 million, at a fixed annual nominal interest rate of 5.85%, whose principal will be amortized in fifteen semi-annual installments from August 27, 2024 until maturity date, on August 27, 2031 (“Series XII Bonds”).

On June 16, 2022, Vista Argentina issued notes for a nominal amount of US\$43.5 million at a fixed annual nominal interest rate of 6%, whose principal will be fully amortized in a single installment on the maturity date, on August 8, 2024 (“Series XIII Bonds”).

On December 6, 2022, Vista Argentina issued a notes for a nominal amount of US\$13.5 million at a fixed annual nominal interest rate of 4%, whose principal will be fully amortized in a single installment on the maturity date, on January 20, 2025 (“Series XV Bonds”), and also issued notes for a nominal amount of US\$39 million at a fixed annual nominal interest rate of 0% whose principal will be fully amortized in a single installment on the maturity date, on December 6, 2026 (“Series XVII Bonds”).

On March 3, 2023, Vista Argentina issued notes for a nominal amount of US\$118.5 million at a fixed annual nominal interest rate of 0%, whose principal will be fully amortized in a single installment on the maturity date, on March 3, 2027 (“Series XVIII Bonds”), and also issued notes for a nominal amount of US\$16.5 million at a fixed annual nominal interest rate of 1% whose principal will be fully amortized in a single installment on the maturity date, on March 3, 2028 (“Series XIX Bonds”).

On June 5, 2023, Vista Argentina issued notes for a nominal amount of US\$13.5 million at a fixed annual nominal interest rate of 4.5%, whose principal will be fully amortized in a single installment on the maturity date, on July 20, 2025 (“Series XX Bonds”).

On August 11, 2023, Vista Argentina issued notes for a nominal amount of US\$70 million at a fixed annual nominal interest rate of 0.99%, whose principal will be fully amortized in a single installment on the maturity date, on August 11, 2028 (“Series XXI Bonds”).

On December 5, 2023, Vista Argentina issued notes for a nominal amount of US\$14.7 million at a fixed annual nominal interest rate of 5%, whose principal will be fully amortized in a single installment on the maturity date, on June 5, 2026 (“Series XXII Bonds”).

ConocoPhillips

On September 16, 2021, Vista Argentina and Vista Energy, S.A.B. de C.V., as borrowers, entered into a loan agreement with ConocoPhillips, as lender, whereby the lender offered the borrowers a five-year line of credit of up to US\$25 million. On January 13, 2022, Vista Argentina requested a loan disbursement in an amount equal to US\$25 million under this line of credit.

As of the date of this annual report, we are not in arrears in the payment of principal and interest, as applicable, on the aforementioned loans.

Other contractual obligations

As of December 31, 2023, the Company also have other commitments and contractual obligations as follows:

	Payments due by period		
	Total	Short Term (Less than one year)	Long Term (More than one year)
		(in thousands of US\$)	
Employee Benefit Plan	9,024	974	8,050
Lease Agreements	93,427	38,818	54,609
Total	102,451	39,793	62,658

Capital Expenditures

The amount and allocation of future capital expenditures will depend upon a number of factors, including our cash flows from operating, investing and financing activities and our ability to execute our drilling program. We periodically review our capital expenditure budget to assess changes in current and projected cash flows, debt requirements and other factors. If we are unable to obtain funds when needed or on acceptable terms, we may not be able to finance the capital expenditures necessary to maintain our production or proved reserves. We intend to fund our capital expenditures with cash generated from our operations, cash on hand, and debt and equity financing.

Because we operate a high percentage of our acreage, capital expenditure amounts (in addition to our capital expenditures committed under our concessions) and timing are largely discretionary and within our control. We determine our capital expenditures depending on a variety of factors, including, but not limited to, existing commitments under the concessions, the success of our drilling activities, prevailing and anticipated prices for oil and natural gas, the availability of necessary equipment, infrastructure and capital, the receipt and timing of required regulatory permits and approvals, seasonal conditions, drilling and acquisition costs and the level of participation by other working interest owners. A deferral of planned capital expenditures, particularly with respect to drilling and completing new wells, could result in a reduction in anticipated production and cash flows. Moreover, we may be required to unbook some portion of our current proved undeveloped reserves if such deferral of planned capital expenditures implies that we will be unable to develop such reserves within five years of their initial booking.

During the year ended December 31, 2023, we made total capital expenditures of US\$ 734.3 million. During the year ended December 31, 2022, we made total capital expenditures of US\$540.0 million. During the year ended December 31, 2021, we made total capital expenditures of US\$324.1 million.

As part of the terms and conditions governing the concession agreements relating to our oil and gas properties in Argentina, we are committed to making capital investments for drilling and completing wells, performing well workovers and investing in facilities. We have estimated the amount of capital expenditures required to comply with our commitments under such concessions based on the historical costs of drilling and completing wells, performing well workovers and investing in facilities. According to our best estimates, our remaining investment commitments, as of the date of this annual report, are as follows:

- (i) In Bajada del Palo Este, to drill and complete one well; and
- (ii) In Entre Lomas, 25 de Mayo-Medanito and Jagüel de los Machos, drill and complete two development wells, one extensión well, execute 11 workovers and abandon 21 wells. As per the Conventional Assets Transaction agreement, Aconcagua shall assume all past investment commitments, as well as costs, taxes and royalties related to the CAT Exploitation Concessions.

Capital expenditures related to these commitments amount to an estimated US\$30 million. For more information on these investment commitments, see Note 29 to our Audited Financial Statements.

Cash Flows

The following table sets forth our cash flows for the periods indicated:

	For the year ended December 31, 2023	For the year ended December 31, 2022	For the year ended December 31, 2021
Cash flows provided by (used in)			
Operating activities	712,033	689,771	401,393
Investing activities	(699,313)	(582,712)	(295,456)
Financing activities	19,556	(143,201)	6,525
Net increase (decrease) in cash and cash equivalents	32,276	(36,142)	112,462

The ability of our Argentine entities to purchase non-Argentine currency in Argentina and to transfer any funds in the form of dividends, loans or advances to any non-Argentine entities (including affiliates) is subject to certain foreign exchange restrictions, as further described in “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments—Current Argentine exchange controls and the implementation of further exchange controls could adversely affect our results of operations” and “Exchange Controls – Payments of principal and interest of foreign financial indebtedness.”

Cash Flows Provided by Operating Activities

For the year ended December 31, 2023, net cash generated by operating activities was US\$712.0 million. This was mainly driven by an increase in operating profit for 2023 of US\$631.5 million, compared to US\$ 529.1 million in 2022, primarily driven by lower lifting cost amid stable revenues and a positive impact from the Exports Increase program.

For the year ended December 31, 2022, net cash generated by operating activities was US\$689.8 million. This was mainly due to an increase in revenues for 2022 of US\$1,143.8 million, compared to US\$652.3 million in 2021, primarily driven by higher production and realized prices.

For the year ended December 31, 2021, net cash generated by operating activities was US\$401.4 million. This was mainly due to an increase in revenues for 2021 of US\$652.3 million, compared to US\$273.9 million in 2020, primarily driven by higher production and realized prices.

Cash Flows Used in Investing Activities

For the year ended December 31, 2023, net cash used in investing activities was US\$699.3, mainly due to payments of US\$688.4 million for the acquisition of property, plant and equipment.

For the year ended December 31, 2022, net cash used in investing activities was US\$582.7 million, mainly due to payments of US\$479.4 million for the acquisition of property, plant and equipment, and the payment of US\$115.0 for the acquisition of assets of AFBN. The cash flow used in investing activities was mainly spent in the development of Vaca Muerta in Bajada del Palo Oeste and Aguada Federal.

For the year ended December 31, 2021, net cash used in investing activities was US\$295.5 million, mainly due to payments of US\$321.3 million for the acquisition of property, plant and equipment, partially offset by US\$24.2 million from payments received from assets disposal and payments received from the joint venture agreement. The cash flow used in investing activities was mainly spent in the development of Vaca Muerta in Bajada del Palo Oeste.

Cash Flows Provided by (used in) Financing Activities

During the year ended December 31, 2023, cash used in financing activities was US\$19.6. This was primarily due to new loans for US\$318.2 million, which was partially offset by loan principal repayments of US\$211.5 million.

During the year ended December 31, 2022, cash used in financing activities was US\$143.2 million. This was primarily generated by loan principal repayments of US\$195.1 million, which was partially offset by a new loans for US\$128.8 million.

For the year ended December 31, 2021, cash provided by financing activities was US\$6.5 million. This was primarily generated by the proceeds from borrowings of US\$358.1 million, which was partially offset by the principal payment of US\$284.7 million for certain of our borrowings and interest payments of US\$54.6 million.

Treasury Policies

Our internal policies relating to the company's treasury include that the board of directors is responsible for determining our financial strategy, comprising dividend policy, investment of our resources, cash flow and working capital strategies, mergers and acquisitions, debt and equity issuances, share repurchases, derivative strategies, asset purchases and leases, and the company's indebtedness, among others, subject in any case (where applicable) to the approval of our shareholders when required by law or in accordance with our by-laws.

ITEM 5C. RESEARCH AND DEVELOPMENTS, PATENTS AND LICENSES, ETC.

Non applicable.

ITEM 5D. TREND INFORMATION

See "Item 4—Information on the Company—Industry and Regulatory Overview."

In addition to the information set forth in this section, additional information about the trends affecting our business can be found in "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to Our Business and Industry" You should also read our discussion of the risks and uncertainties that affect our business in "Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to the Argentine and Mexican Economic and Regulatory Environments."

ITEM 5E. CRITICAL ACCOUNTING ESTIMATES

Critical accounting policies are policies that require us to exercise judgment or involve a higher degree of complexity in the application of the accounting policies that currently affect our financial condition and results of operations. The accounting judgments and estimates we make in these contexts require us to calculate variables and make assumptions about matters that are highly uncertain. In each case, if we had made other estimates, or if changes in the estimates occur from period to period, our financial condition and results of operations could be materially affected.

See Note 3 to our audited financial statements for a summary of the critical accounting judgments and estimates applicable to us. There are many other areas in which we use estimates about uncertain matters, but we believe the reasonably likely effect of changes or differences within critical accounting judgments and estimates would not have a material impact on our financial statements.

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Board of Directors

Under the Mexican Securities Market Law, public companies must have a board of directors comprised of no more than 21 members, of which at least 25% must be independent. Independent members must be selected based on their experience, ability and reputation at the issuer's shareholders' meeting; whether or not a director is independent must be determined by the issuer's shareholders and such determination may be challenged by the CNBV. The Mexican Securities Market Law permits then-acting members of the board of directors (as opposed to shareholders) to select, under certain circumstances and on a temporary basis, new members of the board of directors.

Boards of directors of public companies are required to meet at least four times during each calendar year and have the following principal duties:

- determine general strategies applicable to the issuer;
- approve guidelines for the use of corporate assets;
- approve, on an individual basis, transactions with related parties, subject to certain limited exceptions;
- approve unusual or exceptional transactions and any transactions that imply the acquisition or sale of assets with a value equal to or exceeding 5% of the issuer's consolidated assets or that imply the provision of collateral or guarantees or the assumption of liabilities equal to or exceeding 5% of the issuer's consolidated assets;
- approve the appointment or removal of the chief executive officer;
- approve waivers in respect of corporate opportunities;
- approve accounting and internal control policies;
- approve the chief executive officers' annual report and corrective measures for irregularities; and
- approve policies for disclosure of information.

Directors have the general duty to act for the benefit of the issuer, without favoring a shareholder or group of shareholders.

Our board of directors is responsible for the oversight of our business and is comprised of six members, five of which are independent. Set forth below are the name, age, position and biographical description of each of our current directors.

<u>Name</u>	<u>Position</u>	<u>Independent*</u>	<u>Age</u>	<u>Appointed</u>	<u>Term Expires on</u>
Miguel Galuccio	Chairman	No	56	2017	No expiration date
Susan L. Segal	Director	Yes	71	2017	No expiration date
Mauricio Doehner Cobian	Director	Yes	49	2017	No expiration date
Pierre-Jean Sivignon	Director	Yes	67	2018	No expiration date
Gerard Martellozo	Director	Yes	68	2022	No expiration date
Germán Losada	Director	Yes	39	2022	No expiration date

* Independent under NYSE standards, applicable SEC rules and the CNBV Rules.

Miguel Galuccio serves as our Chairman and Chief Executive Officer. He is currently an independent member of the board of directors of SLB, the largest global oil services company. From May 2012 to April 2016, Mr. Galuccio served as the Chairman and Chief Executive Officer of YPF, Argentina's largest oil company. Under his leadership, the company became the largest producer of hydrocarbons from shale formations globally outside North America. Prior to joining YPF, Mr. Galuccio held various international positions at SLB, spanning North America, the Middle East, Asia, Europe, Latin America, Russia, and China. His last role at the firm was as President of SLB

Production Management. He also served as President of Integrated Project Management, General Manager for Mexico and Central America, and Real-Time Reservoir Manager. Additionally, Mr. Galuccio is a founder and board member at GridX, a company investing in next-generation biotech startups. Mr. Galuccio holds a bachelor's degree in petroleum engineering from the Instituto Tecnológico de Buenos Aires in Argentina.

Susan Segal serves as an independent member of our Board of Directors. Ms. Segal was elected President and CEO of Americas Society/Council of the Americas in 2003 after having worked in the private sector with Latin America and other emerging markets for over 30 years. Prior to her appointment, Ms. Segal was a partner at Chase Capital Partners/JPMorgan Partners focusing on private equity in Latin America and pioneering early-stage venture capital investing in the region. As a banker, she focused on investment banking, building an emerging-market bond-trading unit, and the Latin American debt crisis of the 1980s and early 1990s where she led the Bank's Restructuring effort and chaired the Chilean and Philippine Advisory Committees. Ms. Segal is a board member at Mercado Libre, Vista and Robinhood as well as an Honorary Director of Scotiabank. She is also a board member of Americas Society/Council of the Americas, the Tinker Foundation, the Bretton Woods Committee and a member of the Council on Foreign Relations. Ms. Segal has received numerous awards and honors: including the Orden Bernardo O'Higgins, Chile; the Orden de San Carlos, Colombia; the Orden del Águila Azteca, Mexico; the Orden al Mérito por Servicios Distinguidos – Gran Oficial, Peru; and recognition as the North American-Chilean Chamber of Commerce's Honorary Chilean of the Year. In 2022, Ms. Segal was recognized by Colombian President Iván Duque with the Orden de Boyacá in the category of Grand Cross; and was honored by the government of Ecuador with the National Order of Honorato Vásquez in the grade of Commander in September 2023.

Mauricio Doehner Cobian serves as an independent member of our Board of Directors. Mr. Doehner is Executive Vice President of Corporate Affairs, Enterprise Risk Management and Social Impact at CEMEX and is a member of its Executive Committee, reporting directly to the CEO. Mr. Doehner began work with CEMEX in 1996 and has held various executive positions in areas such as Strategic Planning, Institutional Relations and Communications and Business Risk Management for Europe, Asia, Middle East, South America, and Mexico. While acting in such capacities, he has led interactions and collaboration with several governments worldwide, as well as engaging in evaluation of tax structures, public policy initiatives, corporate social responsibility, communications, and crisis management. Further, he worked in Mexico's Presidential Administration in 2000, leading its relationship with Mexican NGO's, dealing with diverse issues such as government reforms and the national budget. Mr. Doehner also worked at Violy Byorum & Partners Investment Bank. Currently, he is the Vice President of the Mexican Employers' Confederation (COPARMEX), Vice-president of the Confederation of Industrial Chambers (CONCAMIN) and a member of the boards of the Trust for the Americas organization affiliated to the Organization of American States (OAS), the Center of Citizen Integration (CIC), the Industrials Club of Monterrey, the Museum of Modern Art of Monterrey (MARCO), the Mexican Business Coordinating Council (CCE), the School of Social Sciences and Government at Tecnológico de Monterrey, and a member of the GAP Group within the Consejo Mexicano de Negocios (CMN). He is also a contributor to *Expansión Magazine*. Mr. Doehner holds a bachelor's degree in economics from Tecnológico de Monterrey, a master's degree in business administration from IESE/IPADE, a professional certificate in competitive intelligence from the FULD Academy of Competitive Intelligence in Boston, Massachusetts and, a Master in Public Administration from Harvard Kennedy School. Mauricio is a board member of the Advisory Board of the Center for U.S.—Mexican Studies (USMEX) at the School of Global Policy and Strategy (GPS) at UC San Diego.

Pierre-Jean Sivignon serves as an independent member of our Board of Directors. Mr. Pierre-Jean Sivignon was an advisor to the Chairman and CEO of Carrefour Group in Paris until December 2018, where he previously held the positions of Deputy CEO, CFO and Member of the Executive Board as well as Chairman of the Board of their publicly traded subsidiary in Brazil. Prior experience includes positions as the Chief Financial Officer, Executive Vice President, Member of the Board of Management at both Royal Philips Electronics in Amsterdam and at Faurecia (now Forvia) Group in Paris. He also held various high level financial and managerial positions with the SLB Group in different locations, including New York and Paris. Mr. Sivignon served in the past as an independent director of the Supervisory Boards of Imerys, Technip FMC (both companies traded on the Paris Stock Exchange), and Imperial Brands plc (which traded on London Stock Exchange). Mr. Sivignon graduated from French baccalaureate with honors in France and received an MBA from ESSEC (*Ecole Supérieure des Sciences Economiques et Commerciales*) also in France.

Gerard Martellozo serves as an independent member of our Board of Directors. Mr. Martellozo developed his career at SLB for over 40 years, retiring in 2019 as Vice President of Human Resources globally. Prior to assuming this position in 2014, he served as Senior Advisor to SLB's chief executive officer, based in Houston, Texas, United States. Gérard joined SLB in 1979 after completing a Master in Engineering at the Ecole Nationale Supérieure de l'Aéronautique et de l'Espace (Sup'Aero), France. He began his oilfield career as a wireline field engineer, quickly progressing into operations management with assignments in Spain, Italy, France, Nigeria, Algeria and Venezuela. After his experience in industry operating matters, he transitioned into Human Resources and worked with most of the company's oilfield services business sectors over the next 20 years. From 2010 to 2012 he was HR Director of the company's drilling group and responsible for integrating the several major oilfield services companies purchased by SLB including Cameron, Smith, M-I and Geoservices. Gérard Martellozo is currently the Chairman of the Board for the SLB Foundation. Before that, he joined the board of the Foundation in March 2014 to continue to lend his support to SLB's long-term commitment to promoting women in technology in the world at large. He was also co-founder of Partnerjob.com, for which he served as treasurer from 2003 to its sale in 2017 to NetExpat.

Germán Losada serves as an independent member of our Board of Directors. Mr. Losada is a Co-founder, Chairman and COO at VEMO, a leading integrated clean mobility company in Latin America. Mr. Losada has 12 years of experience in private equity, focused on the energy sector in Europe, United States and Latin America, with a strong expertise in building start-ups. He was a founding team member of Riverstone's Latin America efforts, where he led the decarbonization growth equity and infrastructure investments. Mr. Losada serves as Chairman of VEMO and is a member of the Boards of Directors of Energía Real, White River Renewables and A2 Renovables. Previously, Mr. Losada worked in the European private equity group of First Reserve and in the investment banking division of Goldman Sachs in its Global Natural Resources and Latin America groups. Mr. Losada graduated from the University of San Andres in Argentina, where he earned a degree in Business Administration.

For a detailed description of the operation and authorities of our board of directors, see "Item 10—Additional Information—Memorandum and Articles of Association—Board of Directors."

Duties and Liabilities of Directors

The Mexican Securities Market Law also imposes duties of care and loyalty on directors.

The duty of care generally requires that directors obtain sufficient information and be sufficiently prepared to support their decisions and to act in the best interest of the issuer. The duty of care is discharged, principally, by requesting and obtaining from the issuer and its officers all the information required to participate in discussions, obtaining information from third parties, attending board meetings and disclosing material information in possession of the relevant director. Failure to act with care by one or more directors subjects the relevant directors to joint liability with the other directors involved in an action for damages and losses caused to the issuer and its subsidiaries, which may be limited (except in the instances of bad faith, or illegal acts or willful misconduct) under the company's bylaws or by resolution of a shareholders' meeting. Liability for a breach of the duty of care may also be covered by indemnification provisions and director and officer liability insurance policies.

The duty of loyalty primarily consists of a duty to maintain the confidentiality of information received in connection with the performance of a director's duties and to abstain from discussing or voting on matters where the director has a conflict of interest. In addition, the duty of loyalty is breached if a shareholder or group of shareholders is knowingly favored or if, without the express approval of the board of directors, a director takes advantage of a corporate opportunity. The duty of loyalty is also breached if a shareholder or group of shareholders is knowingly favored, if the director discloses false or misleading information or fails to register any transaction in the issuer's records that could affect its financial statements or causes material information not to be disclosed or to be modified. The duty of loyalty is also breached if the director uses corporate assets or approves the use of corporate assets in violation of an issuer's policies. The violation of the duty of loyalty subjects the offending director to joint liability for damages and losses caused to the issuer and its subsidiaries. Liability also arises if damages and losses result from benefits obtained by the directors or third parties, as a result of activities carried out by the directors. Liability for breach of the duty of loyalty may not be limited by the company's bylaws, by resolution of a shareholders' meeting or otherwise.

Claims for breach of the duty of care or the duty of loyalty may be brought solely for the benefit of the issuer (as a derivative suit) and may only be brought by the issuer or by shareholders representing at least 5% of any outstanding shares.

As a safe-harbor for directors, the liabilities specified above will not be applicable if the director acted in good faith and (i) complies with applicable law and the bylaws, (ii) acted based upon information provided by officers, external auditors or third-party experts, the capacity and credibility of which may not be the subject of reasonable doubt, (iii) selected the more adequate alternative in good faith or in a case where the negative effects of such decision may not have been foreseeable, based upon the then available information, and (iv) actions were taken in compliance with resolutions adopted at the shareholders' meeting.

Under the Mexican Securities Market Law, the issuer's chief executive officer and principal executives are also required to act for the benefit of the company and not of a shareholder or group of shareholders. Principally, these executives are required to submit to the board of directors for approval the principal strategies for the business, to submit to the audit committee proposals relating to internal control systems, to disclose all material information to the public and to maintain adequate accounting and registration systems and internal control mechanisms.

Board Committees

The Mexican Securities Market Law requires us to have an Audit and Corporate Governance Committee, which must be composed of at least three independent members under the Mexican Securities Market Law. We believe that all members of the Audit and Corporate Governance Committees are independent under the Mexican Securities Market Law and comply with the requirements of Rule 10A-3 of the Exchange Act. On May 10, 2018, the Board created a Compensation Committee with the intention of (i) setting the compensation strategy for our executive officers and directors, (ii) setting compensation levels for the CEO, and (iii) approving compensation policies for C-suite executives upon CEO recommendation.

Audit Committee

The members of our Audit Committee are:

- Pierre-Jean Sivignon (chair);
- Mauricio Doehner Cobian
- Germán Losada; and
- Gerard Martellozo

The members of our Audit Committee are independent under NYSE standards, applicable SEC rules and the CNBV Rules.

There is no expiration date on the term of the appointment of the members of our audit committee. For a detailed description of the operation and authorities of our audit committee, see "Item 10—Additional Information—Shareholder's Meetings—Audit and Corporate Practices Committees."

Corporate Practices Committee

The members of our Corporate Practices Committee are:

- Mauricio Doehner Cobian (chair);
- Pierre-Jean Sivignon;
- Susan L. Segal
- Germán Losada; and
- Gerard Martellozo.

There is no expiration date on the term of the appointment of the members of our Corporate Practices Committee. For a detailed description of the operation and authorities of our audit committee, see “Item 10—Additional Information—Memorandum and Articles of Association —Audit and Corporate Practices Committees.”

Compensation Committee

The members of our Compensation Committee are:

- Gerard Martellozo (chair);
- Pierre-Jean Sivignon;
- Mauricio Doehner Cobian
- Germán Losada; and
- Susan L. Segal

For a detailed description of the operation and authorities of our audit committee, see “Item 10—Additional Information—Memorandum and Articles of Association—Audit and Corporate Practices Committees.”

Agreements with Directors

There are no agreements between us and the members of our Board of Directors that provide for any benefits upon termination of their designation as directors. None of our directors maintains service contracts with us except as described in “Principal Shareholders” and “Related Party Transactions.”

Executive Team

The following table sets forth the members of our Executive Team as of the date of this annual report, which were designated on August 1, 2017.

Name	Position	Age
Miguel Galuccio	Chairman and Chief Executive Officer	56
Pablo Manuel Vera Pinto	Chief Financial Officer	46
Juan Garoby	Chief Operations Officer	53
Alejandro Cherñacov	Strategic Planning and Investor Relations Officer	42

Miguel Galuccio. See “Item 6—Directors, Senior Management and Employees—Board of Directors—Miguel Galuccio.”

Pablo Manuel Vera Pinto has served as our Chief Financial Officer since August 1, 2017, and has been involved with us since our incorporation on March 22, 2017. Mr. Vera Pinto was previously the Head of Business Development at YPF Argentina from October 2012 to February 2017 and, prior to that, served as Director of Transformation at YPF from May 2012 until September 2012. Mr. Vera Pinto was a member of the board of directors of the fertilizer company Profertil (a joint venture between Agrium of Canada and YPF), power generation company Central Dock Sud S.A. (a joint venture between Enel of Italy, YPF and Pan American Energy) and gas distributor Metrogas S.A. (controlled by YPF, acquired from British Gas in 2012). Overall, Mr. Vera Pinto led the execution of over 20 mergers and acquisitions transactions during his time at YPF. Previously, Mr. Vera Pinto worked with Leadgate Investment Corp., a private investment firm focused on restructuring acquired businesses where he had experience as Restructuring Manager, Chief Financial Officer and General Manager of the firm’s-controlled businesses. Mr. Vera Pinto also worked for management consultancy McKinsey & Company in Europe and investment banking firm Credit Suisse First Boston NA based in New York. Mr. Vera Pinto holds a bachelor’s degree in economics from Universidad Torcuato Di Tella in Buenos Aires, Argentina and a master’s degree in business administration from INSEAD in Fontainebleau, France.

Juan Garoby has served as our Chief Operations Officer since August 1, 2017, and has been involved with us since our incorporation on March 22, 2017. Mr. Garoby served as Interim Vice President of Exploration & Production of YPF from August 2016 to October 2016, Head of Drilling and Completions from April 2014 to August 2016 and Head of Unconventional from June 2012 to April 2014, (when he also served as President of YPF Servicios Petroleros S.A., a YPF-owned drilling contractor). Prior to his time at YPF, Mr. Garoby worked at SLB as Operations Manager for Europe and Africa. Mr. Garoby has also held several positions at Baker Hughes, including Director of Baker Hughes do Brasil, Country Manager of Baker Hughes Centrilift Brazil and Country Manager of Baker Hughes Centrilift Ecuador & Peru, among others. Mr. Garoby holds a bachelor's degree in petroleum engineering from the Instituto Tecnológico de Buenos Aires in Argentina.

Alejandro Cherñacov has served as our Strategic Planning and Investor Relations Officer since August 1, 2017, and has been involved with us since our incorporation on March 22, 2017. Mr. Cherñacov served as Chief Financial Officer at Jagercor Energy Corp, a small-cap Canadian Securities Exchange-listed E&P company from January 2015 to February 2017. Previously, Mr. Cherñacov served as Investor Relations Officer of YPF, where he was responsible for repositioning the company in the local and international capital markets. Mr. Cherñacov previously held several positions in YPF's E&P department where his last role was being in charge of the upstream portfolio management process, which covered Argentina, Brazil and Bolivia. Mr. Cherñacov holds a bachelor's degree in economics from the Universidad de Buenos Aires, a master's degree in finance from the Universidad Torcuato Di Tella in Buenos Aires and a strategic decision and risk management professional certificate from Stanford University in Palo Alto, California.

Javier Rodríguez Galli has served as our General Counsel since August 1, 2017. Mr. Rodríguez Galli is a partner at the firm Bruchou & Funes de Rioja – Abogados with offices in Buenos Aires, Argentina where he has led the Oil and Gas practice area since joining the firm in 2005. In recent years he has been legal counsel for various international oil companies that have invested in Argentina, attracted by the development of shale hydrocarbons. In December 2014, he advised Petronas, the national oil company of Malaysia, in its negotiations and agreements with YPF that led to the joint venture between these two companies in the La Amarga Chica area in Neuquén, to produce shale. Currently, he is a member of the board of Petronas E&P Argentina, S.A. Additionally, he has participated in multiple national and international negotiations related to oil and gas acquisitions, divestments, joint ventures and strategic alliances and has extensive experience in corporate matters. From 1999 until 2005, he was general counsel of Molinos Río de la Plata, an Argentine leader in food and commodities controlled by the Pérez Companc family. From 1993 to 1999, he was an in-house lawyer at YPF, S.A., the largest oil and gas company in Argentina, providing legal services to its international business development group. Mr. Rodríguez Galli graduated with honors from the Law School of Universidad de Buenos Aires in 1991, obtained a master's degree from the London School of Economics in 1993 and a diploma from the College of Petroleum and Energy Studies at Oxford University in 1996.

Actions by our Executive Team

Our Chief Executive Officer and the other relevant officers (including members of our Executive Team) are required under the Mexican Securities Market Law to focus their activities on maximizing shareholder value in our Company. Our Chief Executive Officer and senior management may be held liable for damages to us, our subsidiaries and others for the following: (i) favoring a single group of shareholders, (ii) approving transactions between us, or our subsidiaries, with related persons without complying with applicable legal requirements, (iii) taking advantage of our subsidiaries' assets for their own personal gain contrary to Company policy (or authorizing a third party to do so on their behalf), (iv) making inappropriate use of our, or our subsidiaries' non-public information or (v) knowingly disclosing or revealing false or misleading information.

Our Chief Executive Officer and the other relevant officers (including members of our Executive Team) are required under the Mexican Securities Market Law to act for the benefit of our Company and not that of a particular shareholder or group of shareholders. Our Chief Executive Officer is also required to (i) implement the instructions of our shareholders (as delivered during a shareholders' meeting) and our board of directors, (ii) submit to our board of directors for approval the principal strategies for the business, (iii) submit to the audit and corporate practices committees proposals for systems of internal control, (iv) disclose all material information to the public and (v) maintain adequate accounting and registration systems and mechanisms for internal control. Our Chief Executive Officer and the members of the other relevant officers (including members of our Executive Team) are also subject to the same fiduciary duty obligations as our directors.

Our executive team also plays an important role from an ESG perspective. During 2022, we redefined our internal ESG framework with annual and mid-term objectives. Each of our senior managers is the project leader for one or more initiatives in our ESG framework. Each initiative has objectives, which are executed as projects, by each team and a project leader, who is responsible for moving each initiative forward. On a quarterly basis, the project leaders present the progress of their work program to the Executive Team and the Corporate Practices Committee, which in turn presents key aspects and conclusions to the Board of Directors.

Family Relationships

There are no family or kinship relationships among our directors and the members of our Executive Team.

Compensation

During the year ended December 31, 2023, the aggregate remuneration paid by the Issuer to key management personnel for services in all capacities to the Issuer and its subsidiaries was US\$32.6 million.

During the year ended December 31, 2023, the remuneration paid by the Issuer to each of the members of the Board of Directors, excluding the Chairman of the Board and the Chief Executive Officer, consisted of: (i) a fee payment of US\$80,000.00, payable in four quarterly installments, and (ii) 25,000 series A shares, within the terms of the LTIP. The right to receive such remuneration was contingent upon attendance at a minimum of four meetings of the Company's Board of Directors during the 2023 fiscal year.

Long Term Incentive Plan

On March 22, 2018, a shareholders' meeting authorized the Plan (as defined above). The purpose of the plan is to provide the means for the Company and its subsidiaries to attract and retain talented people as officers, directors, employees and consultants which are key to the Company and its subsidiaries, enhancing the profitable growth of the Company and its subsidiaries. That same shareholders' meeting vested our Board of Directors with the authority to administer the Plan and approved the reservation of 8,750,000 series A shares issued by the Company on December 18, 2017, for the implementation of the Plan. Share purchase plans are classified as equity-settled transactions on the grant date. As of the date of this annual report, 1,927,020 Restricted Stock, 1,552,057 Stock Options, and 5,550,523 Performance Restricted Stock are outstanding under the Plan. The exercise prices and expiration dates of the Stock Options outstanding under the Plan are as follows (i) 110,000 Stock Options at an exercise price of US\$2.10 per series A share, expiring on April 29, 2030, (ii) 40,650 Stock Options at an exercise price of US\$2.85 per series A share, expiring on February 25, 2031, (iii) 493,828 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032, (iv) 513,378 Stock Options at an exercise price of US\$17.83 per series A share, expiring on February 23, 2033, (v) 385,203 Stock Options at an exercise price of US\$29.66 per series A share, expiring on January 2, 2034, and (vi) 8,998 Stock Options at an exercise price of US\$32.02 per series A share, expiring on February 20, 2034. The following paragraphs describe the principal terms and conditions of the Plan.

Type of Awards. The Plan permits different awards in the form of Stock Options, Restricted Stock or Performance Restricted Stock. Performance Restricted Stock vests based on the attainment of performance goals over a period of time to be determined by the Manager in consultation with the Board of Directors and/or the Compensation Committee and set forth in the corresponding award notice.

Plan Administration. The Plan is administered by our Board of Directors and/or the Compensation Committee. The Board may delegate certain authority under the Plan to some individual or individuals among the officers of the Company. The administrator of the Plan has the power and authority to determine the persons who are eligible to receive awards, the number of awards, as well as other terms and conditions of awards.

Award Agreement. Any award granted under the Plan is evidenced by an award agreement or a certificate issued by the Company that sets forth terms, conditions and limitations for such award, which may include the number of Restricted Stock or Stock Options awarded, the exercise price, the provisions applicable in the event of the participant's employment or service terminates, among other provisions. The Board may amend the terms of the Plan and/or any particular award, provided that no such amendment shall impair the rights of any participant under the Plan.

Eligibility. We may grant awards to directors, officers, employees and consultants of our Company or any of our Subsidiaries.

Vesting Schedule. Except as otherwise set forth by the Plan regarding certain cases of termination (with or without cause) of employment or service, resignation, retirement, disability and/or death, Restricted Stock and Stock Options shall vest and become non-forfeitable in accordance with the following calendar: (i) 33% on the first anniversary, (ii) 33% on the second anniversary and (iii) 34% on the third anniversary of the date of grant. If a change of control event occurs, such participant's Restricted Stock and options will be immediately vested and exercisable.

Exercise of Stock Options. Vested options will become exercisable during 10 years since the date of grant. The exercise price per share under a Stock Option shall be the Fair Market Value per share on the date of grant. The number of Stock Options to be awarded to an Eligible Person shall be determined by the Manager at the time of grant following the Black-Scholes method.

Transfer Restrictions. Except under the laws of descent and distribution or otherwise permitted by the plan administrator, the participant will not be permitted to sell, transfer, pledge or assign any option.

Termination and amendment of the Plan. Our board of directors may amend, alter or discontinue the Plan, but no amendment, alteration or discontinuation shall be made if such amendment, alteration or discontinuation would impair the rights of a participant under any award.

Implementation of Plan; Trust. On March 26, 2019, the Company entered into the trust agreement No. 3844 with Banco INVEX, S.A., Institución de Banca Múltiple, INVEX Grupo Financiero in its capacity as trustee (i) implement and manage the terms of the Plan, and (ii) transfer the Shares underlying the awards, as and when required, in accordance with the terms of the Plan and subject to fulfillment of any requirements set forth in applicable law. On December 2, 2022 an amendment to such trust agreement was entered into in order to allow distributing the respective awards, not only based on Shares but also in ADSs representing rights with respect to Shares.

On February 6, 2023, the Company filed with the SEC a registration statement on Form S-8, which relates to the registration of series A shares to be offered and sold under the Plan.

Business Address of the Members of our Board of Directors and Executive Team

The business address of the members of our Company's board of directors and the members of our Executive Team is: Pedregal No. 24, Floor 4, Colonia Molino del Rey, Alcaldía Miguel Hidalgo, Mexico City, Zip Code 11040, Mexico.

Share Ownership

As of the date of this annual report, Susan Segal, Pierre-Jean Sivignon, Gerard Martellozo, German Losada and Mauricio Doehner Cobian held series A shares of the Company, in each case representing less than 1% of our outstanding shares.

As of the date of this annual report, our Chairman owned (i) 7,595,671 series A shares, (ii) 101,965 vested Stock Options, (iii) 709,072 unvested Stock Options, (iv) 346,638 Restricted Stock, and (v) 2,496,889 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options held by the Chairman are as follows (i) 281,186 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032, (ii) 305,895 Stock Options at an exercise price of US\$17.83 per series A share, expiring on February 23, 2033, and (iii) 223,955 Stock Options at an exercise price of US\$29.66 per series A share, expiring on January 2, 2034.

As of the date of this annual report, our Chief Financial Officer owned (i) 1,877,667 series A shares, (ii) 22,432 vested Stock Options, (iii) 162,156 unvested Stock Options, (iv) 79,390 Restricted Stock, and (v) 650,910 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options held by our Chief Financial Officer are as follows (i) 61,861 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032, (ii) 67,297 Stock Options at an exercise price of US\$17.83 per series A share, expiring on February 23, 2033, and (iii) 55,429 Stock Options at an exercise price of US\$29.66 per series A share, expiring on January 2, 2034.

As of the date of this annual report, our Chief Operating Officer owned (i) 1,828,504 series A shares, (ii) 22,432 vested Stock Options, (iii) 162,156 unvested Stock Options, (iv) 79,390 Restricted Stock, and (v) 650,910 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options held by our Chief Operating Officer are as follows (i) 61,861 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032, (ii) 67,297 Stock Options at an exercise price of US\$17.83 per series A share, expiring on February 23, 2033, and (iii) 55,429 Stock Options at an exercise price of US\$29.66 per series A share, expiring on January 2, 2034.

As of the date of this annual report, our Strategic Planning and Investor Relations Officer owned (i) 1,481,381 series A shares, (ii) 20,393 vested Stock Options, (iii) 147,415 unvested Stock Options, (iv) 72,174 Restricted Stock, and (v) 591,736 Performance Restricted Stock. The exercise prices and expiration dates of the Stock Options held by our Strategic Planning and Investor Relations Officer are as follows (i) 56,238 Stock Options at an exercise price of US\$7.05 per series A share, expiring on February 23, 2032, (ii) 61,179 Stock Options at an exercise price of US\$17.83 per series A share, expiring on February 23, 2033, and (iii) 50,390 Stock Options at an exercise price of US\$29.66 per series A share, expiring on January 2, 2034.

Except as set forth above, none of our directors or executive officers held Restricted Stock, Performance Restricted Stock or Stock Options, in each case and with respect to each such instrument, representing 1% or more of our outstanding shares as of the date of this annual report.

Employees

As of December 31, 2023, we had 470 employees, of which 453 were in Argentina and 17 in Mexico.

The following table shows the employee headcount for Vista for the periods presented:

	As of		
	December 31, 2023	December 31, 2022	December 31, 2021
Vista	470	465	411

As of December 31, 2023, December 31, 2022, and December 31, 2021, 54%, 59% and 59%, respectively, of our employees in Argentina were represented by one union and benefitted from a collective bargaining agreement between such union and our subsidiaries.

Since 2017, we have not experienced any material labor-related problems or major labor disturbances, and our relations with the unions are stable. However, we cannot guarantee that we will not experience any conflicts with our employees in the future, including with our unionized employees in the context of future negotiations of our collective bargaining agreements, which could result in events such as strikes or other disruptions that could have a negative impact on our operations. For further information on risk of labor disputes, see “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Company—We employ a highly unionized workforce and could be subject to labor actions such as strikes, which could have a material adverse effect on our business.”

As of December 31, 2023, there were also approximately 500 outsourced staff that access our operations on a daily basis to provide services. Although we have policies regarding compliance with labor and social security obligations for our contractors, we can provide no assurance that the contractors’ employees will not initiate legal actions against us seeking indemnification based upon a number of Argentine judicial labor court precedents that established that the ultimate beneficiary of employee services is joint and severally liable with the contractor, which is the employee’s formal employer. See “Item 3—Key Information—Risk Factors—Detailed Risk Factors—Risks Related to our Company—We face risks relating to certain legal proceedings.”

We are firmly committed to providing the necessary tools for our workforce to grow technically and advance their careers within the Company. We have designed a professional development plan for technical training: the technical career program. First, we identified a matrix of critical competencies needed for the different technical positions. We conduct a gap analysis of our workforce and identify the skills needed to improve the qualification of our teams. Each career has a technical mentor and a person who evaluates the progress of individuals at each step of their career. We believe Vista has exceptional and experienced mentors who come from technical backgrounds and have been specifically involved with Vaca Muerta since the beginning of development.

**DISCLOSURE OF A REGISTRANT'S ACTION TO RECOVER ERRONEOUSLY AWARDED
COMPENSATION**

Not applicable.

ITEM 7. MAJOR SHAREHOLDER AND RELATED PARTY TRANSACTIONS

ITEM 7A. MAJOR SHAREHOLDERS

Our outstanding capital stock consists of two series of shares: series A shares and series C shares, in each case registered with the RNV and listed on the Mexican Stock Exchange. As of the date of this annual report, our capital stock was represented by 97,190,833 series A shares, and two series C shares. Each series of shares grants the same rights and obligations to its holders, including corporate and economic rights.

The following table sets forth certain information known to us of our shareholders who are beneficial owners of more than 5% of our series A shares and series C shares as of the date of this annual report (except as set forth below), which is the most recent practicable date as to which we have information available. In computing the number of series A shares beneficially owned by a person or entity and the percentage ownership of that person or entity, we deemed to be outstanding all series A shares subject to stock options or restricted stock held by that person or entity that are currently exercisable or that will become exercisable or vested, as applicable, within 60 days of the date of this annual report. series A shares issuable pursuant to stock options or restricted stock are deemed outstanding for computing the percentage ownership of the person or entity holding such options but are not outstanding for computing the percentage of any other person or entity.

<u>Shareholders</u>	<u>Amount</u>	<u>% of class</u>
Series A shares		
Al Mehwar Commercial Investments LLC ⁽¹⁾	12,822,581	13.19%
Miguel Galuccio ⁽²⁾	7,697,636	7.92%

(1) Al Mehwar Commercial Investments LLC is a subsidiary of Abu Dhabi Investment Council Company P.J.S.C. which is a joint stock company established by the Government of the Emirate of Abu Dhabi in the United Arab Emirates. Abu Dhabi Investment Council Company P.J.S.C. is wholly owned by Mubadala Investment Company P.J.S.C., which is itself wholly owned by the Government of the Emirate of Abu Dhabi.

(2) As of the date of this annual report, our Chairman owned (i) 7,595,671 series A shares, (ii) 101,965 vested Stock Options, (iii) 709,072 unvested Stock Options, (iv) 346,638 Restricted Stock, and (v) 2,496,889 Performance Restricted Stock.

As of December 31, 2023, there were 78,015,279 ADSs outstanding (representing rights to 78,015,279 series A shares or 82% of outstanding series A shares). As of December 31, 2023, there were one registered holders of ADSs in the United States. It is not practicable for us to determine the number of our ADSs or series A shares beneficially owned in the United States. Likewise, we cannot readily ascertain the domicile of the final beneficial owners represented by ADS record holders in the United States or the domicile of the beneficial owners of our series A shares, either directly or indirectly.

As of the date hereof, the Company is not directly nor indirectly controlled by another company, a government, or by any other individual or legal entity. In addition, we hereby represent that we are not aware of any commitment that could represent a change of control in our corporate structure.

ITEM 7B. RELATED PARTY TRANSACTIONS

We enter into transactions with our shareholders and with companies that are owned or controlled, directly or indirectly, by us in the normal course of our business. Any transactions with such related parties have been made consistent with normal business operations using terms and conditions available in the market and are in accordance with applicable law.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial period/year.

Key management personnel remuneration

	Consolidated for the year ended December 31, 2023
Short-term employee benefits	13,959
Termination benefits	—
Share-based payment transactions	18,618
Total	32,577

The amounts disclosed in the table are the amounts recognized as an expense during the reporting period/year related to key management personnel.

ITEM 7C. INTERESTS OF EXPERTS AND COUNSEL

Not applicable.

ITEM 8. FINANCIAL INFORMATION

CONSOLIDATED FINANCIAL STATEMENTS

See Item 18 for our Audited Financial Statements. For a description of events that have occurred since the date of the Company's Financial Statements, see "Item 4—Information on the Company—History and Development of the Company—Recent Developments."

LEGAL PROCEEDINGS

From time to time, we may be subject to various lawsuits, claims and proceedings that arise in the normal course of business, including employment, commercial, environmental, safety and health matters. For example, from time to time, we receive notice from regulatory authorities in connection with the fulfillment of certain environmental, health and/or safety matters. It is not presently possible to determine whether any such matters will have a material adverse effect on our consolidated financial position, results of operations or liquidity.

For more information on the legal proceedings see Notes 22.3 and 29 to the Audited Financial Statements.

DIVIDENDS

Under Mexican law, subject to the satisfaction of certain quorum requirements, only shareholders at a general meeting have the authority to declare a dividend. Although not required by law, such declarations typically follow the recommendation of the Board of Directors. Additionally, under Mexican law, we may only pay dividends from retained earnings included in financial statements that have been approved at a general shareholders' meeting, after all losses from prior fiscal years have been satisfied and after at least 5% of net income (after profit sharing and other deductions required by Mexican law) has been allocated to legal reserves, up to an amount equal to 20% of our paid-in capital stock from time to time. We have paid no dividend since our incorporation.

Our Board of Directors is not currently considering the adoption of a dividend policy. Changes in our operating and financial results, including those derived from extraordinary events, and risks described in "Risk Factors" that affect our financial condition and liquidity, could limit any distribution of dividends and their amount. We cannot provide any assurances that we will pay dividends in the future or as to the amount of dividends, if any are paid.

The amount and payment of future dividends, if any, will be subject to applicable law and will depend upon a variety of factors that may be considered by our Board of Directors or our shareholders, including our future operating results, financial condition, capital requirements, investments in potential acquisitions or other growth opportunities, legal restrictions, contractual restrictions in our current and future debt instruments and our ability to obtain funds from our subsidiaries. Such factors may limit or prevent the payment of any future dividends and may be considered by our Board of Directors in recommending, or by our shareholders in approving, the payment of any future dividends.

We are a holding company and our income, and therefore our ability to pay dividends, is dependent upon the dividends and other distributions that we receive from our subsidiaries. The payment of dividends or other distributions by our subsidiaries will depend upon their operating results, financial condition, capital expenditures plans and other factors that their respective boards of directors deem relevant. Dividends may only be paid out of distributable reserves and our subsidiaries are required to allocate earnings to their respective legal reserve funds prior to paying dividends to us. In addition, covenants in loan agreements, if any, of our subsidiaries, may limit their ability to declare or pay cash dividends.

In the event we were to declare dividends they would be paid in Mexican Pesos through Indeval to each custodian, which would deduct any applicable withholding taxes. In the case of series A shares represented by ADSs, the depository will convert the cash dividends it receives in Mexican Pesos into U.S. Dollars at the prevailing rate of exchange, and thereafter it would distribute the amount so converted to the holders of ADSs, net of conversion expenses of the depository. Fluctuations in the Peso—U.S. Dollar exchange rate will affect the amount of dividends that ADS holders would receive.

Dividends paid from our distributable earnings that have not been subject to corporate income tax (i.e., that do not derive from our net after-tax profits account (*cuenta de utilidad fiscal neta* or “CUFIN”) are subject to a corporate-level tax payable by us. We are entitled to apply any such tax on the distribution of earnings as a credit against our Mexican corporate income tax corresponding to the fiscal year in which the dividend was paid or against the Mexican corporate income tax of the two fiscal years following the date in which the dividend was paid. Dividends paid from our distributable earnings that have been subject to corporate income tax (i.e., that derive from the company’s CUFIN balance) are not subject to this corporate-level dividend income tax.

On March 16, 2022, the Board of Directors of the Company called for an Ordinary and Extraordinary General Shareholders’ meeting, to propose, discuss, and, if applicable, approve a proposal permitting up to US\$23.84 million (namely the total net profits for the year 2021, including the retained profits (accumulated results) minus US\$1.26 million, that will be set aside to constitute the legal reserve) to be used for the purchase of the Company’s own shares during 2022. If the maximum amount of funds set aside for the purchase are not entirely used by December 31, 2022, the Company may use the remaining amount to repurchase its own shares during 2023. The amount of funds applicable to be used in 2023 may be increased or modified by any subsequent shareholders’ meeting. The proposal was subsequently approved by the Ordinary and Extraordinary General Shareholders’ meeting on April 26, 2022.

On October 26, 2022, the Board of Directors of the Company called for an Ordinary General Shareholders’ meeting, to propose, discuss, and, if applicable, approve a proposal permitting up to US\$25.63 million (namely the total net profits for the first nine months of 2022, including the retained profits (accumulated results) minus US\$1.35 million, that will be set aside to constitute the legal reserve) to be used for the purchase of the Company’s own shares during 2022. If the maximum amount of funds set aside for the purchase are not entirely used by December 31, 2022, the Company may use the remaining amount to repurchase its own shares during 2023. The amount of funds applicable to be used in 2023 may be increased or modified by any subsequent shareholders’ meeting. The proposal was subsequently approved by the Ordinary General Shareholders’ meeting on December 7, 2022.

On April 24, 2023, the Shareholder’s Meeting approved an amendment of the maximum amount of funds that may be used for the purchase of the Company’s shares (or securities representing such shares) for the fiscal year 2023, from the originally approved US\$20.1 million to US\$50.0 million, the remainder of which, if any, may be used for the same purposes for the fiscal year 2024.

SIGNIFICANT CHANGES

There are no significant changes to the financial information included in the most recent audited financial statements contained in this annual report, other than as otherwise described in this annual report.

ITEM 9. THE OFFER AND LISTING

TRADING HISTORY

Our capital stock is comprised of common shares, no par value. Each share entitles the holder thereof to one vote at shareholders' meetings. All outstanding shares are fully paid in and our common shares have been listed on the BMV since 2017. Since July 26, 2019, our ADSs have been listed on the NYSE. The ADSs have been issued by the Bank of New York as depository. Each ADS represents one common share.

MARKET INFORMATION

Market of Our Shares

Our ADSs are currently listed on the NYSE under the symbol "VIST." Each ADS issued by the Depository represents rights to one series A share. Our series A shares are listed on the Mexican Stock Exchange under the symbol "VISTA." As of the date of this annual report, the variable portion of our outstanding capital stock was comprised by 92,883,542 series A shares, registered with the RNV and listed on the Mexican Stock Exchange. The variable portion of our capital stock is of unlimited amount pursuant to our bylaws and the applicable laws, whereas the fixed portion of our capital stock is divided into two series C shares, registered with the RNV and listed on the Mexican Stock Exchange.

Trading on the Mexican Stock Exchange

The Mexican Stock Exchange, located in Mexico City, is one of two stock exchanges currently operating in Mexico. Operating continuously since 1907, the Mexican Stock Exchange is organized as a variable capital public stock corporation (*sociedad anónima bursátil de capital variable*). Securities trading on the Mexican Stock Exchange occurs each business day from 8:30 a.m. to 3:00 p.m. Mexico City time, subject to adjustments to operate uniformly with certain markets in the United States.

Since January 1999, all trading on the Mexican Stock Exchange has been affected electronically. The Mexican Stock Exchange may impose a number of measures to promote an orderly and transparent trading price of securities, including the operation of a system of automatic suspension of trading in shares of a particular issuer, when price fluctuations exceed certain limits.

Settlement of transactions with equity securities on the Mexican Stock Exchange are affected three business days after a share transaction is agreed to. Deferred settlement is not permitted without the approval of the Mexican Stock Exchange, even where mutually agreed. Securities traded on the Mexican Stock Exchange are on deposit in book-entry form through the facilities of Indeval, a privately owned securities depository that acts as a clearinghouse, depository, and custodian, as well as a settlement, transfer, and registration agent for Mexican Stock Exchange transactions, eliminating the need for physical transfer of securities. Transactions must be settled in Mexican Pesos except under limited circumstances and in respect of limited transactions in which settlement in foreign currencies may be permitted.

Market Regulation

In 1924, the Mexican National Banking Commission (*Comisión Nacional Bancaria*) was established to regulate banking activity and in 1946, the Mexican Securities Commission (*Comisión Nacional de Valores*) was established to regulate securities market activity. In 1995, these two entities merged to form the CNBV.

Among other things, the CNBV regulates the public offering and trading of securities, public companies and participants in the Mexican securities market (including brokerage houses and the Mexican Stock Exchange), and imposes sanctions for the illegal use of insider information and other violations of the Mexican Securities Market Law. The CNBV regulates the Mexican securities market, the Mexican Stock Exchange, and brokerage firms, through its staff and a board of governors composed of thirteen members.

Mexican Securities Market Law

The current Mexican Securities Market Law (as amended from time to time) was published in the Federal Official Gazette of Mexico on December 30, 2005, and became effective on June 28, 2006, and is referred to as the Mexican Securities Market Law.

In particular, the Mexican Securities Market Law:

- includes private placement exemptions directed to Mexican institutional and qualified investors, and specifies the requirements that need to be satisfied for an issuer or underwriter to fall within the exemption;
- includes improved rules for tender offers, dividing them in either voluntary or mandatory;
- establishes standards for disclosure of holdings applicable to shareholders of public companies;
- establishes the role of the board of directors of public companies;
- defines the role of the chief executive officer and other relevant officers of public corporations;
- defines the standards applicable to the board of directors and the duties and potential liabilities and penalties applicable to each director, the chief executive officer and other executive officers and the audit and corporate governance committee (introducing concepts such as the duty of care, duty of loyalty and safe harbors for actions attributable to directors and officers);
- establishes the audit and corporate governance committee and establishes the audit and corporate governance committee with clearly defined responsibilities;
- sets forth rights of minority shareholders (including the right to initiate shareholders' derivative suits);
- defines applicable sanctions for violation of law;
- provides flexibility to allow regulated Mexican brokerage firms to engage in certain limited activities;
- regulates stock exchanges, clearinghouses, futures and derivatives markets, and rating agencies;
- establishes penalties (including incarceration), arising from violations of the Mexican Securities Market Law and regulations thereunder;
- establishes that public companies are considered a single economic unit with the entities they control for reporting accounting and other purposes;
- establishes concepts such as consortiums, groups of related persons or entities, control and decision-making power;
- defines rules relating to the types of securities that may be offered by public companies;
- sets forth information for share repurchases; and
- specifies requirements for implementing anti-takeover measures.

In March 2003, the CNBV issued certain general regulations applicable to issuers and other securities market participants, which regulations have since been amended, or the General Regulations, and in September 2004, the CNBV issued certain general regulations applicable to brokerage firms. The General Regulations, which repealed several previously enacted CNBV regulations, provide a consolidated set of rules governing public offerings, reporting requirements and issuer activity, among other things.

More recently, a decree amending certain provisions on the Mexican Securities Market Law became effective on December 29, 2023, which contains, among others, certain provisions and adjustments (a) providing flexibility to issue different series and classes of shares without requiring CNBV authorization and without a percentage limit, including shares without voting rights, with restricted voting rights, with veto rights, that limit or expand the distribution of profits or other special economic rights; and (b) allowing to delegate to the board of directors of public companies the authority to approve capital increases and determine the terms for the subscription of shares issued in connection with such increase, including restrictions on the exercise of preemptive subscription rights.

Issuance, Registration and Listing Standards

In order to offer securities to the public in Mexico, an issuer must meet specific qualitative and quantitative requirements. Only securities that have been registered with the RNV, pursuant to approval by the CNBV may be listed on the Mexican Stock Exchange.

The General Regulations require the Mexican Stock Exchange to adopt minimum requirements for issuers that seek to list their securities in Mexico. These requirements relate to operating history, financial and capital structure, and minimum public floats, among other things. The General Regulations also require the Mexican Stock Exchange to implement minimum requirements (including minimum public floats) for issuers to maintain their listing in Mexico. These requirements relate to the issuer's financial condition, capital structure and public float, among others. The CNBV may waive some of these requirements in certain circumstances. In addition, some of the requirements are applicable for each series of shares of the relevant issuer.

The CNBV's approval for registration with the RNV does not imply any kind of certification or assurance related to the investment quality of the securities, the solvency of the issuer, or the accuracy or completeness of any information delivered to the CNBV or included in any offering document.

The Mexican Stock Exchange may review compliance with the foregoing requirements and other requirements at any time, but will normally do so on an annual, semi-annual and quarterly basis. The Mexican Stock Exchange must inform the CNBV of the results of its review, and this information must, in turn, be disclosed to investors. If an issuer fails to comply with any of these minimum requirements, the Mexican Stock Exchange will request that the issuer propose a plan to cure the violation. If the issuer fails to propose a plan, if the plan is not satisfactory to the Mexican Stock Exchange, or if an issuer does not make substantial progress with respect to the implementation of the corrective plan, trading of the relevant series of shares on the Mexican Stock Exchange may be temporarily suspended. In addition, if an issuer fails to implement the plan in full, the CNBV may cancel the registration of the shares, in which case the majority shareholder or any controlling group will be required to carry out a tender offer to acquire all of the outstanding shares of the issuer in accordance with the tender offer provisions set forth in the Mexican Securities Market Law (under which all holders must be treated in the same manner).

Reporting Obligations

Issuers of listed shares such as the Company, are required to file unaudited quarterly financial statements and audited annual financial statements (together with an explanation thereof) and periodic reports, in particular reports dealing with material events, with the CNBV and the Mexican Stock Exchange. Mexican issuers must file the following reports:

- a comprehensive annual report prepared in accordance with the General Regulations, by no later than April 30 of each year, which must include (i) audited annual financial statements and (ii) reports on the activities carried out by the audit and corporate governance committee;
- quarterly reports, within 20 business days following the end of each of the first three quarters and 40 business days following the end of the fourth quarter;
- reports disclosing material information;
- reports and disclosure memoranda revealing corporate restructurings such as mergers, spin-offs or acquisitions or sales of assets, approved by shareholders' meeting or the board of directors;
- reports regarding the policies and guidelines with respect to the use of the company's (or its subsidiaries) assets by related persons; and
- details dealing with agreements among shareholders.

Pursuant to the General Regulations, the internal rules of the Mexican Stock Exchange were amended to implement an automated electronic information transfer system (*Sistema Electrónico de Envío y Difusión de Información*, or SEDI) called the *Sistema Electrónico de Comunicación con Emisoras de Valores*, or EMISNET, for information required to be filed with the Mexican Stock Exchange. Issuers of listed securities must prepare and disclose their financial and other information via EMISNET. Immediately upon receipt, the Mexican Stock Exchange makes this financial and other information available to the public.

The General Regulations and the rules of the Mexican Stock Exchange require issuers of listed securities to file through SEDI information that relates to any event or circumstance that could influence an issuer's share prices and investor decisions to acquire stock. If listed securities experience unusual price volatility, the Mexican Stock Exchange must immediately request that an issuer inform the public as to the causes of the volatility or, if the issuer is unaware of the causes, that it makes a statement to the effect that it is unaware of the causes of such volatility. In addition, the Mexican Stock Exchange must immediately request that issuers disclose any information relating to material events when it deems the available public information to be insufficient, as well as instruct issuers to clarify information when necessary. The Mexican Stock Exchange may request that issuers confirm or deny any material event that has been disclosed to the public by third parties when it deems that the material event may affect or influence the price of the listed securities. The Mexican Stock Exchange must immediately inform the CNBV of any such request. In addition, the CNBV may also make any of these requests directly to issuers. An issuer may delay the disclosure of material events if:

- the information is related to transactions that have not been consummated;
- there is no public information in the mass media relating to the material event; and
- no unusual price or volume fluctuation occurs.

If an issuer elects to delay the disclosure of material, it must implement adequate confidentiality measures (including maintaining a log with the names of parties in possession of confidential information and the date when each such party became aware of the relevant information).

Similarly, if an issuer's securities are traded on both the Mexican Stock Exchange and a foreign securities exchange, the issuer must simultaneously file the information that it is required to file pursuant to the laws and regulations of the foreign jurisdiction with the CNBV and the Mexican Stock Exchange.

Suspension of Trading

In addition to the authority of the Mexican Stock Exchange under its internal regulations described above, the CNBV and the Mexican Stock Exchange may suspend trading in an issuer's securities:

- if the issuer does not disclose a material event;
- failure by the issuer to timely or adequately comply with its reporting obligations;
- significant exceptions or comments contained in the auditors' opinions of the issuer's financial statements, or determinations that such financial statements were not prepared in accordance with the applicable accounting procedures and policies; or
- upon price or volume volatility or changes in the trading of the relevant securities that are not consistent with the historic performance of the securities and cannot be explained solely through information made publicly available pursuant to the General Regulations.

The Mexican Stock Exchange must immediately inform the CNBV and the general public of any suspension. An issuer may request that the CNBV or the Mexican Stock Exchange permit trading to resume if it demonstrates that the causes triggering the suspension have been resolved and that it is in full compliance with periodic reporting requirements. If an issuer's request has been granted, the Mexican Stock Exchange will determine the appropriate mechanism to resume trading (which may include a bidding process to determine applicable prices). If trading in an issuer's securities is suspended for more than 20 business days and the issuer is authorized to resume trading without conducting a public offering, the issuer must disclose via SEDI, before trading may resume, a description of the causes that resulted in the suspension.

Under consent regulations, the Mexican Stock Exchange may consider the measures adopted by other non-Mexican exchanges to suspend and/or resume trading of an issuer's shares, in cases where the relevant securities are simultaneously traded on stock exchanges located outside of Mexico.

Insider Trading, Trading Restrictions and Tender Offers

The Mexican Securities Market Law contains specific regulations regarding insider trading, including the requirement that persons in possession of information deemed privileged abstain (i) from directly or indirectly, trading in the relevant issuer's securities, or derivatives with respect to such securities, the trading price of which may be affected by such information, (ii) from making recommendations or providing advice to third parties to trade in such securities, and (iii) disclosing or communicating such privileged information to third parties (except for persons to whom such information must be disclosed as a result of their positions or employment).

Pursuant to the Mexican Securities Market Law, the following persons must notify the CNBV of any transactions undertaken by them with respect to a listed issuer's securities, whether on a case-by-case basis or quarterly:

- members of a listed issuer's board of directors;
- shareholders directly or indirectly controlling 10% or more of a listed issuer's outstanding capital stock; and
- officers.

These persons must also inform the CNBV of the effect of the transactions within five days following their completion. In addition, insiders must abstain from purchasing or selling securities of the issuer within three months from the last sale or purchase, respectively.

Also, directors and relevant officers that are holders of 1% or more of the outstanding shares of a Mexican public company, must disclose their holdings and the relevant issuer.

Subject to certain exceptions, any acquisition of a public company's shares that results in the acquirer owning 10% or more, but less than 30%, of an issuer's outstanding capital stock, must be publicly disclosed to the CNBV and the Mexican Stock Exchange by no later than one business day following the acquisition.

Any acquisition or disposition by certain insiders that results in such insider increasing or decreasing in 5% or more such insider's holdings in shares of the public company to which it is related must also be publicly disclosed to the CNBV and the Mexican Stock Exchange no later than one business day following the acquisition or disposition. The Mexican Securities Market Law requires that convertible securities, warrants and derivatives to be settled in kind be considered in the calculation of share ownership percentages of public companies.

Tender Offers

The Mexican Securities Market Law contains provisions relating to public tender offers and certain other share acquisitions occurring in Mexico. Under the Mexican Securities Market Law, tender offers may be voluntary or mandatory. Both are subject to prior approval of the CNBV and must comply with general legal and regulatory requirements. Voluntary tender offers, or offers where there is no requirement that they be initiated or completed, are required to be made pro rata. Any intended acquisition of a public company's shares that results in the acquirer owning 30% or more requires the acquirer to make a mandatory tender offer for the greater of (i) the percentage of the capital stock intended to be acquired, or (ii) 10% of the company's outstanding capital stock, provided that if such acquisition is aimed at obtaining control, then the potential acquirer is required to launch a mandatory tender offer for 100% of the company's outstanding capital stock (however, under certain circumstances, the CNBV may permit an offer for less than 100%). The tender offer must be made at the same price to all shareholders and classes of shares. The board of directors, with the advice of the audit and corporate governance committee, must issue its opinion in respect of the fairness of the price applicable to any mandatory tender offer, which may be accompanied by an independent fairness opinion. Directors and the chief executive officer of a public company, in respect of which a tender offer has been made, must disclose whether or not each of them will tender his respective shares in the tender offer.

Under the Mexican Securities Market Law, all tender offers must be open for at least 20 business days and purchases thereunder are required to be made pro rata to all tendering shareholders. The Mexican Securities Market Law also permits the payment of certain amounts to a controlling shareholder over and above the offering price if these amounts are fully disclosed, approved by the board of directors, and paid solely in connection with non-compete or similar obligations. The law also provides exceptions to the mandatory tender offer requirements and specifically sets forth remedies for non-compliance with these tender offer rules (*e.g.*, suspension of voting rights, possible annulment of purchases, etc.) and other rights available to prior shareholders of the issuer.

Anti-Takeover Protections

The Mexican Securities Market Law provides that public companies may include anti-takeover provisions in their by-laws if such provisions (i) are approved by a majority of the shareholders, without shareholders representing 20% or more of the capital stock present at the meeting voting against such provision, and (ii) do not contravene legal provisions related to tender offers or have the effect of disregarding the economic rights related to the shares held by the acquiring party.

ITEM 10. ADDITIONAL INFORMATION

MEMORANDUM AND ARTICLES OF ASSOCIATION

General

We were incorporated on March 22, 2017, with public deed number 79,311 and registered with the Mexican Public Registry of Commerce in Mexico City, under commercial folio number N-2017024493, as a capital stock corporation. A copy of our bylaws can be obtained from the CNBV or the Mexican Stock Exchange and is available for review at www.bmv.com.mx.

Pursuant to the shareholders resolutions that approved our initial public offering as documented by public deed number 80,566 on July 28, 2017 and registered with the Mexican Public Registry of Commerce in Mexico City, under commercial folio number N-2017024493, we became a publicly traded company of variable capital stock (*sociedad anónima bursátil de capital variable*) and approved amendments to our bylaws in order to comply with applicable provisions in the Mexican Securities Market Law.

You may obtain a copy of our current bylaws from us or from the Mexican Stock Exchange through the following website: www.bmv.com.mx and www.vistaenergy.com. An English translation of our current bylaws is available from us upon request via email at ir@vistaenergy.com.

Corporate Purpose

Pursuant to article three of our bylaws, the corporate purpose of Vista is to engage, among others, in the following activities:

- (i) acquire, by any legal means, any type of assets, stock, partnership interests, equity interests or interests in any kind of commercial or civil companies, associations, partnerships, trusts or any kind of entities within the energy sector, whether such entities are Mexican or foreign, at the time of their inception or at a later time as well as sell, assign, transfer, negotiate, encumber or otherwise dispose of or pledge such assets, stocks, equity interests or interests;
- (ii) participate as a partner, shareholder or investor in all businesses or entities, whether mercantile or civil, associations, trusts or any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of incorporated companies, as well as to exercise the corporate and economic rights derived from such participation and to buy, vote, sell, transfer, subscribe, hold, use, encumber, dispose, modify or auction under any title, such shares, equity interests or other kind of interests, as well as participations of all kind in entities subject to applicable law, as it is necessary or convenient;

- (iii) issue and place shares representative of its social capital, either through public or private offerings, in national or foreign stock exchange markets;
- (iv) issue or place warrants, either through public or private offerings, by shares representing their capital stock or any other type of securities, in domestic or foreign stock exchange markets; and
- (v) issue or place negotiable instruments, debt instruments or any other value, either through public or private offerings, in domestic or foreign stock exchange markets.

Capital Stock

Our capital stock is variable. The amount of the fixed portion of our capital stock that is not subject to rights of withdrawal is Ps. 3,000, represented by two series C common, nominative shares no par value. As of the date of this annual report, the two series C shares are held by the Company, and no economic or corporate rights might be exercised in connection therewith. The variable portion of our capital stock subject to rights of withdrawal is unlimited and represented by series A shares, which are ordinary, nominative, no par value and grant equal economic and corporate rights and obligations to their holders. As of the date of this annual report, the variable portion of our outstanding capital stock was comprised by 97,190,833 series A shares. Our series A shares may be subscribed to and paid for by Mexican or foreign individuals or corporations, as well as by any other foreign entities with or without legal entity. Our series B shares (which were ordinary, nominative, with no par value and grant the same economic and corporate rights and obligations to their holders) have been cancelled and at their time, were subscribed and paid by our “Strategic Partners” (otherwise referred to herein as the Sponsor) and the independent directors of the Company and were converted into series A shares as approved at an ordinary general shareholders’ meeting.

On August 1, 2017, prior to the closing of our initial public offering in Mexico, Vista and its strategic partners, Vista Sponsor Holdings, L.P. (an entity controlled by senior personnel from Riverstone Investment Group LLC) together with Miguel Galuccio, Pablo Vera Pinto, Juan Garoby and Alejandro Cherñacov (collectively, the “Sponsor”), entered into a strategic partners agreement (“SPA”) in connection with the private placement of the Sponsor Warrants. Pursuant to the SPA, the parties agreed, among other things, (i) to purchase the Sponsor Warrants, (ii) that the Sponsor Warrants may be exercised without cash payment as described in “Item 10—Additional Information—Memorandum and Articles of Association—Warrants”; (iii) in the event that the warrants terminate early and the Sponsor Warrants expire without being exercised, the parties agreed to issue another security or instrument that permits them to purchase series A shares in the same manner as the expired Sponsor Warrants, and (iv) to certain lockup provisions, which have expired as of the date of this annual report. As of the date of this annual report, there are no outstanding warrants. As of the date hereof, and as a consequence of the exercise of all outstanding warrants on March 15, 2023, the Strategic Partners Agreement has come to an end as the terms thereof are no longer applicable.

On March 22, 2018, a shareholders’ meeting authorized the Plan. That same shareholders’ meeting approved the reservation of 8,750,000 series A shares issued by the Company on December 18, 2017, for the implementation of the Plan. Additionally, the series A shares repurchased by the Company through our buy-back program may be allocated to the Plan. As of the date of this annual report, 10,393,970 series A shares have been vested and are outstanding in connection with the Plan. If all series A shares currently reserved for the Plan, in addition to all the shares repurchased through the ongoing buy-back program, became outstanding, our issued and outstanding share capital would increase 1.6% from 97,190,833 series A shares outstanding as of the date of this annual report to 98,781,026 series A shares. See “Item 6—Directors, Senior Management and Employees—Board of Directors—Long Term Incentive Plan.”

At an ordinary general shareholders’ meeting, our shareholders may approve the issuance of other types of shares including those who have special rights or limited rights to holders and/or securities with respect to such shares.

Warrants

On October 4, 2022, Vista held a warrant holders’ meeting during which the warrant holders approved the amendments to the warrant indenture and the global certificate that covers such Warrants proposed by the Company, by means of which a cashless exercise mechanism was implemented that entitled the warrant holders to, in their sole discretion or at Vista’s discretion (in the latter case, with respect to all outstanding warrants and without any further request, notice or communication required to or from Holders or any other person), obtain one series A share for each 31 Warrants owned.

During the period between October 10, 2022 and March 7, 2023, the warrants holders exercised 75,144,465 warrants, and as a result of such exercise, 2,424,015 additional series A shares became outstanding.

On March 7, 2023, Vista concluded the process with the CNBV to update the registration of Vista's warrants in the RNV enabling the Automatic Cashless Exercise. On March 15, 2023, by virtue of such Automatic Cashless Exercise, and after giving effect thereto, the 24,535,535 outstanding Warrants were exercised, equivalent to 791,439 additional series A shares became outstanding. By virtue of the exercise of all warrants (i.e., those exercised by the Holders before the Automatic Cashless Exercise, plus those exercised pursuant to such Automatic Cashless Exercise), the total number of series A shares that became outstanding is 3,215,454. As of the date of this annual report, there are no outstanding warrants.

Movements in Our Capital stock

Capital stock increases shall be made pursuant to resolutions adopted by our shareholders in general shareholders' meetings.

Increases of our capital stock in its fixed portion are approved by resolutions taken by our shareholders in extraordinary shareholders' meetings, with a corresponding amendment to our bylaws, while the modification of our capital stock in its variable portion is approved in ordinary shareholders' meetings, which shall be formalized before a notary public, without it being necessary that the relevant public deed is recorded before the public registry of commerce of our corporate domicile.

Additionally, we may affect capital increases due to the capitalization of shareholders' equity accounts, pursuant to Article 116 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, through payment in cash or in kind, capitalization of liabilities or by any other means allowed by applicable law. Regarding the increases by means of capitalization of shareholders' equity accounts, all shares shall have the right to the proportional part that correspond to them in the increase, without it being necessary to issue new shares representing the increase.

Capital increases, except for those arising from our acquisition of our own securities, shall be recorded in a capital variation registry book, which we are required to maintain pursuant to Article 219 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law.

We may keep unsubscribed shares resulting from capital increase in treasury, or otherwise cancel such shares, in both cases a prior capital decrease shall be resolved by a shareholders' meeting to the extent necessary.

Our capital stock may only be reduced upon approval of our shareholders through resolutions adopted by them in either ordinary or extraordinary shareholders' meetings, in accordance with the provisions set forth in Article 12 of our bylaws except for (i) the separation of shareholders as described in Article 206 of Mexico's General Law of Commercial Companies or any other provision replacing it from time to time, and other applicable law; and (ii) the acquisition of our own shares in accordance with our bylaws, the Mexican Securities Market Law and other applicable law.

We may only reduce the fixed portion of our capital stock upon approval of our shareholders through resolutions adopted by them at an extraordinary shareholders' meeting, the amendment of our bylaws and the formalizing of the relevant meeting minutes before a notary public. We may also reduce the variable portion of our capital stock upon approval by our shareholders through resolutions adopted by them at an ordinary shareholders' meeting, the minutes of which shall be formalized before a notary public, without it being necessary to record the relevant public deed before the public registry of commerce of our corporate domicile; provided that when the shareholders exercise their separation right or when the decreases are a result of the reacquisition of our own shares, no resolution from the shareholders' meeting will be needed.

We may reduce our capital stock to absorb losses in the event that any shareholder exercises its right of separation pursuant to Article 206 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, as well as a result of the reacquisition by the Company of our own shares pursuant to our bylaws, or in any other case allowed under applicable law.

Capital reductions to compensate losses will be carried out proportionally among all the shares representing our capital stock, without it being necessary to cancel shares since they do not have par value.

Holders of securities that are part of the variable portion of our capital stock may not exercise their right of withdrawal described in Article 220 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time, pursuant to Article 50 of the Mexican Securities Market Law, any other provision replacing it from time to time and other applicable law.

We shall register all capital reductions in our capital variations registry book, except for reductions resulting from repurchase of our own shares.

Voting Rights

Pursuant to our bylaws, each series of our shares grants the same rights and obligations to holders thereof, including economic rights, since all holders of the shares participate equally, without any distinction, in any dividend, repayment, amortization or distribution of any nature on the terms further described herein.

Our bylaws provide that, we may issue shares of different series or classes, with no voting rights, with limited corporate rights or with limited voting rights.

Non-voting shares shall not count for determining the necessary quorum to call to order a general shareholders' meeting. Limited or restricted voting shares will count only in determining the necessary quorum to call to order shareholders' meetings in which their vote is needed or special meetings.

Resolutions adopted at any general shareholders' meeting in which the issuance of shares with different series or classes is approved shall set forth the rights, limitations, restrictions and all other characteristics corresponding to such shares.

Shareholders' Meetings

A general shareholders' meeting acts as our supreme body and authority. General shareholders' meetings may be ordinary or extraordinary, as well as special, and shall always be held in our corporate domicile, except for cases of *force majeure* or acts of God.

Pursuant to Mexican law and our bylaws, general shareholders' meetings require 15 calendar days' advance notice to be legally convened upon first or subsequent calls. Extraordinary general shareholders' meetings are convened to approve any of the matters referred to in Article 182 of Mexico's General Law of Commercial Companies, Articles 48, 53 and 108 of the Mexican Securities Market Law, or any other provisions replacing them from time to time and other applicable law, as well as those provisions contained in Articles 9 and 19 of our bylaws. All other general shareholders' meetings shall be ordinary meetings, including those meetings which address increases and reductions to the variable portion of our capital stock.

Special shareholders' meetings shall convene to handle any matter that may affect the rights granted to the holders of a series of our shares and shall be subject to the applicable provisions in our bylaws that were established for extraordinary general shareholders' meetings, in respect to attendance and voting quorums, as well as formalization of minutes.

An ordinary general shareholders' meeting shall be held at least once each year within the first four months following the end of the previous fiscal year in order to approve the matters listed in the agenda for such meeting, the matters described in Article 181 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time, as well as to do any of the following:

- (i) discuss, approve or modify reports of the chairmen of both the audit committee and the corporate practices committee;
- (ii) discuss, approve or modify reports of our Chief Executive Officer, pursuant to Article 28, Section IV, and Article 44, Section XI, of the Mexican Securities Market Law, or any other provision replacing them from time to time and other applicable law;
- (iii) discuss, approve or modify reports of the board of directors, pursuant to sub-paragraph (b) of Article 172 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law;
- (iv) review the opinion of the board of directors regarding the content of the Chief Executive Officer's reports;
- (v) decide on the use of profits, if any;
- (vi) appoint members of our board of directors, the Secretary and Deputy Secretary and the members of committees, as well as their respective substitutes, as the case may be, and appoint or remove the chairmen of both the audit committee and the corporate practices committee;
- (vii) determine the independence of directors;
- (viii) determine the maximum amount of corporate funds that may be used for the repurchase of our own securities;
- (ix) approve transactions that we intend to carry out in the course of the fiscal year, when such transactions, or a series of transactions considered together on an aggregate basis based on certain shared characteristics (as determined by the Mexican Securities Market Law), represent an amount that is 20% or more of our consolidated assets, determined on the basis of the value of our consolidated assets at the end of the immediately preceding quarter (in such meetings, the shareholders with limited or restricted voting rights may vote); and/or
- (x) handle any other matter in accordance with applicable law and that is not specifically reserved by law to be taken up at an extraordinary general shareholders' meeting.

An extraordinary general shareholders' meeting shall handle any of the matters described in Article 182 of Mexico's General Law of Commercial Companies or any other provision replacing it from time to time. In addition, shareholders at such an extraordinary meeting may do any of the following:

- (i) amend our bylaws to prevent an acquisition of our securities that would provide an acquirer or acquirers control of our Company;
- (ii) increase our capital stock pursuant to the terms of Article 53 of the Mexican Securities Market Law, or any other provision replacing it from time to time;
- (iii) cancel the registration any of our capital stock or the certificates representing such securities with the RNV;
- (iv) generally, amend our bylaws;
- (v) approve the cancellation of shares representing our capital stock with distributable profits and the issuance of dividend certificates or limited-voting, preferential or any other kind of shares different from ordinary shares; and/or
- (vi) handle any other matter in accordance with applicable law or our bylaws that expressly requires a special quorum or is specifically reserved by law to be taken up at an extraordinary general shareholders' meeting.

Any general shareholders' meeting may be called by our board of directors, the Chairman of the Board of Directors, our Secretary or either the Audit Committee or Corporate Practices Committee. The holders of shares with voting rights representing 10% or more of our capital stock may also request a general shareholders' meeting, individually or collectively, from the Chairman of the board of directors or to the relevant committee, notwithstanding the percentage set forth under Article 184 of Mexico's General Law of Commercial Companies.

A shareholder request for a general shareholders' meeting may be granted so long as such request meets the requirements set forth in Article 185 of Mexico's General Law of Commercial Companies, any other provision replacing it from time to time and other applicable law. If a call is not made within 15 calendar days following the request date, a civil or district court judge of the Company's domicile will make such a call at the request of any interested shareholder, who must prove the ownership of its shares for such purposes.

Calls for general shareholders' meetings shall be published in the electronic system established by the Mexican Ministry of Economy for such purposes and may be published in one of the newspapers of largest circulation in the corporate domicile of the Company within at least 15 calendar days prior to the date on which the relevant meeting is intended to take place, pursuant to applicable law.

From the date of notice of a general shareholders' meeting to the date on which the meeting is held, we will make available to the shareholders, in our offices, immediately and free of charge, all information that we may deem necessary to vote on matters at the meeting, including the forms described in Section III of Article 49 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law.

General shareholders' meetings may be held without prior notice (as described above) in the event that all the shares representing the capital stock with voting rights, or the relevant series of shares (in the event of a special meeting) are present or represented at the time of the voting at a meeting.

Notwithstanding the foregoing and in accordance with the second paragraph of Article 178 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, shareholders may adopt resolutions by unanimous written consent without a meeting, which will have the same validity and effectiveness as if such resolutions had been approved in a general shareholders' meeting.

Shareholders may be represented at general shareholders' meetings by an attorney-in-fact that has a power-of-attorney granted pursuant to the forms described in Section III of Article 49 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law or pursuant to a power of attorney granted pursuant to applicable law.

To be admitted to a general shareholders' meeting, shareholders shall be duly registered in our stock registry book managed in accordance with Article 128 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law, or they may present certificates issued by the Indeval or any other institution that acts as a depository of securities in accordance with the Mexican Securities Market Law.

To attend a special or general shareholders' meeting, the relevant shareholder must prove to the Secretary non-member of our board of directors that it does not require the prior approval by our board of directors pursuant to Article 9 of our bylaws.

Ordinary and extraordinary general shareholders' meetings shall be presided over by the Chairman of the board of directors or, in his or her absence, by such person as determined by the shareholders at the relevant meeting through a majority vote of shares present.

The Secretary non-member of the board of directors or the Deputy Secretary shall act as secretary of the general shareholders' meetings or, in his or her absence, by such person as determined by the shareholders at the relevant meeting through a majority vote of shares present.

The chairman of the general shareholders' meeting shall appoint one or more inspectors (*escrutadores*), from the shareholders, shareholders' representatives or invitees attending the relevant meeting, who shall determine the existence or absence of a quorum, and who shall count the votes cast upon request by the chairman of the meeting.

The secretary of the general shareholders' meeting shall prepare the minutes of such meeting, such minutes to be transcribed into our general shareholders' meetings' minutes registry and signed by both the chairman and the secretary of the relevant meeting as well as by the individuals who acted as inspectors. Any records regarding such meetings that were not able to transact matters because of a lack of quorum shall also be signed by the chairman, the secretary and the inspectors of the relevant meeting.

An ordinary general shareholders' meeting shall be duly convened if, after first call of those present, at least 50% of the outstanding shares representing our capital stock are represented at such meeting. Decisions of an ordinary general shareholders' meeting are approved by a simple majority of the shares with voting rights represented at such meeting. In the event of second or further calls, an ordinary general shareholders' meeting shall be deemed duly convened, regardless of the number of present or represented shares, and decisions shall be approved by the simple majority of the shares present with voting rights.

An extraordinary general shareholders' meeting shall be duly convened if, after the first call, at least 75% of the outstanding shares representing our capital stock are represented at such meeting. In the event of second or further calls, an extraordinary general shareholders' meeting shall be deemed duly convened if most of our common stock is represented.

The resolutions adopted by an extraordinary shareholders' meeting, irrespective of whether it was convened as the result of the first, second or subsequent call, will be valid if taken by a majority of the shares of our capital stock outstanding (and not held in treasury), except in the case of (i) cancellation of the registration with the RNV of the shares representing our capital stock or the warrants representing them, in which case the affirmative vote of 95% of the shares of our capital stock outstanding (and not held in treasury), will be required, and (ii) an amendment to our bylaws, in which case the affirmative vote of 65% of the shares of our capital stock outstanding (and not held in treasury), will be required.

Unanimous written consents adopted outside general shareholders' meeting shall be transcribed in our shareholders' meetings minutes registry book. Files containing copies of the minutes from each general shareholders' meeting and each unanimous written consent, along with attendance lists, proxies, call copies, if any, and documents submitted to discussion, such as board of directors' reports, our financial statements and other relevant documents, shall be formed and kept by us.

In the event that any minutes of a general shareholders' meeting or any unanimous written consent cannot be registered in our shareholders' meetings minutes registry book, we will formalize such minutes or unanimous written consent before a notary public in Mexico.

The minutes of general shareholders' meetings, as well as the records of such meetings that were not held due to lack of quorum, will be signed by Chairman and Secretary of such shareholders' meetings.

Profit distribution (dividends)

Generally, at an annual ordinary general shareholders' meeting, our Board of Directors presents the financial statements corresponding to the preceding fiscal year to the shareholders for their approval. Once the general shareholders' meeting approves those financial statements, all of the shares outstanding at the time of the declaration of a dividend or other distribution have the right to participate in that dividend or distribution.

Board of Directors

Composition

Our Board of Directors is responsible for the general oversight of our Company. The Board of Directors comprises a maximum of 21 directors, which number may be changed from time to time upon resolutions adopted at a general shareholders' meeting, and of which at least 25% shall be independent pursuant to Articles 24 and 26 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law.

An alternate director may be appointed in place of each director; provided, however, that alternates for independent directors shall have the same independence qualifications of the independent director on whose behalf they are acting.

Directors are considered independent when they meet the requirements for independence set forth in Article 26 of the Mexican Securities Market Law, or any other provision replacing it from time to time and any other guidance or regulation issued by the CNBV.

Director independence is determined by resolution adopted at an ordinary general shareholders' meeting. The CNBV prior right of hearing of the company and of the director, may reject the independence determination of any director within 30 Business Days' notice of the initial determination of said director's independence.

Directors may or may not be shareholders and shall serve on the Board of Directors until removed and a successor is appointed, provided that at all times they shall have legal capacity to perform their duties and shall not be prevented from executing business. At all times the provisions contained in the second paragraph of Article 24 of the Mexican Securities Market Law shall be complied with.

The Board of Directors may appoint provisional directors, without input from a shareholders' meeting, in the case of the death or disability of a director or expiration of his or her term. A general shareholders' meeting shall ratify such appointments or appoint the new directors in the meeting following such event.

Directors may only be removed by resolution adopted at an ordinary general shareholders' meeting.

Directors shall be appointed by a majority vote of shareholders at an ordinary general shareholders' meeting; provided that for each 10% of outstanding capital stock held, a minority holder has the right to appoint one director.

Each year, the Chairman of the Board of Directors shall be appointed either at a general shareholders' meeting or at a meeting of the Board of Directors. The chairman of the Board of Directors shall execute and carry out resolutions adopted at general shareholders' meetings and meetings of the Board of Directors without the need for a special resolution.

The Secretary non-member of the Board of Directors and the Deputy Secretary shall be appointed at either an ordinary general shareholders' meeting or at a meeting of the Board of Directors, as applicable. The Secretary shall not be a director but must carry out the obligations and duties prescribed by applicable law.

Temporary or permanent absences in the board of directors shall be covered by such directors' appointed alternates. The Chairman of the board of directors shall have a tie-breaking vote in all matters.

The Chairman of the board of directors may be of any nationality, will chair the meetings of the Board of Directors and, in his or her absence, such meetings will be chaired by one of the directors appointed by a majority vote of the other attending directors.

Meetings of the Board of Directors

A meeting of the Board of Directors may be called either by the chairman of the Board of Directors, the chairman of the audit committee, the chairman of the corporate practices committee, the Secretary non-member of the Board of Directors or 25% of the directors by means of written notice, including, but not limited to, fax or email, to all directors at least ten calendar days prior to the date set for such meeting. In the event that all directors are present, a meeting may be called to order without advance notice.

Our independent auditor may be called to attend any meeting of the Board of Directors with the right to speak but without voting rights; provided, however, that such auditor will never be present when matters which may raise a conflict of interest are discussed or that may compromise their independence.

Meetings of the Board of Directors shall be held at least four times during each fiscal year, in the corporate domicile of our Company, however, a meeting may be held outside of our corporate domicile or abroad if a majority of the directors approves it, and to allow meetings of the Board of Directors to be held by telephone or by video conference or by any other means that enables the effective and simultaneous participation of its members.

The minutes of meetings of the Board of Directors shall be transcribed into the Board of Directors' meetings minutes book and shall be signed by all persons in attendance or, if expressly authorized by agreement at the meeting, solely by the Chairman of the Board of Directors and the Secretary non-member of the Board of Directors. A record and copies of the minutes and/or unanimous written consents of each meeting of the Board of Directors, as well as transcripts of any calls and any relevant documents regarding meetings, shall be kept by us.

A meeting of the Board of Directors may be duly convened when a majority of directors are present. The Board of Directors shall make decisions through resolutions adopted by a majority vote of directors; in the event of a tie, the chairman of the Board of Directors shall cast the deciding vote.

Will be valid and legal all decisions made outside of meetings of the Board of Directors as long as taken by unanimous written consent of all directors and signed by all of the directors. The document in which the written confirmation is evidenced shall be sent to the Secretary of the Company, who will transcribe the relevant resolutions in the corresponding minutes book and shall indicate that such resolutions were adopted pursuant to our bylaws.

Authority of the Board of Directors

The Board of Directors represents our Company in business and corporate matters and has general powers of attorney for lawsuits and legal proceedings and acts of administration and ownership, in accordance with the terms set forth in Article 2554 of the Civil Code for the Federal District (*Código Civil para el Distrito Federal*) and the correlative provisions of the civil codes for each of the states of Mexico and the Mexican Federal Civil Code (*Código Civil Federal*). The Board of Directors shall represent us before all types of administrative and judicial authorities, federal, state or municipal, before the Arbitration and Conciliation Board (*Junta de Conciliación y Arbitraje*) and other labor authorities and arbitrators. The powers, include, but are not limited to, the following:

- performing all transactions and executing, amending and terminating agreements entered into pursuant to carrying out our corporate purposes;
- opening, managing and canceling bank accounts, including, but not limited to, the authority to appoint signatories who may draw funds from such account;
- withdrawing all types of deposits;
- appointing and removing the chief executive officer and setting his or her total compensation, as well as the establishing policies for the appointment and total compensation of other relevant directors;
- granting and revoking general and special powers of attorney;
- opening and closing branch offices, agencies and dependencies;
- executing all resolutions adopted at general shareholders' meetings;
- representing our Company where we may have an interest or other participation in other companies or entities, as well as buying or subscribing for shares or partnership interests therein, at the time of such entities' incorporation or at any other time;
- filing all types of claims and *amparo* proceedings, participating in arbitration, assigning and/or encumbering assets, receiving payments and discussing, negotiating, executing and reviewing collective or individual labor agreements;
- initiating criminal claims and complaints, and act as an adjudicant before the Argentine Public Prosecutor (*Ministerio Público Argentino*);
- accepting on our behalf mandates of legal entities or persons, either national or foreign;
- authorizing our Company or our subsidiaries to make real or personal guarantees, as well as any fiduciary involvement in order to secure our liabilities and become a joint obligor, guarantor, surety and an obligor in general in compliance with third party liabilities and establish the necessary guarantees in order to secure such compliance;
- approving information and communication policies for shareholders and the market;
- calling for ordinary and extraordinary general and special shareholders' meetings and executing the resolutions thereof;

- creating committees and appointing directors to serve as members on such committees (except for the appointment and ratification of chairmen of the audit committee and corporate practices committee, who shall be appointed by resolution at a general shareholders' meeting);
- establishing strategies to fulfill our corporate purposes;
- taking any action authorized by Article 28 of the Mexican Securities Market Law or any other provision replacing it from time to time;
- resolve on any capital stock increase, determine the subscription terms of the shares object of the increase, including the exclusion of the preemptive subscription right in connection with the issuance of shares that are object of the delegation, as such authority may be delegated by the general shareholders' meeting of Vista, under the terms of its by-laws and article 55 of the Mexican Securities Market Law.
- approving the terms and conditions for the public offering and transfer of our treasury shares issued pursuant to Article 53 of the Mexican Securities Market Law;
- appointing the person or persons in charge of carrying out the acquisition or placement of shares authorized by a shareholders' meeting, pursuant to Article 56 of the Mexican Securities Market Law, as well as the terms and conditions of such acquisitions and placements, within the limits set forth by the Mexican Securities Market Law and the relevant shareholders' meeting, and inform the shareholders' meeting of the result, in any fiscal year, of the exercise of such authorities;
- appointing provisional directors, pursuant to the provisions of the Mexican Securities Market Law;
- approving the terms and conditions of settlements through which the liability of any director for breach of the duties of diligence or loyalty is resolved;
- general power of attorney for lawsuits and collections and acts of administration for labor matters, including, without limitation, as further detailed in our bylaws and power of attorney for lawsuits and collections and for acts of administration for labor matters so that the Board of Directors may act as our representative in all labor matters and have the authorities to execute all kinds of agreements and carry out all kinds of actions in such regard;
- granting, revoking and canceling general and special powers of attorney within the scope of its authority and granting their substitution and delegation authority, except for those authorities the exercise of which is limited to the Board of Directors pursuant to applicable law or our bylaws; and
- entering into any and all necessary or convenient legal acts, agreements and/or documents.

The Board of Directors, when applicable, shall additionally have, pursuant to the terms set forth in Article 9 of Mexico's General Law of Negotiable Instruments and Credit Transactions, a general power-of-attorney to issue, accept and endorse negotiable instruments, as well as to protest them and a general power-of-attorney to open and cancel bank accounts.

Committees

The general shareholders' meeting or the Board of Directors may constitute committees that consider necessary for their operation.

In addition, our Board of Directors will maintain an Audit Committee and a Corporate Practices Committee in accordance with the Mexican Securities Market Law, the members of such committees to be exclusively comprised of a minimum of three independent directors appointed by the Board of Directors, pursuant to the terms set forth in Article 25 of the Mexican Securities Market Law, any other provision replacing it from time to time and other applicable law.

The Audit Committee, the Corporate Practices Committee and other committees created pursuant to our bylaws, shall meet in the form and frequency established by each such committee in the first or last board meeting held during each year (in the latter case regarding the calendar of meetings to be held during the following fiscal year), without the need to call for the members for each meeting when such meetings have been previously scheduled in accordance with the meeting calendar approved by the relevant committee for such purposes; provided, however, that in order for such meetings to be duly convened, a majority of the members shall be present and resolutions shall be approved by a majority vote of the members of such committee.

In addition, each committee shall meet when decided by its chairman, the Secretary non-member of the Board of Directors or any of its members, upon prior notice given at least three Business Days in advance to all the members of the committee and the required alternates. The independent auditor of the Company may be invited to the meetings of the committees, as an invitee with the ability to speak but not to vote.

Decisions may be made outside of meetings of the committees and will have the same validity as if they had been approved in the session as long as they are approved by unanimous written consent of all committee members and signed by all of the members thereof. Likewise, the committees may meet at any moment, without prior notice, if all members are present.

Committees may not delegate their authorities as a whole to any person, but they may appoint deputies to implement their resolutions. The chairman of each committee will be entitled to individually implement such resolutions without needing express authorization. Each committee created pursuant to our bylaws shall inform the Board of Directors on an annual basis about the activities it performs or when it considers that facts or actions material for the Company have occurred. Minutes shall be prepared for each meeting of a committee, which shall be transcribed in a special minutes book. The minutes shall evidence the attendance of the members of the committee and the resolutions adopted, and they shall be signed by the individuals present and the Chairman and Secretary.

Meetings of the Committees may be held by telephone or by video conference or by any other means that enables the effective and simultaneous participation of its members.

For all that is not provided herein or in the Mexican Securities Market Law, committees shall operate pursuant to rules set by our Board of Directors, unless otherwise prescribed in our bylaws or in the Mexican Securities Market Law.

Committees shall keep the Board of Directors apprised of their activities at least once a year.

Duties of Directors

The Mexican Securities Market Law imposes a duty of diligence and loyalty on the members of the board of directors, the members of the board's committees, the chief executive officer and on the relevant officers from which the chief executive officer seeks assistance. Such duty of diligence requires them to obtain sufficient information and to be sufficiently prepared in order to act in the best interest of the Company. The duty of diligence is complied with, mainly, by searching for and obtaining all the information that may be necessary in order to make decisions (including by means of hiring independent experts), attending sessions of the board of directors, of the committee in which they participate and disclosing to the board of directors relevant information in the possession of the relevant director or officer. Default of such duty of diligence by a board member subjects him or her to joint liability along with other board members that are liable in connection with the damages and lost profits caused to the Company or its subsidiaries.

The duty of loyalty mainly consists of a duty to act in the best interest of the Company and includes, primarily, the duty to maintain confidentiality of the information that the board members receive in connection with the performance of their duties, abstaining from voting in matters in respect to which they have a conflict of interest and abstaining from taking advantage of business opportunities of the Company. It is a violation of the duty of loyalty for a director to take actions that wrongfully benefit one or more shareholders, or for a director, without prior express consent of the disinterested members of the board of directors, to take a corporate opportunity that belongs to the Company or its subsidiaries.

It is also a violation of the duty of loyalty for a director to (i) use our assets, or consents to the use of our assets, in violation of any of our policies or (ii) disclose false or misleading information, order not to record, or prevent the recording of any transaction in our registries, which could affect our financial statements or cause important information to be improperly modified or not disclosed.

A director's failure to comply with the duty of diligence or the duty of loyalty shall make him or her jointly liable with other directors or officers who have also failed to comply therewith for any damages caused to our Company resulting therefrom in the cases in which they have acted in bad faith, willfully or illegally.

As a means of protection for our board members regarding breaches of the duty of diligence or the duty of loyalty, the Mexican Securities Market Law provides that directors will not be liable for the breach of such duties in the event that the board member acted in good faith and (a) in compliance with applicable law and our bylaws, (b) based on facts and information provided by our officers, independent auditors or experts whose credibility and reliability may not be reasonably questioned, and (c) elects the most suitable alternative in good faith or when the negative effects of such decision may not be reasonably foreseen based on the information available. Mexican courts have not interpreted the meaning of such provision and, therefore, its scope and meaning are uncertain.

Board members will be jointly liable with previous board members regarding irregularities caused by any prior board member if such irregularities are not reported to the audit committee and the corporate practices committee.

The members of the board of directors and the committees have no obligation to guarantee the performance of their positions.

The provisions regarding the duty of loyalty of the second and third paragraphs of Article 34 of the Securities Market Law must be observed.

The liability resulting from the breach of the duty of diligence or the duty of loyalty should be exclusive in favor of the Company, as the case may be, and may be exercised by the Company or by the shareholders who, individually or jointly, represent ownership of shares (including limited, restricted or non-voting shares) representing 5% or more of the share capital.

The members of the Board of Directors or the members of the committees should not be in default when they act in good faith or when any liability exclusion mentioned in Article 40 of the Mexican Securities Market Law, any other provision replacing it from time to time and other applicable law.

Audit and Corporate Practices Committees

The oversight of our management and conduct and execution of our business shall be vested in the board of directors through the Audit Committee and the Corporate Practices Committee, as well as our independent auditor.

The chairman of the audit committee and the chairman of the corporate practices committee shall be bound to provide an annual report pursuant to Article 43 of the Mexican Securities Market Law or any other provision replacing it from time to time.

Audit Committee

The audit committee shall be comprised of a minimum of three members, who shall be independent and shall be appointed at a general shareholders' meeting or a meeting of the board of directors upon a proposal by the Chairman of the board of directors, except for the chairman of the Audit Committee, who shall be appointed and/or removed from office exclusively by resolution adopted at a general shareholders' meeting. The chairman of the Audit Committee must also satisfy the requirements described in Article 43, Section II of the Mexican Securities Market Law to serve.

The audit committee shall perform the functions described in Article 42, Section II of the Mexican Securities Market Law, any other provision replacing it from time to time, guidance and/or regulation handed down by the CNBV and other applicable law. These functions include, but are not limited to giving an opinion to the board of directors about matters entrusted to the Audit Committee, discussing the financial statements of our Company with the persons responsible for preparing them, informing the board of directors about the state of affairs concerning the internal control and audit systems of our Company, preparing an opinion about accounting policies and criteria and, in general, overseeing the corporate conduct of our Company.

We shall have an independent auditor to perform audits in compliance with the Mexican Securities Market Law.

Corporate Practices Committee

The corporate practices shall be comprised of a minimum of three members, who shall be independent and shall be appointed at a general shareholders' meeting or a meeting of the Board of Directors upon a proposal by the Chairman of the board of directors, except for the chairman of the Corporate Practices Committee, who shall be appointed and/or removed from office exclusively by resolution adopted at a general shareholders' meeting. The chairman of the Corporate Practices Committee must also satisfy the requirements described in Article 43, Section I of the Mexican Securities Market Law to serve.

The corporate practices committee shall have the functions described in Article 42, Section I of the Mexican Securities Market Law, any other provision replacing it from time to time, guidance and/or regulation handed down by the CNBV and other applicable law. These functions include, among others derived from the Mexican Securities Market Law, issuing an opinion to the board of directors as requested about matters related to compliance with the Mexican Securities Market Law and our bylaws, requesting opinions from independent experts in connection with matters to be submitted for approval to the board of directors or in respect to which there is a conflict of interest, calling shareholders' meetings and supporting the board of directors in the preparation of reports.

Indemnification

Pursuant to our bylaws, we shall indemnify and hold harmless the members, alternates and officers of the Board of Directors, the Audit Committee, the Corporate Practices Committee, any other Committees created by us, the Secretary and the Deputy Secretary non-members of the Board of Directors, and the Chief Executive Officer and other relevant officers, in relation to the performance of their duties, such as any claim, demand, proceeding or investigation initiated in Mexico or in any of the countries in which our shares are registered or listed, other securities issued on the basis of such shares or other fixed or variable income securities issued by us, or in any jurisdiction where we, or the companies we control, operate, in which such persons may be parties as members of such bodies, owners or alternates, and officials, including the payment of any damages or losses that have been caused and the amounts necessary to arrive, if deemed appropriate, to a transaction, as well as the total fees and expenses of lawyers (reasonably and documented) and other advisors to be retained to ensure the interests of such persons in the aforementioned cases, on the understanding that the Board of Directors shall be the body empowered to resolve, in the aforementioned cases, whether it considers convenient to retain the services of lawyers and other different advisors to those who are advising us in the relevant case. This indemnity shall not apply if such claims, demands, proceedings or investigations result from gross negligence, willful misconduct, bad faith or illegally pursuant to the applicable law of the indemnified party concerned. Furthermore, we may purchase, in favor of the members of the Board of Directors, the Audit Committee, the Corporate Practices Committee and any other committees formed by us, of the Chief Executive Officer or any other relevant officer, the insurance, bond or guarantee which covers the amount of the indemnity for the damages caused by his/her performance within our organization or entities controlled by us or in which we have significant influence, except in the event of acts of malice or bad faith, or illicit acts in accordance with the Mexican Securities Market Law or other applicable law.

Dissolution and Liquidation

The Company shall be dissolved upon occurrence of any of the events described in Article 229 of Mexico's General Law of Commercial Companies, any other provision replacing it from time to time and other applicable law. In each case, the registration with the RNV of the shares representing the capital stock of the Company and the warrants representing such shares shall be canceled.

Once the Company has been dissolved, it shall be placed in liquidation, which would be administered by one or more liquidators, who in such case shall act together as determined by resolution at a general shareholders' meeting. Such general shareholders' meeting will also set the termination date of the liquidator's employment with the Company and their compensation.

The liquidator or liquidators will proceed with the liquidation and the *pro rata* distribution of the value of the remaining assets of the Company, if any, to shareholders, in accordance with Mexico's General Law of Commercial Companies.

Preferred Subscription Rights

Except for the capital increases approved by the shareholders' meetings, shareholders shall have, in proportion to the number of shares they hold when the relevant increase is resolved, preemptive rights to subscribe for new stock issuances to maintain their current percentage of ownership. The foregoing preemptive right must be exercised within 15 calendar days following our approval of such new stock issuance, as published in the electronic system of Mexico's Ministry of Economy.

The preferred subscription right provided in Article 132 of Mexico's General Law of Commercial Companies shall not be applicable in the event of capital increases made (i) pursuant to Article 53 of the Mexican Securities Market Law, (ii) an issuance of convertible securities, (iii) in a conversion of a series of shares to another series upon resolution adopted at a general shareholders' meeting, (iv) as a result of the merger of our Company, whether as a continuing or disappearing company or (v) as a consequence of the placement of repurchased shares in terms of applicable law.

Redemption

We may redeem shares with distributable profits without need to reduce our capital stock; provided that, in addition to complying with Article 136 of Mexico's General Law of Commercial Companies, or any other provision replacing them from time to time and other applicable law, we comply with the following:

- if the redemption is intended to redeem all shares held by our shareholders, such redemption shall be made so that the shareholders shall continue to have the same proportion of shares they had before such redemption took place;
- if the redemption is intended to redeem shares that are listed on a stock exchange, such redemption will be made through the acquisition of our own shares on such said stock exchange in accordance with the terms and conditions approved by resolution at a general shareholders' meeting, which may delegate to the board of directors or special deputies the authority to determine the system, prices, terms and other conditions for that end and the relevant shareholders' resolutions shall be published in the electronic system of the Mexican Ministry of Economy; and
- the redeemed shares and the certificates representing them are canceled, with the corresponding capital decrease.

Minority Rights

The bylaws provide the following minority rights:

- pursuant to the provisions set forth in Article 50, Section III of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law, the holders of shares with voting rights (even limited or restricted) represented in an ordinary or extraordinary general shareholders' meeting, holding 10% or more of our outstanding capital stock either individual or jointly, may request to postpone a meeting for one time only, for three calendar days and without a new call needed with respect to the voting on any matter on which they consider themselves not to be sufficiently informed, notwithstanding the percentage provided in the Article 199 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time or any other applicable provisions;
- the holders of shares with voting rights (even limited or restricted) that individually or jointly represent 20% or more of our outstanding capital stock, may oppose in court resolutions adopted at general shareholders' meetings regarding matters on which they have voting rights, notwithstanding the percentage referred to in Article 201 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time provided that certain requirements are fulfilled;

- shareholders that, individually or jointly, are holders of the shares with voting rights (even limited or restricted rights) representing 10% or more of our outstanding capital stock, shall have cause of action against any or all of our board members, directors, the Chief Executive Officer or any other relevant officer for failing to comply with his or her duty of diligence and duty of loyalty or against such legal entity that such person manages or over which he or she has a significant influence; and
- shareholders that, individually or jointly, hold shares with or without voting rights that represent 10% or more of our outstanding capital stock, shall have the right to appoint and/or remove from office, upon resolution adopted at a general shareholders' meeting, one director for each 10% of outstanding capital stock held such board member may only be removed from office if all the members of the board of directors are removed, in which case the board members who were removed shall not be appointed again during the 12 months following from the date of such removal.

Restrictions on the Transfer of Shares

Every direct or indirect acquisition or attempted acquisition of our capital stock of any nature and regardless of the name it is given, under any title or legal structure, with the intention of carrying-out, be it in one or several simultaneous or successive transactions or acts of any legal capacity, with no time limitation between them, in a private transaction or through a stock exchange, whether in Mexico or abroad, including structured transactions such as mergers, corporate restructures, spin-offs, consolidations, allocations or guaranties executions or other similar transactions or legal acts (any such operation, an "Acquisition"), by one or more persons, related persons (*grupo de personas* or "group") under the Mexican Securities Market Law, business group or consortium, will require approval through a written resolution adopted by our board of directors, each time that the number of shares to be acquired, when added to any shares already owned, results in the acquiring party 10% or more of our capital stock. Once a holder holds such percentage of our capital stock, the holder must notify the board of directors through notice provided to the Chairman or Secretary, in our corporate domicile, of any subsequent acquisition of 2% or more of our outstanding capital stock. For the avoidance of doubt, no additional authorization is required to carry-out such acquisitions or to execute a voting agreement until the ownership percentage in our outstanding capital stock is equal to or greater than 20%.

Shareholders must request a favorable opinion from the board of directors, in writing, for the execution of written or oral agreements, regardless of their name or title or classification, as a consequence of which voting associations, block voting or binding or joint voting mechanisms or covenants are formed or adopted or certain shares are combined or shared in any other manner, such agreement resulting in a change of control of our Company or an effective 20% ownership of our outstanding capital stock (each, a Voting Agreement and jointly, the Voting Agreements), except for temporary Voting Agreements that are executed in connection with a general shareholders' meeting, with the purpose of appointing minority members of the board of directors.

For such purposes, the person who individually, or jointly with related persons, group, business group or consortium that intends to carry out any Acquisition or execute any Voting Agreement, shall make a written authorization request to the board of directors and shall contain the following information:

- the number and class or series of shares held by the applicable person or persons and/or any related persons thereof, the group, business group or consortium (a) be it as an owner or co-owner, directly or through any person or related person, and/or (b) regarding shares subject to an executed Voting Agreement;
- the number and class or series of shares that it intends to acquire, whether directly or indirectly, by any means, through Acquisition or that is the subject of a Voting Agreement; as well as the minimum price to be paid for each share related with the corresponding acquisition.

- (a) the percentage which the shares referred to in subsection (i) above represents of the total of our issued and outstanding shares, and (b) the percentage that the sum of the shares referred to in subsections (i) and (ii) above represent of our issued and outstanding shares; provided that for (a) and (b) the total of our issued and outstanding shares may be determined by the total number of shares that we report as outstanding to the stock exchange on which they are listed;
- the identity and nationality of the person or persons, group, business group or consortium that intends to carry-out an Acquisition or execute a Voting Agreement; provided that if any of them is a corporate entity, the identity and nationality of each of the partners, shareholders, founders, beneficiaries or any equivalent thereto that ultimately has direct or indirect control of such entity in accordance with our bylaws;
- the reasons and objectives pursuant to which the person or persons, group of persons, business group or consortium that intends to carry-out an Acquisition or execute a Voting Agreement, in particular if they intend to acquire, directly or indirectly, (a) shares in addition to those referred in the authorization request, (b) 20% ownership of our capital stock, (c) control of our Company, or (d) significant influence in our Company, as well as the intended role with respect to the policies and management of our Company and any amendment they would like to propose with respect to the policies and management of our Company;
- if the person or persons, group, business group or consortium have direct or indirect ownership in the capital stock or in the management and operation of a competitor or any related person to a competitor, if they have any economic or business relationship with a competitor or with any related person to a competitor or if any related person of theirs is a competitor;
- if they have the authority to acquire shares or execute a Voting Agreement, in accordance with our bylaws and applicable law, or if they are in the process of obtaining any such authorization or consent from any person, and the terms and timing on which they expect to obtain it;
- the origin of the funds they intend to use to pay the price of the shares requested; provided that with respect to funds obtained from financing, the requesting party shall specify the identity and nationality of the person providing such funding and if such person is a competitor or a related person to a competitor, and any documentation evidencing the financing and the terms and conditions thereof. The board of directors may request from the person that sends such a request, if considered necessary to guarantee the payment of the corresponding Acquisition price and before granting authorization in accordance with the above, additional evidence regarding the financing (including evidence that there are no prohibitive covenants pursuant to such financing) or, the formation or granting of a (a) bailment, (b) guarantee trust, (c) irrevocable letter of credit, (d) deposit or (e) any other type of guarantee, up to the equivalent amount of 100% of the price of the shares that are to be acquired or that are the subject matter of the corresponding transaction or agreement, naming the shareholders, directly or through our Company, as beneficiaries, with the purposes of securing the compensation of the losses and lost profits that our Company or its shareholders may suffer as a consequence of the incorrect information presented or of the request, or for any action or omission of the petitioner, directly or indirectly, or as a consequence of the impossibility to complete the relevant transaction, for any cause, related or not to the financing;
- the identity and nationality of the financial institution that would act as broker, in the event that the Acquisition in question is through a public offering;
- if, there is to be a public offering, a copy of the offering circular or similar document, to be used for the acquisition of the shares or regarding the corresponding transaction or agreement, and a representation stating if such document has been authorized by the competent regulatory authorities (including the CNBV); and
- a domicile in Mexico City, Mexico, to receive notices regarding the filed request.

In the event that the board of directors resolves, due to the impossibility of knowing certain information upon receiving the request, that such information may not yet be disclosed, the board of directors may, at its sole discretion, waive the compliance of one or more of the aforementioned requirements:

- within 15 business days following the date upon which the request referred to above has been received, the Chairman or Secretary shall call a meeting of the board of directors to discuss and resolve the matter of the requested authorization (notice for such meetings shall be made in writing and sent in accordance with our bylaws); and
- the board of directors may request from the person intending to carry-out the Acquisition or execute the corresponding Voting Agreement, additional documentation and clarifications as it sees fit to adequately analyze the request, to agree upon the authorization request as filed; provided that any request of such nature on behalf of the board of directors shall be made during the subsequent 20 calendar days following the receipt of the request, and provided that such request will not be considered as final and complete until the person who intends to carry-out the Acquisition or execute the Voting Agreement, files all the additional information and makes all the clarifications requested by the Board of Directors.

The board of directors shall resolve any authorization request it receives pursuant to the terms of our bylaws within 90 calendar days following the delivery of the request or on the date in which such request is finalized as discussed above.

The board of directors shall adopt a resolution approving or rejecting the request; provided that if the board of directors does not issue such resolution within the aforementioned 90-calendar days, the request shall be deemed as rejected. In all cases, the board of directors will act in accordance with the guidelines set forth in “Item 10—Additional Information—Memorandum and Articles of Association” below and shall justify their decision in writing.

- To consider a meeting of the board of directors duly convened, by first or subsequent call, to deal with any matter regarding an authorization request or agreement referred herein, the attendance of at least 66% of incumbent directors or their alternates is required. Such resolutions will be valid and adopted when approved by 66% of the members of the Board of Directors.
- In the event that the board of directors authorizes the requested Acquisition or the execution of a proposed Voting Agreement, and such Acquisition or agreement results or would be likely to result in (a) the acquisition of 30% or more of our capital stock or, but without involving a change of control, in addition to any authorization requirement established in our bylaws, the person or group intending to carry out the Acquisition or enter into the Voting Agreement the acquisitions of shares or the conclusion of the respective Voting Agreement which is the object of the authorization, shall first execute a tender offer for the greater of (i) the percentage of the Company’s capital stock equivalent to the proportion of Shares in circulation that is intended to be acquired or (ii) 10% of the Company’s capital stock, under the authorized conditions resolved by the board of directors, or (b) a change of control, in addition to any authorization requirement established in our bylaws, the person or group, intending to carry out the Acquisition or execute the Voting Agreement, shall first execute a tender offer for 100% of our outstanding Shares, under the authorized conditions resolved by the board of directors. The tender offer referred to in the paragraph above shall be completed within 90 calendar days following the date on which the authorization was granted by the Board of Directors; provided that such term may be extended by an additional 60 calendar days in the event that any relevant governmental authorizations required for such purposes are pending.

The price to be paid for each of the shares will be the same, regardless of their class or series.

In the event that the board of directors receives, prior to or at the completion of the Acquisition or the execution of a Voting Agreement, an offer from a third party, stated in a request to carry out an acquisition of at least the same amount of shares, on better terms for the owners and shareholders of the Company (including type of compensation and price), the board of directors will have the authority to consider, after the submission of both requests, and to authorize such a second request, suspending the authorization previously granted; provided that any approval shall have no effects on the obligation of carrying out a tender offer in accordance with our bylaws and applicable law.

- Acquisitions that do not result in (i) the acquisition of 20% of our capital stock or (ii) a change of control or (iii) the acquisition of significant influence regarding the Company may be registered in our stock registry book after authorization by the board of directors and the completion of such transactions. Acquisitions or Voting Agreements that result in (i) or (ii) above, may be registered in our stock registry book upon the completion of a tender offer pursuant to the terms discussed above. Consequently, in such case it will not be possible to exercise the rights arising from the shares until such tender offer is concluded.
- The board of directors may deny authorization for a requested Acquisition or for the execution of a proposed Voting Agreement, in which case it will inform, in writing, the basis and reasons for such denial. The requesting party will have the right to request and hold a meeting with the board of directors, or with an ad-hoc committee appointed thereby, to explain, extend or clarify the terms of its request, as well as communicate its position in writing to the board of directors.

General Provisions

For the purposes herein, it is to be understood that shares belong to the same person, when such shares are (i) owned by any related person or (ii) owned by any entity, provided that such entity is owned by the aforementioned person. Likewise, a person or group that acted jointly or coordinated with others to acquire shares, regardless of the legality of such transaction, whether through simultaneous or successive transactions will be deemed as the same person for the purposes herein. The board of directors will determine if one or more persons that intend to acquire shares or execute Voting Agreements shall be considered as the same person for the purposes set forth herein.

In its assessments of authorization requests, the board of directors shall take into consideration the following factors and any other as deemed pertinent, acting in good faith and in the best interests of our Company and shareholders and in compliance with their duties of loyalty and diligence pursuant to the terms of the Mexican Securities Market Law and our bylaws: (i) the price offered by the potential buyer and the type of compensation planned as part of such offer; (ii) any other relevant terms or conditions included in such offer such as to the viability of the offer and the origin of the funds to be used for the acquisition; (iii) the credibility, solvency and reputation of the potential buyer; (iv) the effect of the proposed Acquisition or the proposed Voting Agreement on our business, including our financial and operational position as well as our business prospects; (v) potential conflicts of interest (including those where the person making the request is a competitor, or an affiliate of a competitor, as described in the paragraphs above) in the event that the Acquisition or Voting Agreement is not with regard to 100% of the shares; (vi) the reasons stated by the requestor to carry out the Acquisition or execute the Voting Agreement; and (vii) the quality, precision and truthfulness of the information provided in the request.

If the Acquisition or the execution of a Voting Agreement is to occur, without first receiving authorization in advance and in writing from the board of directors, the shares part of such Acquisition or in connection with such Voting Agreement will not be granted any rights to vote in any general shareholders' meeting and will be made at the buyer's, group of buyers' or parties' to the relevant contract, agreement or covenant own liability. The shares part of such Acquisition or Voting Agreement that has not been approved by the board of directors shall not be registered in our stock registry book, the entries made beforehand shall be canceled and we shall not acknowledge or give any value to the records or listings as described in Article 290 of the Mexican Securities Market Law, or any other provision which might replace it from time to time and other applicable law, and they shall not be considered as proof of ownership of shares or grant attendance rights for general shareholders' meetings and shall give no legitimacy for the exercise of any legal action, including those of a procedural nature.

The authorizations granted by the board of directors described above will have no effect if the information and documentation on which the authorization was based and granted is not true, complete and/or legal.

In the event of any failure to comply with what is set forth above, the board of directors may adopt, among others, the following measures: (i) the rescission of the transactions, with mutual restitution to the parties thereto, or (ii) the sale of the shares part of such Acquisition, to a third party approved by the board of directors at the minimum reference price as determined by the Board of Directors.

The above shall not be applicable to (i) share acquisitions through inheritance or legacy or to affiliates or vehicles wholly controlled by the person or entity carrying out the transfer, (ii) share acquisition or the execution of a Voting Agreement by us, or by a trust formed by us, (iii) share acquisition made by Strategic Partner or (iv) the transfer into a control trust or similar entity which the shareholders may form at the time of an initial public offering of our shares in Mexico.

The above applies in addition to the statutes and general rules regarding the acquisition of securities in the markets in which the shares, other securities related thereto or rights derived therefrom are listed. In the event that our bylaws run counter, in part or in whole, to any laws or general provisions thereof, then such laws shall prevail.

These provisions of our bylaws will be registered with the public registry of commerce of our domicile and shall be transcribed in the share certificates representing our capital stock in order to be opposable vis-à-vis third parties. The provisions included of our bylaws described above with respect to restrictions on transfers of shares may only be amended or removed from the bylaws by resolution upon approval of at least 95% of the Company's shares at the time of such resolution.

Delisting or Cancellation of the Registration of the Shares with the RNV

In the event that we decide to cancel the registration of our series A shares before Mexico's National Securities Registry by resolution adopted at an extraordinary general shareholders' meeting, upon approval of at least 95% of our capital stock or if our registration is canceled by resolution of the CNBV after this offering is completed, prior to such cancellation, we shall make a tender offer within a maximum period of 180 calendar days beginning at the time in which the demand or authorization from the CNBV, as the case may be, becomes effective, in accordance with Article 108 of the Mexican Securities Market Law, or any other provision replacing it from time to time and other applicable law. That offer shall be extended solely to those persons who do not belong to the group of shareholders that exercises control over us. Shareholders exercising control (as defined in the Mexican Securities Market Law) will be collaterally liable to the Company for carrying out a tender offer of the outstanding Shares in the event of our liquidation or a cancellation request from the CNBV.

In accordance with Article 108 of the Mexican Securities Market Law and Article 101 of the Mexican Securities Market Law, our board of directors shall prepare, no later than the tenth Business Day after the beginning of the public tender offer, a hearing of the Audit and Corporate Practices Committee, and shall disclose to the investing public, its opinion with respect to the price of the public tender offer and the conflict of interests that, as the case may be, each of the members of the board of directors has in connection with the offering. Such opinion may be accompanied with another one issued by an independent expert. Likewise, the members of the board of directors and the Chief Executive Officer of the Company shall disclose to the public, along with the opinion, the decision they will take with respect to the shares of the Company they own and the derivative securities of the Company they own.

Loss of Rights over the Shares

We are incorporated under the laws of Mexico. As required by Mexican law, any non-Mexican who, either at the time of our incorporation or at any time thereafter, acquires shares or any interest, formally undertakes, before the Ministry of Foreign Affairs, to be considered as a Mexican national with respect to its interests in the Company, as well as the property, rights, concessions, participation or interests held by the Company, and the rights and obligations deriving from the agreements to which the Company is a party, and further undertakes not to invoke the protection of its home government with respect to such interest. Upon the breach of such undertaking, such person is under penalty of forfeiting such shares or interests in favor of the Mexican government. Mexican law requires that such a provision be included in the bylaws of all Mexican corporations unless such bylaws or applicable law prohibit ownership of shares by non-Mexican persons.

Reductions of our capital stock may be resolved to absorb losses in the event that any shareholder exercises its right of separation in terms of Article 206 of Mexico's General Law of Commercial Companies, or any other provision replacing it from time to time and other applicable law.

MATERIAL CONTRACTS

For information regarding our material contracts, see "Item 4—Information on the Company—Business Overview—Our Operations—Argentina—Concessions" and "Item 5B—Liquidity and Capital Resources—Indebtedness."

EXCHANGE CONTROLS

From 1991 until the end of 2001, Law No. 23,928 (the “Convertibility Law”) established a fixed exchange rate of Argentine Peso 1/US\$. On January 6, 2002, Law No. 25,561 (the “Public Emergency Law”) formally put an end to that U.S. Dollar-Argentine Peso parity. Following a brief period during which the Argentine government established a temporary dual exchange rate system pursuant to the Public Emergency Law, the peso has been allowed to float freely against other currencies since February 2002, although the Argentine government has the power to intervene by buying and selling foreign currency on its own account, a practice in which it engages on a regular basis. On December 23, 2019, Law No. 27,541 (the “Solidarity Law”) was published, which again declared the public emergency until December 31, 2020. See “Item 3—Key information—Risk factors—Detailed Risk Factors—Risks relating to Argentina—Significant fluctuations in the value of the Argentine Peso could adversely affect the Argentine economy and our business and results of operations in Argentina.”

Currency controls that tightened restrictions on capital flows, and the official exchange rate between the Argentine Peso and the Dollar and transfer restrictions that substantially limit the ability of companies to retain foreign currency or make payments abroad are currently in place in Argentina and have been for alternating periods during the past years. By means of Decree No. 609/2019 (the “Decree 609”) dated September 1, 2019, as amended, the Argentine Executive Branch reinstated foreign exchange controls and authorized the BCRA to (a) regulate access to the Foreign Exchange Market for the purchase of foreign currency and outward remittances; and (b) set forth regulations to avoid practices and transactions aimed at eluding, through the use of securities and other instruments, the measures adopted through the Decree. At present, foreign exchange regulations have been (i) extended indefinitely, and (ii) consolidated in a single set of regulations, Communication “A” 7,914, as subsequently amended and supplemented from time to time by BCRA’s communications (the “Exchange Regime”).

The BCRA requested the CNV to implement aligned measures to avoid elusive practices and operations. In this sense, the CNV, in line with the provisions of Article 3 of the Decree, established various measures to avoid such elusive practices and operations.

The following table sets forth the annual low, high, average and period-end exchange rates for the periods indicated, expressed in nominal Argentine Peso per U.S. Dollar, based on rates quoted by the BCRA (source: BCRA) (Communication “A” 3,500). The Federal Reserve Bank of New York does not report a noon buying rate for the Argentine Peso.

	<u>Low</u>	<u>High</u>	<u>Average (1)</u>	<u>Period End</u>
	<i>(pesos per U.S. Dollar)</i>			
Year ended December 31,				
2018	18.42	40.90	29.32	37.81
2019	37.04	60.00	49.23	59.90
2020	59.82	84.15	71.61	84.15
2021	84.70	102.75	95.80	102.75
2022	103.04	177.13	133.55	177.13
2023	361.02	808.48	641.99	808.48
Month				
January 2024	851.14	875.65	864.19	875.65
February 2024	875.65	884.54	878.71	880.59
March 2024	888.22	901.75	895.61	901.63
April 2024	901.75	913.27	908.99	912.36

(1) Calculated using the average of the exchange rates on the last day of each month during the period (for annual periods), and the average of the exchange rates on each day during the period (for monthly periods).

No representation is made that peso amounts have been, could have been or could be converted into U.S. Dollars at the foregoing rates on any of the dates indicated.

(2) Exchange rate calculated as of April 15, 2024.

Specific provisions for income from the foreign exchange market

Entry and settlement of the proceeds from the export of goods through the foreign exchange market

The Exchange Regime established that proceeds from exports of goods must be entered and settled through the foreign exchange market within 5 business days following their collection.

Decree No. 28/2023 published on December 13, 2023, established: (i) the export countervalue of the services included in subsection c) of paragraph 2 of Article 10 of Law No. 22,415 (“Customs Code”) and its amendments (which refers to services rendered in the country, with effective use or exploitation carried out abroad); and (ii) the countervalue of the export of goods included in the Common Nomenclature of MERCOSUR (“NCM”), including pre-financing and/or post-financing of exports from abroad or a liquidation advance; 80% of such countervalue must be brought into the country in foreign currency and/or negotiated through the foreign exchange market, and for the remaining 20% must be carried out through purchase and sale transactions with negotiable securities acquired with liquidation in foreign currency and sold with liquidation in local currency.

In the case of funds received or credited abroad, the deposit and liquidation for the amount equivalent to the usual expenses debited by the financial entities abroad for the transfer of funds to the country may be considered as completed.

There are some exceptions to the obligation to settle through the foreign exchange market, including, but not limited to: (i) collections from exporters under the Regime for the Promotion of Knowledge Economy Exports (established by Decree No. 679/2022); and (ii) certain collections from exports of services of physical persons, as established by section 2.2.2.2.1. of the Ordered Text.

Amounts collected in foreign currency for claims related to exported goods must also be entered and settled in Argentine pesos in the foreign exchange market, up to the amount of the insured exported goods.

The exporter must designate a financial entity to follow up each export transaction. The obligation to enter and settle foreign currency through the foreign exchange market corresponding to a shipment permit will be considered satisfied when the financial entity designated to follow up certifies that the entry and settlement have taken place.

Local charges for exports under the regime of farms to foreign-flagged means of transport

With respect to local charges for exports under the regime of farms to foreign-flagged means of transport, it will be considered as fully or partially compliant with the follow-up of the shipping permit, for an amount equivalent to that paid locally in Argentine pesos and/or in foreign currency to the exporter by a local agent of the company owning the foreign-flagged means of transport, provided that the following conditions are met:

- (i) The documentation shows that the delivery of the exported goods has taken place in the country, that the local agent of the company owning the foreign-flagged means of transport has made the payment to the exporter locally and the currency in which such payment was made.
- (ii) The company has a certification issued by a financial entity stating that the referred local agent would have had access to the foreign exchange market. for the equivalent amount in foreign currency that is intended to be imputed to the permit.

The financial entity issuing such certification must previously verify compliance with all the requirements established by the exchange regulations for access to the foreign exchange market, with the exception of the provisions of Article 3.16.1 of such regulations and have a sworn statement from the referred local agent stating that it has not transferred and will not transfer funds abroad for the proportional part of the transactions included in the certification.

- (iii) In the event that the amounts have been received in the country in foreign currency, the company has the certification of settlement of the funds in the foreign exchange market.

The local agent of the company owning the foreign-flagged means of transport must not have used this mechanism for an amount exceeding US\$ 2,000,000 in the charged calendar month.

Obligation to settle foreign currency from exports of services

Payments received for the provision of services by residents to non-residents must be entered and settled through the foreign exchange market within 5 business days from the date of its collection abroad or in the country or its crediting to foreign accounts.

In the case of funds received or credited abroad, the collection and liquidation may be considered completed for the amount equivalent to the usual expenses debited by the financial entities abroad for the transfer of funds to the country.

The aforementioned provisions of Decree No. 28/2023 are also applicable to the export of services (see “Item 10—Additional Information—Exchange Controls—Specific provisions for income from the foreign exchange market— Entry and settlement of the proceeds from the export of goods through the foreign exchange market”).

Application of export revenues

The exchange regime authorizes the application of export revenues to the repayment of: (i) pre-financing of exports and export financing granted or guaranteed by local financial entities; (ii) pre-financing of exports and export advances settled in the foreign exchange market, provided that the corresponding transactions have been executed through public deeds or public registries; (iii) financial indebtedness under contracts entered into prior to August 31, 2019 that provide for the cancellation thereof through the application abroad of export funds; (iv) other foreign financial indebtedness subject to certain requirements as set forth in Articles 7.9 and 7.10 of the Exchange Regime; and (v) advances, pre-financing and post-financing from abroad with partial liquidation under the provisions of Decrees No. 492/2023, No. 549/2023, No. 597/2023 and No. 28/2023. Likewise, it allows keeping export revenues abroad to guarantee the payment of new indebtedness, provided certain requirements are met.

Financial indebtedness with foreign countries

According to Article 2.4 of the Exchange Regime for resident debtors to be able to access the foreign exchange market to repay financial indebtedness with foreign countries disbursed as from September 1, 2019, the loan proceeds must have been settled through the foreign exchange market and the transaction must have been declared in the External Assets and Liabilities Survey (“Relevamiento de Activos y Pasivos Externos”). Accordingly, although settlement of the loan proceeds is not mandatory, failure to settle will preclude future access to the foreign exchange market for repayment purposes.

Access to the foreign exchange market to make such payments more than three days in advance of the due date is, as a general rule, subject to the BCRA’s prior authorization. Prepayments made with funds from new foreign loans duly settled or in connection with debt refinancing or liability management processes may be exempt from such prior authorization from the BCRA to the extent they comply with several requirements as set forth in Article 3.5 of the Exchange Regime.

Until December 31, 2024, prior BCRA approval is required for local residents to access the foreign exchange market to make principal and interest payments under cross-border financial borrowings with related parties. Certain specific exceptions apply and are included in item 3.5.6. of the Ordered Text. (unless the loan proceeds were settled through the foreign exchange market after October 1, 2020, and the loan has an average life of at least 2 years).

Specific provisions on access to the foreign exchange market

General requirements

As a general rule, and in addition to the specific rules of each transaction for access, certain general requirements must be complied with by a local company or individual to access the foreign exchange market for the purchase of foreign currency or its transfer abroad (i.e., payments of imports and other purchases of goods abroad; payment of services rendered by non-residents; distribution of profits and dividends; payment of principal and interest on foreign indebtedness; interest payments on debts for the import of goods and services, among others) without requiring prior approval from the BCRA. In this regard, the local company or individual must file a sworn statement stating that:

(a) (i) At the time of access to the foreign exchange market, all of its foreign currency holdings in the country are deposited in accounts in financial institutions, and (ii) at the beginning of the day on which it requests access to the foreign exchange market, it does not hold Argentine certificates of deposit (for its acronym in Spanish, “CEDEARs”) representing foreign shares and/or available liquid foreign assets that together have a value greater than US\$ 100,000 (funds deposited abroad that constitute reserve or guarantee funds under debt contracts with foreign countries, or funds granted as guarantee for derivatives arranged abroad are excluded from this limit). If the customer is a local government, foreign currency holdings deposited with local financial institutions must also be accounted up to December the 31, 2024. For these purposes, “liquid foreign assets” are considered to be holdings of banknotes and coins in foreign currency, cash in gold coins or bars of good delivery, demand deposits in financial institutions abroad and other investments that allow immediate availability of foreign currency. On the other hand, funds deposited abroad that cannot be used by the client because they are reserve or guarantee funds created by virtue of the requirements set forth in foreign debt contracts or funds created as guarantee for derivative transactions arranged abroad should not be considered as liquid foreign assets available. In the event that the client is a local government and exceeds the established limit, the institution may also accept an affidavit from the client stating that the excess was used to make payments for the foreign exchange market through swap and/or arbitrage operations with the deposited funds.

(b) It undertakes the obligation to settle in the foreign exchange market, within five business days of its availability, the funds received abroad from the collection of loans granted to third parties, time deposits, or the sale of any type of asset, to the extent that the asset subject to the sale was acquired, the deposit constituted or the loan granted after May 28, 2020.

(c) On the date of access to the foreign exchange market and in the previous 90 calendar days in the case of securities issued under Argentine Law and in the 180 calendar days prior in the case of transactions that are not carried out with securities issued under Argentine Law, it: (i) did not arrange sales in the country of securities with settlement in foreign currency; (ii) did not exchange securities issued by residents for foreign assets; (iii) did not transfer securities to depository entities abroad; (iv) did not acquire in the country securities issued by non-residents with settlement in Argentine pesos; (v) did not acquire CEDEARs representing foreign shares; (vi) did not acquire securities

representing private debt issued in foreign jurisdiction; and (vii) did not deliver funds in local currency or other local assets (except funds in foreign currency deposited in local financial institutions) to any entity (whether physical or legal, resident or non-resident, related or not), receiving as prior or subsequent consideration, directly or indirectly, by itself or through a related, controlled or controlling entity, foreign assets, crypto-assets or securities deposited abroad.

(d) It undertakes the obligation not to enter into any of the transactions described in paragraph (c) above from the time it requests access to the foreign exchange market and for 90 calendar days thereafter in the case of securities issued under Argentine Law and for the following 180 calendar days in the case of transactions that are not carried out with securities issued under Argentine Law.

(e) Article 3.16.3 of the Exchange Regime adds that, in the event that the customer requesting access to the exchange market is a legal entity, in order for the transaction not to be covered by the requirement of prior approval by the BCRA must be submitted to the corresponding financial institution:

(A) a sworn statement evidencing that within the term provided in section 3.16.3.4. (180 days prior to accessing the foreign exchange market) it has not delivered in the country any funds in local currency or other liquid local assets, except funds in foreign currency deposited in local financial institutions, to any person or legal entity, except those directly associated with regular transactions in the course of its business (this sworn statement shall be called “Sworn Statement—Section 1”); or

(B)(i) as required by Article 3.16.3.3. of the Foreign and Exchange Regulations, an affidavit stating details of the physical or legal persons exercising a direct control relationship over the client and of other legal persons with which it is part of the same economic group. In determining the existence of a direct control relationship, the types of relationships described in item 1.2.2.1 of the Large Exposures rules should be considered. Companies sharing a control relationship of the type defined in items 1.2.1.1 and 1.2.2.1 of the Large Exposures rules should be considered as members of the same “economic group” (the “Economic Group Description Affidavit”); and (ii) that on the day on which it requests access to the market and in the 180 days prior to that date, it has not delivered in the country any funds in local currency or other liquid local assets, except funds in foreign currency deposited in local financial institutions, to any individual or legal entity that exercises a direct control relationship over it, or to other companies with which it is part of the same economic group, except those directly associated with regular transactions between residents for the acquisition of goods and/or services (the “Sworn Statement of Non-Delivery of Pesos to the Economic Group”). It also provides that in the case of individuals or legal entities exercising a direct control relationship, the term of 180 calendar days shall only be applicable for deliveries made as from April 21, 2013, and the term of 90 calendar days shall be applicable for deliveries made prior to that date. While for legal entities that are part of the same economic group but did not exercise a direct control relationship over the customer as of May 11, 2023, the provisions shall be applicable only for deliveries made as of May 12, 2023.

(C) The provisions of item 3.16.3.4. (as detailed in (B)(ii) above) may be deemed to have been complied with if the customer seeking access has submitted:

(i) an affidavit initialed by each physical or legal person detailed in item 3.16.3.3. to whom the client has delivered funds under the terms provided in item 3.16.3.4., recording what is required in items 3.16.3.1., 3.16.3.2. and 3.16.3.4.; or

(ii) an Economic Group Affidavit of each person or legal entity declared in the affidavit indicated in item 3.16.3.3. (i.e., all Direct Controlling Entities and the declared members of the economic group), stating the provisions of Articles 3.16.3.1. and 3.16.3.2. of the Foreign and Exchange Regulations; or

(iii) a statement from each of the individuals or legal entities declared in the sworn statement indicated in item 3.16.3.3.3 (i.e., all the Direct Controlling Entities and the declared members of the economic group), stating that within the term set forth in item 3.16.3.4. has not received in the country any funds in local currency or other liquid local assets, except for funds in foreign currency deposited in local financial entities, except for those directly associated to usual transactions between residents for the acquisition of goods and/or services, which have come from the client or from any person detailed in item 3.16.3.3. to whom the client has delivered funds under the terms set forth in item 3.16.3.4.

Article 3.16.4 of the Exchange Regime establishes that companies shall require the prior approval of the BCRA to grant access to the foreign exchange market to individuals or legal entities included by the AFIP in the database of invoices or equivalent documents classified as apocryphal by such agency. This requirement will not be applicable for access to the foreign exchange market for the cancellation of foreign currency financing granted by local financial institutions, including payments for foreign currency consumption made by credit or purchase cards.

Imports Payments

Article 3.1 of the Exchange Regime allows access to the foreign exchange market for the payment of imports of goods, establishing different conditions depending on whether they are payments of imports of goods with customs entry registration, or payments of imports of goods with pending customs entry registration. It also provides for the reestablishment of the “SEPAIMPO”, the import payment tracking system, for the purpose of monitoring import payments, import financing and the demonstration of the entry of goods into the country.

In addition, the local importer must designate a local financial entity to act as a monitoring bank, which will be responsible for verifying compliance with applicable regulations, including, among others, the settlement of import financing and the entry of imported goods.

Communication “A” 7,917 issued on December 13, 2023, later amended by Communication “A” 7,953 issued on January 26, 2024, substantially modified the regime of access to the foreign exchange market for the payment of imports of goods and services, establishing the following regarding the access to the foreign exchange market for the payment of imports of goods, effective as of December 13, 2023:

(b) Entities may provide access the foreign exchange market to make deferred payments for imports of goods with customs entry registration as from December 13, 2023, in addition to the other applicable regulatory requirements, it is verified that the payment complies with the following schedule, according to the type of goods:

- (i) from its customs entry registration, the payment of the FOB value corresponding to the following goods may be made: (a) petroleum or bituminous mineral oils, their preparations and residues (subchapters 2709, 2710 and 2713 of the NCM); (b) petroleum gases and other gaseous hydrocarbons (subchapter 2711 of the NCM); (c) bituminous coal without agglomeration (subchapters 2701.12.00 of the NCM), when the importation is carried out by an electric generation plant; d) electric energy (subchapters 2716.00.00 of the NCM).
- (ii) from 30 days from the date of registration of customs entry, payment of the FOB value corresponding to the following goods may be made: (a) pharmaceutical products and/or inputs used in their local processing, other goods related to health care or food for human consumption covered by the provisions of the Article 155 Tris of the Argentine Food Code, whose tariff positions according to the NCM are detailed in Article 12.3. of the Foreign and Exchange Regulations; (b) fertilizers and/or phytosanitary products and/or inputs that may be intended for local processing, whose tariff positions are detailed in Article 12.2. of the Foreign and Exchange Regulations. The entity must have the importer’s affidavit stating that the goods will be used for the purposes foreseen in this item.
- (iii) from 180 calendar days from the date of registration of customs entry, payment of the FOB value corresponding to the following goods may be made: (a) finished automobiles (subchapter 8703 of the NCM); (b) those corresponding to the tariff positions detailed in Article 12.1 of the Foreign and Exchange Regulations that are not covered in the preceding Articles, regardless of their FOB unit value.
- (iv) for the remaining goods, the payment of their FOB value may be made within the following terms counted from the registration of the customs entry of the goods:
 - a) 25% after 30 calendar days.
 - b) An additional 25% after 60 calendar days.
 - c) An additional 25% after 90 calendar days.
 - d) The remaining 25% as from 120 calendar days.
- (v) Freight and insurance as part of the purchase condition agreed with the seller may be paid in full as from the first date on which the importer has access by virtue of the goods covered.

Entities may also grant access to the foreign exchange market without the prior approval of the BCRA to make deferred payments for new imports of goods with customs entry registration as from 13.12.23 before the terms set forth in point 1.2. when, in addition to the other applicable regulatory requirements, the payment falls within the situations set forth in point 3 of the Communication.

Access to the foreign exchange market to make payments with pending customs registration shall require the prior approval of the BCRA except when, in addition to the other applicable requirements, the payment falls within the situations foreseen in item 3 of the Communication “A” 7,917.

(c) Access to the foreign exchange market to make payments with pending customs entry registration or deferred payments before the terms set forth in item (b) above, when the remaining applicable requirements are met, only in the case of financing, new pre-financing or advance payments or under specific benefits.

(d) Access to the foreign exchange market to make import payments for goods whose customs entry registration occurred up to December 12, 2023, in addition to the remaining applicable requirements, shall require the prior conformity of the BCRA except when they are transactions financed by financial entities or official credit agencies or international organizations; among other situations.

(e) Access to financial entities to cancel obligations derived from letters of credit or guaranteed letters issued or granted as from December 13, 2023, within the framework of an import in which it is required to have a SIRA declaration will be conditioned to the entity having documentation that proves, at the date of issuance or granting, the guaranteed transaction was compatible with the terms and conditions set forth in item (b) above and 2.2. herein.

Payment of foreign debts for the importation of goods and/or for services effectively rendered and/or accrued

On December 22, 2023, the BCRA issued Communication “A” 7,925 establishing the requirements for importers who have outstanding debts with foreign countries for the import of goods with customs entry registration until December 12, 2023 and/or for services effectively rendered and/or accrued until that date (the “Import Debt Stock”), to subscribe Bonds for the Reconstruction of a Free Argentina (“BOPREAL”).

Importers of goods may subscribe the BOPREAL for up to the amount of the outstanding debt for their imports of goods with customs entry registration up to and including December 12, 2023. The amount of the BOPREAL that importers may subscribe will be adjusted to the outstanding amount registered in the BCRA’s SEPAIMPO system. Importers of services accrued up to December 12, 2023, may also subscribe the BOPREAL for up to the amount of the outstanding debt for such transactions. Importers of goods and services that, prior to January 31, 2024, subscribe the series offered (maturity in 2027), and for an amount equal to or greater than 50% of the outstanding amount of the Import Debt Stock, will be able to access the foreign exchange market as from February 1, 2024 to pay the Import Debt Stock for the equivalent of 5% of the amount subscribed of such series.

Likewise, access to the foreign exchange market is authorized for the payment of the Import Debt Stock by means of an exchange and/or arbitrage with the funds deposited in a local bank account and originated in collections of principal and interest in foreign currency of the BOPREAL.

Importers subscribing to BOPREAL may sell them with settlement in foreign currency in the country or abroad or transfer them to depositories abroad, for up to the amount acquired in the primary subscription without limiting their ability to access the foreign exchange market. Likewise, Communication “A” 7,935 established that those who have subscribed BOPREAL in primary bidding may, as from April 1, 2024, carry out sales transactions of securities against foreign currency for the difference between the nominal value bid and the sale price in the secondary market obtained from the sale of the BOPREAL, without violating the sworn statements set forth in Articles 3.16.3.1. and 3.16.3.2. of the Foreign and Exchange Regulations.

Payment for services rendered by non-residents

Pursuant to section 3.2 of the Exchange Regime, entities may access the foreign exchange market to make payments for services rendered by non-residents as long as they have documentation to support the existence of the service. In the case of commercial debts for services, access is granted as from the expiration date, provided that it is verified that the operation is declared, if applicable, in the last due presentation of the “External Assets and Liabilities Survey.”

Communication “A” 7,953 issued on January 26, 2024, substantially modified the regime of access to the foreign exchange market for the payment of imports of goods and services. Said Communication established the following regarding access to the foreign exchange market for the payment of imports of services, effective as of December 13, 2023:

II. Access to the foreign exchange market for the payment of services:

Entities may give access to the foreign exchange market to make payments for non-residents services that were or will be rendered as of December 13, 2023, when, in addition to the other applicable regulatory requirements, the transaction falls within one of the situations detailed below:

(i) the payment corresponds to a transaction that falls under the following concept codes:

S03. Passenger Transportation Services.

S06. Travel (excluding transactions associated with withdrawals and/or consumption with resident cards with non-resident suppliers or non-resident cards with Argentine suppliers).

S23. Audiovisual services.

S25. Government services.

S26. Health services by travel assistance companies.

S27. Other health services.

S29. Transactions associated with withdrawals and/or consumptions with resident cards with non-resident suppliers or non-resident cards with Argentine suppliers.

(ii) expenses paid to foreign financial entities for their usual operations.

(iii) the payment corresponds to an operation that falls under the concept “S30. Freight services for goods import operations” and is made after a period of time equivalent to that in which payment for the goods transported could begin to be made as per items 10.10.1 has elapsed since this date the service rendered.

(iv) the payment corresponds to an operation that falls under item “S24. Other personal, cultural and recreational services” and is made after a period of 90 (ninety) calendar days from the date of rendering or accrual of the service.

(v) the payment corresponds to a service not included in items 13.2.1. to 13.2.4. by a counterparty not related to the resident and the payment is made after a period of 30 (thirty) calendar days from the date of rendering or accrual of the service.

(vi) the payment corresponds to a service not included in items 13.23.1 to 13.2.4. and rendered by a counterparty related to the resident and the payment is made after 180 (one hundred and eighty) calendar days from the date of rendering or accrual of the service.

III. Stock of debt of Imports of Services.

Access to the foreign exchange market for payments for non-resident services rendered and/or accrued as from December 12, 2023, in advance of the deadlines foreseen in points 13.2.3. to 13.2.6 of the Exchange Regime is admissible when, in addition to the other applicable requirements, the following situations are verified:

(i) The customer accesses the foreign exchange market with funds originated from a financing of imports of services granted by a local financial institution from a foreign line of credit to the extent that the maturity dates and the amounts of principal to be paid of the financing granted are compatible with those provided for in item 13.2.

If the financing is granted prior to the date of rendering or accrual of the service, the terms set forth in item 13.2. shall be computed as from the estimated date of rendering or accrual plus 15 (fifteen) calendar days.

(ii) The customer has access to the foreign exchange market simultaneously with the settlement of funds for advances or pre-financing of exports from abroad or pre-financing of exports granted by local financial entities with funding in foreign credit lines, to the extent that the stipulations of point 13.3.1. regarding maturity dates and the amounts of principal to be paid for the financing are complied with.

The entity must also have an affidavit from the importer stating that the prior approval of the BCRA will be required for the application of foreign currency from export collections prior to the maturity date arising from the term conditions stipulated for situations associated with a financing.

- (iii) The customer accesses the foreign exchange market simultaneously with the settlement of funds originated in a financial indebtedness abroad, to the extent that the provisions of Section 13.3.1. regarding maturity dates and principal amounts payable on the financing are complied with.

The portion of the financial indebtedness abroad that is used by virtue of the provisions of this item may not be computed for the purposes of other specific mechanisms that enable access to the foreign exchange market as from the entry and/or settlement of this type of transactions.

- (iv) In the case that the payment for imports of services is performed within the framework of the mechanism provided for in point 7.11.
- (v) The customer has a “Certification for the regimes of access to foreign currency for the incremental production of oil and/or natural gas (Decree No. 277/22)” issued within the framework of the provisions of section 3.17.
- (vi) The payment corresponds to transactions financed or guaranteed prior to December 12, 2023, by local or foreign financial entities.
- (vii) The payment corresponds to operations financed or guaranteed prior to December 12, 2023, by international organizations and/or official credit agencies.

IV. Payments of services abroad up to December 12, 2023.

The BCRA’s prior approval shall be required for access to the foreign exchange market to make payments for non-resident services rendered or accrued up to December 12, 2023, except when in addition to the other applicable requirements, the entity verifies the items 13.4.1. to 13.4.8.

IV. Payments of services abroad before the terms foreseen.

For the purposes of access to the foreign exchange market to make payments before the terms set forth in section 2.2., it is accepted in the case of financed transactions, as established by the regulations, or with new income through the foreign exchange market due to indebtedness, advances or pre-financing, among other situations.

External financial indebtedness

In order for resident debtors to be able to access the foreign exchange market to cancel foreign financial indebtedness disbursed as of September 1, 2019, it is necessary that the loan proceeds have been settled through the foreign exchange market and that the transaction has been declared in the External Assets and Liabilities Survey.

Repayment of foreign currency debt among residents

Access to the foreign exchange market for the repayment of debts and other obligations in foreign currency between residents, contracted as of September 1, 2019, is prohibited.

However, it establishes as exceptions the cancellation as from its maturity of principal and interest of:

- Financing in foreign currency granted by local financial entities (including payments for consumption in foreign currency through credit cards).
- Foreign currency liabilities between residents instrumented through public registries or deeds on or before August 30, 2019.
- Issuances of debt securities made on or after September 1, 2019, with the purpose of refinancing foreign currency obligations between residents instrumented through public registries or public deeds before August 30, 2019, and involving an increase in the average life of the obligations.
- The payment, at maturity, of the principal and interest services of new issues of debt securities made on or after November 29, 2019, with public registration in the country, denominated and payable in foreign currency in the country, to the extent that: (i) they are denominated and subscribed in foreign currency, (ii) the respective principal and interest services are payable in the country in foreign currency and (iii) the totality of the funds obtained with the issue are settled through the foreign exchange market.

- Issues made between October 9, 2020, and December 31, 2023, of debt securities with public registration in the country, having an average life of no less than two years, denominated in foreign currency and whose services are payable in a foreign country or foreign currency in the country, that were delivered to creditors of financial indebtedness and or/ debt securities with public registry in the country denominated in foreign currency with maturities between October 15, 2020 and December 31, 2023, that has been delivered to creditors as a part of the refinancing parameters timely required in Article 3.17 of the Exchange Regime, following the requirements of point 3.6.1.4.
- Issues made as from January 7, 2021 of debt securities with public registration in the country denominated in foreign currency and whose services are payable in foreign currency in the country, to the extent that they have been delivered to creditors to refinance pre-existing debts with extension of the average life, when it corresponds to the amount of the refinanced capital, interest accrued up to the refinancing date and, to the extent that the new debt securities do not mature before 2023, the amount equivalent to the interest that would accrue until December 31, 2022 on the indebtedness that is refinanced early and/or on the deferral of the refinanced principal and/or on the interest that would accrue on the amounts so refinanced.
- The issuance of debt securities with public registry in the country that were included in item 7.11.1.5, to the extent that the record of customs entry of goods for a value equivalent to the financing received is demonstrated.

Principal payments under related counterparty debt until December 31, 2024

BCRA's prior approval is required to access the foreign exchange market to make payments abroad of principal and interest of financial debts when the creditor is a counterparty related to the debtor. This requirement is applicable until December 31, 2024, in accordance with Article 3.5.6 of the Exchange Regime. Likewise, the debts included in this item will continue to be subject to prior approval even if there is a change in the creditor or the debtor which means that there is no longer a link between the creditor and the resident debtor.

The BCRA's prior approval shall not be required (i) in the case of local financial institutions' own transactions; (ii) in the case of a financial indebtedness abroad with an average life of not less than two years and the funds have been deposited and settled through the foreign exchange market as from October 2, 2020; (iii) in the case of a financial indebtedness abroad that meets all of the following conditions: (a) the funds have been used to finance projects within the framework of the Plan for the Promotion of Argentine Natural Gas Production—Supply and Demand Scheme 2020-2024 established in Article 2 of Decree No. 892/2020 ("Plan GasAr 2020-2024"), (b) the funds have been deposited and settled through the foreign exchange market as from November 16, 2020, (c) the indebtedness has an average life of not less than two years. Likewise, the aforementioned conformity shall not be applicable when (1) the client has a "Certification of Increase of Exports of Goods" for the years 2021 to 2023, issued within the framework of the provisions of item 3.18. for the equivalent of the amount of capital to be paid, (2) in the case of a financial indebtedness abroad with an average life of not less than 2 (two) years, settled between August 21, 2021 and December 12, 2023, and which was originally used to pay commercial debts for the import of goods and services that originated the issuance of a Certificate of Entry of New Financial Indebtedness Abroad within the framework of item 3.19; (3) in the case of a financial indebtedness abroad with an average life of not less than 2 (two) years originated between August 27, 2021 and December 12, 2023, originated in a refinancing with the creditor of commercial debts for the importation of goods and services within the framework of the provisions of item 3.20. The entity must have a certification for access to the foreign exchange market issued within the 5 (five) previous business days, by the entity that registered with the BCRA within the concept code "P17. Registration of refinancing of commercial debt under item 20 of Communication "A" 7626"; (4) the customer has a Certification for the regimes of access to foreign currency for the incremental production of oil and/or natural gas, issued within the framework of the provisions of item 3.17., for the equivalent of the amount of capital to be paid; (5) it is a financial indebtedness abroad included in the mechanism of item 7.11. and the access date is consistent with the conditions required to be included in such mechanism.

Article 3.5.4 of the Exchange Regime establishes that, as long as the requirement to obtain prior approval to access the foreign exchange market to pay, at maturity, the principal and interests of external financial indebtedness, such requirement will not be applicable when the use of the funds has been the financing of projects within the framework of the Plan GasAr 2020-2024; when the funds have been deposited and settled through the foreign exchange market as from November 16, 2020 and the average life of the indebtedness is not less than two years.

Access to the foreign exchange market for the payment of new issues of debt securities

Entities may access to the foreign exchange market for the payment of principal and services of debt securities denominated and publicly registered abroad when the debtor has settled through the foreign exchange market an amount equivalent to the face value of the external indebtedness.

The aforementioned requirement will be deemed to be met for the portion of debt securities publicly registered abroad issued as from January 7, 2021, intended to refinance pre-existing debt by extending their average life, for an amount equivalent to the refinanced principal, and provided that the new securities do not have a principal maturity schedule within two years, for interest accrued through the date of refinancing and, interest that would accrue during the first two years on the refinanced indebtedness and/or on the deferral of the refinanced principal and/or interest that would accrue on the refinanced amounts.

Duly registered securities that are denominated and payable in foreign currency in Argentina

Pursuant to Article 2.5 of the Exchange Regime, resident debt issuers will have access to the foreign exchange market for the payment at maturity of principal and interest of duly registered debt security issues that are denominated and payable in foreign currency in Argentina, to the extent that (i) they are fully subscribed in foreign currency, and (ii) provided that the proceeds of the issue are previously settled through the foreign exchange market.

Non-resident access to the foreign exchange market

Pursuant to Article 3.13 of the Exchange Regime, the prior approval of the BCRA will be required for access to the foreign exchange market by non-residents for the purchase of foreign currency, with the exception of the following situations: (a) international organizations and institutions that perform the functions of official export credit agencies; (b) diplomatic representations and consular and diplomatic personnel accredited in the country for transfers made in the exercise of their functions; (c) representatives of courts, authorities or offices, special missions, commissions or bilateral organizations established by treaties or international agreements, to which the Argentine Republic is a party, to the extent that the transfers are made in the exercise of their functions; (d) transfers abroad on behalf of persons who are beneficiaries of retirement and/or pensions paid by the National Administration of Social Security (“ANSES”), for up to the amount paid by such agency in the calendar month and to the extent that the transfer is made to a bank account owned by the beneficiary in his/her registered country of residence; (e) purchase of foreign currency in cash by non-residents for tourism and travel expenses, up to a maximum amount of US\$ 100, to the extent that the financial institution can verify in the online system implemented by the BCRA that the customer has settled an amount equal to or greater than the amount to be purchased within the 90 days prior to the transaction; (f) transfers to offshore bank accounts of persons who are beneficiaries of pensions granted by the National State in accordance with Laws Nos. 24,043, 24,411, 25,914 and complementary laws; and (g) repatriations of direct investments of non-residents in companies that are not controlling companies of local financial entities, to the extent that the capital contribution has been entered and settled through the foreign exchange market as from October 2, 2020 and the repatriation takes place at least two years after its entry.

Access to the foreign exchange market for savings or investment purposes by individuals

Pursuant to Article 3.8 of the Exchange Regime, Argentine residents may access the foreign exchange market for purposes of asset formation abroad, family assistance and derivative transactions (with some expressly stated exceptions) for up to US\$ 200 (through debits to local bank accounts) or US\$ 100 (in cash) per person per month through all authorized exchange entities. If the access involves a transfer of funds abroad, the destination account must be an account owned by the same person.

In all cases, the general requirements detailed under “—Specific Provisions on Access to the Foreign Exchange Market—General Requirements” apply.

Purchases in Argentine pesos made abroad with debit cards and amounts in foreign currency acquired by human persons in the foreign exchange market as from September 1, 2020, for the payment of obligations between residents within the framework of Article 3.6 of the Exchange Regime, including payments for purchases with credit cards in foreign currency, will be deducted, as from the following calendar month, from the monthly quota of US\$ 200. If the amount of such purchases exceeds the quota available for the following month or such quota has already been absorbed by other purchases made since September 1, 2020, such deduction shall be made from the quotas of the following months until the amount of such purchases is completed.

The corresponding entity will verify in the online system implemented by the BCRA whether the person has not reached the limits set for the corresponding calendar month or has not exceeded them in the previous calendar month and, therefore, is entitled to perform the exchange transaction, and will request the customer to submit a sworn statement stating that such person is not a beneficiary of any “Zero Rate Credits” referred to in Article 9 of Decree No. 332/2020, as amended, “Subsidized Rate Credits for Companies” and/or “Zero Rate Credits for Culture.”

In addition, by means of Communication “A” 7,606, the BCRA established that users of public utilities that requested and obtained the subsidy in the tariffs derived from the supply of natural gas and/or electric energy, as well as those that had obtained it automatically, and those that maintain the subsidy in the potable water tariffs, may not, while maintaining the mentioned benefit: (i) access the foreign exchange market to make purchases of foreign currency by human persons for the formation of foreign assets of residents, remission of family aid and for operations with derivatives, under the terms of section 3.8. of the rules on exterior and foreign exchange; nor (ii) to carry out the transactions set forth in section 4.3.2. of the rules on exterior and foreign exchange.

Finally, through Communication “A” 7,609 the BCRA established, effective as from September 20, 2022, that customers who are legal persons residing in the country engaged in agricultural activities who sell goods within the framework of Decree No. 576/2022 to those who export them directly or as a result of a productive process carried out in the country may not: (i) access the foreign exchange market to make purchases of foreign currency by physical persons for the formation of foreign assets of residents, remission of family assistance and for transactions with derivatives, under the terms of section 3.8. of the Exchange Regime; nor (ii) to carry out the transactions set forth in section 4.3.2. of the Exchange Regime. These last provisions are not applicable to physical persons.

Access to the foreign exchange market by other residents -excluding entities- for the formation of foreign assets and for derivative transactions.

Pursuant to Article 3.10 of the Exchange Regime, access to the foreign exchange market for the constitution of foreign assets and for derivative transactions by local governments, investment funds, other universalities established in Argentina, requires the prior authorization of the BCRA.

Access to the foreign exchange market by guarantee trusts for the payment of principal and interest

Pursuant to Article 3.7 of the Exchange Regime, Argentine guarantee trusts created to guarantee principal and interest payments of resident debtors may access the foreign exchange market to make such payments at their scheduled maturity, to the extent that, in accordance with the applicable regulations in force, the debtor would have had access to the foreign exchange market to make such payments directly. Also, under certain conditions, a trustee may access the foreign exchange market to guarantee certain principal and interest payments on foreign financial debt and anticipate access to the foreign exchange market.

Derivative transactions

Article 3.12 of the Exchange Regime requires that, as from September 11, 2019, the settlement of futures transactions in regulated markets, “forwards”, options and any other type of derivatives entered into in the country, be made in Argentine pesos.

Likewise, access to the foreign exchange market will be allowed for the payment of premiums, constitution of guarantees and cancellations corresponding to interest rate hedging contract transactions for the obligations of residents abroad declared and validated, as applicable, in the Relevance of Foreign Assets and Liabilities, provided that such guarantees do not cover risks higher than the foreign liabilities incurred by the debtor at the interest rate of the risk being hedged through such transaction. The client that access the local market through this mechanism must designate an authorized institution to operate in the foreign exchange market that will do the follow up the operation and will submit a sworn statement committing to repatriate and settle the funds corresponding to it as a consequence of such operation or as a consequence of the release of the money from the guarantee, within 5 business days following the date on which such payment or release occurs.

Profit and dividend payment

Pursuant to Article 3.4 of the Exchange Regime, access to the foreign exchange market for the transfer of foreign currency abroad for the payment of dividends and profits to non-resident shareholders is subject to the prior approval of the BCRA, unless the following requirements are met:

- (i) Dividends must correspond to closed and audited balance sheets.
- (ii) The total amount paid to non-resident shareholders shall not exceed the amount in Argentine pesos that correspond according to the distribution determined by the shareholders’ meeting.

- (iii) If applicable, the External Assets and Liabilities Survey must have been complied with for the transactions involved.
- (iv) The company falls within one of the following situations and fulfills all the conditions stipulated in each case:
 - a) Records direct investment contributions settled as of January 17, 2020. In which case, (i) the total amount of transfers made in the foreign exchange market for the payment of dividends to non-resident shareholders may not exceed 30% of the total value of the capital contributions made in the relevant local company that have entered and been settled through the foreign exchange market as of January 17, 2020, (ii) access will only be granted after the expiration of a term of not less than 30 calendar days as from the settlement date of the last capital contribution taken into account to determine the aforementioned 30% capital cap, and (iii) the definitive capitalization of the capital contributions must be accredited or, failing that, the filing of the registration procedure of the capital contribution with the Public Registry must be evidenced. In this case, the accreditation of the definitive capitalization must be made within 365 calendar days following the date of the initial filing with the Public Registry.
 - b) Profits generated in projects under the Plan GasAr 2020-2024. In this case, (i) the profits generated by the foreign direct investment contributions entered and settled through the foreign exchange market as from November 16, 2020, destined to the financing of projects framed within the Plan GasAr 2020-2024. If the client is a direct beneficiary of Decree No. 277/2022, the value of the benefits of the decree used by the client, directly or indirectly, shall be deducted from the amount allowed in the preceding paragraph, (ii) the access to the foreign exchange market occurs no earlier than two years from the date of settlement in the foreign exchange market of the contribution that allows the framing in this section, and (iii) the client must submit the documentation supporting the definitive capitalization of the contribution.
 - c) The client must have a Certification of Increased Exports of Goods.
 - d) It has certification under the foreign exchange access regimes for incremental production of oil and/or natural gas.

Cases that do not comply with the above conditions will require the prior approval of the BCRA to access the foreign exchange market for the purchase of foreign currency for the distribution of profits and dividends.

Other specific provisions

Swaps, arbitrage and securities transactions

Financial institutions may carry out foreign exchange operations and arbitrage operations with their clients in the following cases:

- (i) An individual transfers funds from his local accounts (which are already in foreign currency) to his own bank accounts outside of Argentina.
- (ii) The transfer of foreign currency abroad by local common depositaries of marketable securities in connection with income received in foreign currency on account of principal and interest services on Argentine treasury bonds when such transaction is part of the payment procedure at the request of foreign common depositaries.
- (iii) Foreign currency transfers abroad made by individuals from their local accounts denominated in foreign currency to offshore collection accounts up to an amount of US\$ 500 in any month, provided that the individual submits a sworn statement stating that the transfer is made to assist in the support of Argentine residents who were forced to remain abroad in compliance with the measures adopted in response to the COVID-19 pandemic.
- (iv) Arbitrage transactions not originating in transfers from abroad may be carried out without any restriction, to the extent that the funds are debited from a foreign currency account held by the customer with a local financial institution. To the extent that the funds are not debited from a foreign currency account held by the customer, these transactions may be carried out by individuals, without the prior approval of the BCRA, up to the amount allowed for the use of cash under Articles 3.8. and 3.13 of the Exchange Regime.

- (v) Exchange and arbitrage transactions by non-resident individuals may be carried out without restrictions to the extent that the funds are credited to a tourist savings bank in accordance with the regulations on savings deposits, salary and special accounts.
- (vi) Payments of debts originating from the importation of goods with customs entry registration up to December 12, 2023 or in services rendered or accrued by non-residents up to the aforementioned date, provided that the remaining regulatory requirements are met and they are carried out with funds deposited in a local account and originating from collections of capital and interest in foreign currency of the Bonds for the Reconstruction of a Free Argentina (BOPREAL).
- (vii) Transfer of foreign currency abroad of customers from their special account for the Regime of Promotion of the Knowledge Economy to the extent that the regulatory requirements established for such purposes for each type of operation are complied with;
- (viii) All other exchange and arbitrage operations may be carried out by customers without the prior approval of the BCRA to the extent that they would be permitted without such approval under other exchange regulations. This also applies to local common securities depositories with respect to income received in foreign currency as payments of principal and interest on foreign currency securities paid in Argentina.

If the transfer is made in the same currency in which the account is denominated, the financial institution will credit or debit the same amount as that received or sent from abroad. When the financial institution charges a commission or fee for these transactions, it will be instrumented in a specifically designated item.

Securities transactions

According to CNV General Resolution No. 988/2023, sales of marketable securities with settlement in foreign currency, in any jurisdiction and regardless of the law under which they are issued may be made, provided that a minimum holding period of 1 business day counted as of its accreditation at the Central Depository Agent of Negotiable Securities, to the extent that the purchases of the marketable securities in question have been made against Argentine pesos.

Likewise, transfers to foreign depository institutions of marketable securities purchased with Argentine pesos, regardless of the law under which they are issued, must comply with a minimum holding period of 1 business day as from the date of deposit of such marketable securities, unless such accreditation (i) results from a primary placement of marketable securities issued by the National Treasury or by the BCRA, in the framework of the Communication “A” 7.918, as amended, (ii) or refers to Argentine shares and/or certificates of deposit (CEDEAR) traded in markets regulated by the CNV. Intermediaries and trading agents must verify compliance with the aforementioned minimum holding period of marketable securities.

In addition, (i) the beneficiaries of refinancings provided for in section 1.1.1. of the rules on “Financial Services within the Framework of the Sanitary Emergency provided for by Decree No. 260/2020 Coronavirus (COVID-19)”, until their total cancellation, (ii) the beneficiaries of “Zero Rate Credits”, “Zero Rate Credits 2021”, “Zero Rate Credits Culture” or “Subsidized Rate Credits for Companies”, provided for in sections 1.1.2. and 1.1.3. of the rules on “Financial Services within the Framework of the Sanitary Emergency provided by Decree No. 260/2020 Coronavirus (COVID-19)”, until their total cancellation, (iii) the beneficiaries of financing in Argentine pesos under section 2 of the Communication “A” 6,937, sections 2 and 3 of Communication “A” 7.006, as supplemented; until its total cancellation, (iv) the beneficiaries of Article 2 of the Decree No. 319/2020 and complementary and regulatory rules, for the duration of the benefit with respect to the update of the value of the installment, and (v) the persons included in the Joint Resolution of the President of the Honorable Senate of the Nation and of the President of the Honorable Chamber of Deputies of the Nation No. 12/2020; will be prevented from selling marketable securities issued by residents to be settled in foreign currency in Argentina or transferring such marketable securities to foreign depositories or exchanging marketable securities issued by residents for foreign assets or the acquisition in the country with settlement in Argentine pesos of marketable securities issued by non-residents. Customers included in the BCRA Communications “A” 7,606 and “A” 7,609 may not carry out these transactions either.

Special provisions for financing under the GasAr Plan

Section 3.5.5 states that to the extent that the BCRA's prior conformity requirement is in effect for access to the foreign exchange market for the cancellation at maturity of principal and interest on foreign financial debt, this requirement shall not apply to the extent that all of the following conditions are met:

- (i) The funds were used to finance projects within the framework of the Plan GasAr.
- (ii) The funds have been deposited and settled by the foreign exchange market as of November 16, 2020; and
- (iii) The indebtedness has an average life of not less than two years.

Special Provisions for the Export Investment Promotion Regime established by Decree No. 234/21

The Decree No. 234/2021 established a new Export Investment Promotion Regime (the "Promotion Regime"), with the objective, among others, of increasing exports of goods and promoting sustainable economic development. The Ministry of Economy and the Ministry of Productive Development will be the authorities for the application of the Promotion Regime.

The Promotion Regime covers investments for new productive projects in, among others, forestry, mining, hydrocarbon, manufacturing and agro-industrial activities, as well as the expansion of existing business units that require investments to increase their production. The benefits of the Promotion Regime do not apply to commodities such as wheat, corn, soybeans and biodiesel, among others. Although the regulatory entities may include and/or exclude activities from the Promotion Regime, the decree establishes that vested rights will not be affected.

The requirements are as follows:

- (i) Both legal entities and individuals, resident or non-resident, may apply.
- (ii) Presentation of an "Export Investment Project" consisting of a minimum direct investment of US\$ 100,000,000.
- (iii) Comply with the terms and conditions of the projects submitted and approved by the regulators.
- (iv) The followings time are not eligible to apply for the Promotion Regime: (a) individuals and legal entities whose representatives or directors have been convicted of certain crimes with prison sentences and/or disqualification for a specific period of time; (b) individuals and legal entities with overdue and unpaid tax or social security debts; (c) individuals and legal entities with tax or social security debts; (d) individuals and legal entities that have unpaid taxes, fees, fines or surcharges imposed on them by a final judicial or administrative decision in customs, exchange, tax or social security matters; and (e) individuals that have unjustifiably failed to comply with their obligations in connection with other promotion schemes.

Once the relevant requirements have been verified, the application authority will approve the project and will issue an "Export Investment Certificate" for the purpose of accessing the benefits established by the Promotion Regime, which will have a term of 15 years.

Beneficiaries participating in the Export Promotion Regime may apply up to 20% of the foreign currency income obtained from exports related to the project to (i) the payment of principal and interest of financial or commercial debts with foreign countries, (ii) the payment of dividends, and (iii) the repatriation of direct investments of non-residents. However, this benefit may not exceed an annual maximum of 25% of the gross amount of foreign currency liquidated by such beneficiary through the foreign exchange market to finance the development of the project. In estimating the gross amount of foreign currency settled by the beneficiary in the foreign exchange market to finance the project, foreign currency flows from exports will not be taken into account.

In the case of projects involving investments in excess of US\$ 500,000,000, the beneficiaries may opt to access an extended benefit for each year in which the benefit previously provided for has not been used.

In the case of projects involving investments between US\$ 500,000,000 and US\$ 1,000,000,000, for each year in which the benefit has not been used, they may enjoy, for two consecutive years, an amount of free application equivalent to double the percentage previously foreseen.

The calculation of the benefit will be made on the foreign exchange earned from exports related to the project during the year in which the extended benefit is used.

The amount of the free application benefit may not exceed an annual maximum of 40% of the gross amount of the foreign currency effectively entered by the beneficiary in the foreign exchange market to finance the development of the project, at the time of making use of the same.

The benefits of the Promotion Regime will cease (i) upon expiration of the term of use, (ii) in certain cases, when the beneficiary ceases to have the capacity to carry out the activity that is the reason for the investment project, as established in the applicable regime, or (iii) if the beneficiary fails to comply with its obligations under the Promotion Regime without justification.

Regime for Access to Foreign Currency for Incremental Petroleum Production (RADPIP)

The Decree No. 277/2022 approved the Foreign Exchange Access Regime for the Incremental Production of Hydrocarbons with the purpose of promoting production in the hydrocarbons sector, generating incentives through the granting of foreign exchange access channels without prior authorization from the BCRA.

In this way, two regimes of access to the foreign exchange market were created to increase investments related to the production of crude oil and natural gas, which will be subordinated to a third regime for the promotion of employment, work and the development of suppliers in the regional and national hydrocarbons industry:

Beneficiaries: Those subjects registered in the Registry of Oil Companies of the National State that are holders of hydrocarbon exploitation concessions granted by the National State, the provinces or Ciudad Autónoma de Buenos Aires and that:

- (i) Adhere to the RADPIP (they may present themselves or associate with duly registered third parties);
- (ii) Obtain incremental crude oil production;
- (iii) Comply with the Regime for the Promotion of Employment, Labor, and the Development of Regional and National Suppliers of the Hydrocarbons Industry; and
- (iv) In case of being beneficiaries thereof, comply with the obligations set forth in the Plan GasAr.

Baseline calculation: The baseline will be the total crude oil accumulated by the beneficiary (including its subsidiaries or producing companies of the same economic group within the country), during 2021, in all the areas over which it holds a concession, according to the official data submitted to the Ministry of Energy as of May 28, 2022.

Incremental production calculation: Once the baseline is obtained, the Annual Incremental Production and Quarterly Incremental Production data will be obtained:

- (i) Annual Incremental Production: Difference between the effective production of the last 12 months and the baseline.
- (ii) Quarterly Incremental Production: 1/4 of the Annual Incremental Production.

Incentives: The beneficiary will enjoy the benefits of the RADPIGN on a percentage of its Incremental Injection on a quarterly basis. The base Incremental Injection Volume Benefit (“VIIB”) will be 30% of the Incremental Injection multiplied by the number of days in the quarter, which may be increased for different circumstances:

- (i) In the amount of percentage sections equivalent to 1/5 of the percentage of Internal Natural Gas Market Coverage.
- (ii) Up to 5% if the beneficiary is able to offset the technical decline related to conventional exploitation.
- (iii) By up to 2% if the incremental oil production is obtained from low productivity or previously inactive or closed wells, together with third party recovery companies.
- (iv) By up to 2% when the Annual Incremental Production is obtained by contracting at least 10% of the fracking services from regional or national companies.
- (v) Up to 2% when the beneficiary increases its investment, or initiates a new investment process, in exploration and exploitation of oil in marginal areas or in areas with exclusive conventional production with productive decline. The investment must be of US\$ 5,000,000 in a maximum term of 2 years once adhered to the RADPIP.

Access to the foreign exchange market: There will be access to the foreign exchange market for an amount equivalent to its VIIB (valued at the weighted average export price of the last 12 months) of the system as a whole), for the following destinations:

- (i) Payment of principal and interest on commercial or financial liabilities abroad, including liabilities with nonresident related companies;

- (ii) Payment of profits and dividends corresponding to closed and audited balances; and/or
- (iii) Repatriation of direct investments of non-residents.
- * Net of export duties, incorporating premiums or discounts on the quality of crude oil, as regulated.

In addition, Communication “A” 7,914 establishes that the client that has a “Certification for the Regimes of Access to Foreign Currency for the Incremental Production of Oil and/or Natural Gas” (Decree No. 277/2022) may access the foreign exchange market for up to the amount of the certification to carry out:

- (i) Payments of principal of commercial debts for the importation of goods and services.
- (ii) Payments of interest on commercial debts for the importation of goods and services whose creditor is a counterparty related to the debtor without the prior conformity required in section 3.3.3.
- (iii) Payment of profits and dividends to non-resident shareholders to the extent that the requirements set forth in sections 3.4.1. to 3.4.3. are met.
- (iv) Payments of principal and interest on financial indebtedness with foreign countries whose creditor is a counterparty related to the debtor.
- (v) Payments of principal of financial debts in foreign currency covered by the provisions of section 3.17, in excess of the amount resulting from the established parameters.
- (vi) Repatriations of direct investments of non-residents in companies that are not controlling companies of local financial institutions.

In all cases, compliance with the remaining general and specific requirements applicable to the transaction, by virtue of the exchange regulations in force, must be evidenced.

Also, pursuant to Communication “A” 7,914, the beneficiaries must nominate a single local financial institution that will be responsible for issuing the “Certifications for the Regimes of Access to Foreign Currency for the Incremental Production of Oil and/or Natural Gas” and send them to the financial institution through which the client wishes to access the foreign exchange market.

Benefit transfer: Benefits may be transferred to direct suppliers of the beneficiary (subject to regulation).

Foreign Exchange Access Regime for Incremental Natural Gas Production (RADPIGN)

Beneficiaries: Those subjects registered in the Registry of Oil Companies of the National State who are holders of hydrocarbon exploitation concessions granted by the National State, the provinces or Ciudad Autónoma de Buenos Aires and who:

- (i) Adhere to the RADPIGN (they may apply or associate with duly registered third parties)
- (ii) Are awarded in compliance with base natural gas injection volumes over 365 days a year, in the auctions or price contests of the Plan GasAr 2020-2024.
- (iii) Obtain incremental injection levels with respect to the injection baseline; and
- (iv) Comply with the regime for the Promotion of Employment, Labor and the Development of Regional and National Suppliers of the Hydrocarbons Industry.

Injection baseline calculation: The injection baseline will be the annual average daily injection volume of natural gas for the year 2021, with measurement approved by the application authority and the ENARGAS, and effectively injected, including off system production, all from its own areas, including that of its subsidiaries or producing companies of the same economic group within the country.

Incremental injection calculation: Once the injection baseline is obtained, the incremental injection data will be obtained, being the daily average excess, with respect to the injection baseline, of the volume of natural gas effectively injected by the beneficiary. The volume effectively injected will be the average daily injection of the last 12 preceding months.

Incentives: The beneficiary will enjoy the benefits of the RADPIGN on a percentage of its Incremental Injection on a quarterly basis. The base **VIIB** will be 30% of the incremental injection multiplied by the number of days in the quarter, which may be increased due to different circumstances:

- (i) In the amount of percentage sections equivalent to 1/5 of the percentage of Internal Natural Gas Market Coverage;
- (ii) Up to 5% if the beneficiary is able to offset the technical decline related to conventional exploitation.

Access to the foreign exchange market: Access to the foreign exchange market will be granted for an amount equivalent to its VIIB (valued at the weighted average export price of the last 12 months) of the system as a whole), for the following purposes:

- (i) Payment of principal and interest on commercial or financial liabilities with foreign countries, including liabilities with non-resident related companies;
- (ii) Payment of profits and dividends corresponding to closed and audited balance sheets; and/or
- (iii) Repatriation of direct investments of non-residents.

In addition, Communication “A” 7,626 (supplementary to Decree No. 277/2022) regulates the requirements applicable for access to the foreign exchange market for those clients who have a “Certification for the Regimes of Access to Foreign Currency for the Incremental Production of Oil and/or Natural Gas.” See “Item 10—Additional Information—Exchange Controls—Regime for Access to Foreign Currency for Incremental Petroleum Production (RADPIP)—Access to the foreign exchange market.”

Benefit transfer: Benefits may be transferred to direct suppliers of the beneficiary (subject to regulation).

Regime for the Promotion of Employment, Labor, and the Development of Regional and National Suppliers of the Hydrocarbons Industry (RPEPNIH)

In order to access and maintain the benefits of the RADPIP and RADPIGN, the beneficiaries must simultaneously comply with the specific requirements of each regime to which they adhere, the principle of full and successive, regional and national use of the facilities in terms of employment and hiring of workers, and direct provision of services by SMEs (“PyMEs”) and regional companies and, in turn:

- (i) They shall submit to the Ministry of Productive Development and the Energy Secretariat of the Ministry of Economy approval of their Regional and National Supplier Development Plans.
- (ii) They must comply with a scheme in which they will be granted the possibility of resigning or equalization of the best offer, with priority to the offers for the provision of goods and/or services of regional and national origin, when the price of the offers of national origin is equal or lower than those of non-national origin, increased by 10% when the national offers are of a Regional Supplier, and by 5% when they are of an extra-regional National Supplier.

Criminal Exchange Regime

The Exchange Regime establishes that transactions that do not comply with the exchange regulations established by the Exchange Regime will be subject to the Criminal Exchange Regime (Law N° 19,359 and amendments).

For further information on the exchange control restrictions and regulations in force, you should consult your legal advisors and read the applicable rules mentioned in this document, as well as their amendments and complementary regulations, which are available on the website:

<http://www.infoleg.gob.ar/> or on the BCRA’s website: <https://www.bcra.gob.ar/>, as applicable. The information contained in these websites is not part of this annual report and is not deemed to be incorporated herein.

TAXATION

Mexican Tax Considerations

General

The following summary of the Mexican federal income tax consequences of the purchase, ownership and disposition of our series A shares or ADSs, is based upon the federal tax laws of Mexico as in effect on the date of this annual report, which are subject to change. Mexico has also entered into and is negotiating several tax treaties with other countries, that may have an impact on the tax treatment of the purchase, ownership and disposition of our series A shares or ADSs.

This summary is not a comprehensive discussion of all the tax considerations that may be relevant to a particular investor's decision to purchase, hold, or dispose of series A shares or ADSs. In particular, this summary is directed only to Non-Mexican Holders that acquired our series A shares or ADS and does not address tax consequences to Holders that are regarded as residents of Mexico for tax purposes, Holders who may be subject to special tax rules, such as tax exempt entities, entities or arrangements that are treated as disregarded for Mexican or other jurisdictions' income tax purposes, persons or group of persons under the Mexican Securities Market Law that own or are treated as owning, either, 10% or more of our stock by vote or value, or the control of our Company, or persons owning our shares before they were originally registered in the RNV maintained by the CNBV. Moreover, this summary does not address the applicable tax treatment in Mexico for transactions not conducted through an authorized Mexican or international recognized stock markets, nor through registered or protected transactions.

For purposes of this summary, an "International Holder" is the holder of our series A shares or ADSs that (i) is not regarded as resident of Mexico under current domestic tax laws, and (ii) is not a non-Mexican resident with a permanent establishment in Mexico for tax purposes.

You should consult your own tax advisors about the consequences of the acquisition, ownership, and disposition of the series A shares or ADSs, including the relevance to your particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

This description assumes that you are an ADS holder. If you hold the ADSs indirectly, you must rely on the procedures of your broker or other financial institution to assert the rights of ADS holders described in this section. You should consult with your broker or financial institution to find out about those procedures.

ADSs

In accordance with provisions of the current Administrative Tax Regulations ADSs would be regarded as securities that exclusively represent our series A shares which are registered in the RNV maintained by the CNBV; therefore, should be treated as placed among the investing public at large ("*colocadas entre el gran público inversionista*").

Taxation of Dividends

Gross amount of any distribution of cash or property with respect to our series A shares or ADSs that is paid out of our current or accumulated earnings and profits would be subject to a 10% withholding income tax which would be withheld by the Mexican custodian in INDEVAL. Withholding tax would be computed on the Peso denominated amount distributed as dividend.

Mexican custodians in INDEVAL are obliged to issue tax receipts for taxes withheld on dividend distributions, which should be issued under the name of the depositary in case of ADSs or brokers where International Holders maintain their global accounts to hold our series A shares.

The 10% withholding tax rate may be reduced under certain tax treaties entered by Mexico with other countries, if formal requirements are complied with and disclosure is made to the Mexican custodian by the depositary or the broker with respect to the effective beneficiary of the dividend income. A 5% withholding tax rate may apply for International Holders that are U.S. companies that are resident for tax purposes in the U.S. and that are entitled to access U.S.-Mexico Tax Treaty benefits, to the extent such International Holders that are U.S. companies own 10% or more of the voting shares of the Company.

Taxation of Dispositions of series A shares or ADSs

The sale or the disposition of series A shares carried out through a Mexican authorized stock exchange market (e.g., *Bolsa Mexicana de Valores* or *Bolsa Institucional de Valores*) would be exempt from Mexican income tax, as long as the International Holder furnishes an affidavit to its Mexican financial intermediary, stating, under oath, that it is a resident for tax purposes in a country with which Mexico has an income tax treaty in force and provides its tax identification number; otherwise, the Mexican financial intermediary should withhold 10% tax on the capital gain derived from the transaction.

Considering that our series A shares underlying the ADSs are registered with the RNV, the sale or disposition of ADSs would not be subject to Mexican income tax if (i) the transaction is carried out through NYSE or other recognized markets as defined in the Mexican Federal Tax Code, and (ii) the International Holder is a tax resident of a country with which Mexico has in force a treaty for the avoidance of double taxation.

Deposits and withdrawals of series A shares by International Holders in exchange for ADSs and the surrender of ADRs to the depository for exchanging ADRs for uncertificated ADSs should not result in the realization of gain or loss for Mexican income tax purposes.

In the event that the sale or the disposition of series A shares were to be carried out other than through a Mexican authorized stock exchange market (eg. *Bolsa Mexicana de Valores* or *Bolsa Institucional de Valores*) such disposition should be subject to a 25% Mexican income tax on the gross proceeds derived from the transaction which should be directly paid by the International Holder before the Mexican tax authorities within the subsequent 15-business days after the transaction is conducted. Alternatively, if formal requirements are complied with, International Holders could elect to compute its tax liability with the 35% income tax on the capital gain. International Holders that are residents of countries with which Mexico has a tax treaty in force may be entitled to benefits that would reduce or eliminate Mexican taxes imposed on the sale or disposition of series A shares if formal requirements are complied with.

Value Added Tax

Dividend distributions, the purchase and the sale or disposition of the series A shares or ADSs are exempt of Value Added Tax.

Tax impact of the Labor Reform

Mexican tax provisions prohibit the tax deduction of payments related to services companies under the concept of subcontracting or outsourcing, or specialized services from contractors that do not have the authorization from the Ministry of Labor and Social Welfare. Specialized services cannot (a) include activities equal or similar to the activities performed by the employees of the contracting party, or (b) cover the main economic activity of the contracting party.

Payments or consideration made for the subcontracting of personnel will not be considered as strictly necessary expenses, therefore, they will not be deductible for income tax purposes, nor creditable for value added tax. In addition, the tax provisions disallow any tax effects to the specialized services paid when they are carried out by the provider's personnel that originally used to be employed by the beneficiary and were transferred by any legal means from the service provider to the beneficiary.

Note that pursuant to the labor reform, for Mexican entities to deduct payments for subcontracting specialized services, and credit the VAT related to such payments, the Mexican entity requires to receive certain documentation from the specialized service provider. Under the terms of the labor reform, the tax authorities may impose fines ranging from approximately US\$10,250 to US\$20,550 to the specialized service providers that fail to deliver the documentation for each obligation to deliver information not complied with. Furthermore, the labor reform establishes that Mexican entities subcontracting personnel will be joint and severally liable with the contracting party for the employment-related taxes triggered by the employees associated to the services or works rendered.

It is important to note that using deceptive practices to conceal the provision of subcontracting personnel would constitute tax fraud.

Other Mexican Taxes

There are currently no Mexican estate, gift, stamp, registration, or similar taxes payable with respect to the purchase, ownership or disposition of our series A shares or ADSs. The inheritance of our series A shares or ADSs received by a non-Mexican resident would be subject to income tax at the rate of 25% on the fair-market-value of the series A shares or ADSs inherited.

United States Federal Income Tax Considerations

The following is a summary of material U.S. federal income tax considerations that are likely to be relevant to the purchase, ownership and disposition of our series A shares or ADSs by a U.S. Holder (as defined below).

This summary is based on provisions of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations, rulings and judicial interpretations thereof, in force as of the date hereof, and the Convention Between the Government of the United States of America and the Government of the United Mexican States for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income dated September 18, 1992 (as amended by any subsequent protocols) (the “U.S.-Mexico Tax Treaty”). Those authorities may be changed at any time, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those summarized below.

This summary is not a comprehensive discussion of all of the tax considerations that may be relevant to a particular investor’s decision to purchase, hold, or dispose of series A shares or ADSs. In particular, this summary is directed only to U.S. Holders that hold series A shares or ADSs as capital assets and does not address tax consequences to U.S. Holders who may be subject to special tax rules, such as banks, brokers or dealers in securities or currencies, traders in securities electing to mark to market, financial institutions, life insurance companies, tax exempt entities, entities or arrangements that are treated as partnerships for U.S. federal income tax purposes (or partners therein), holders that own or are treated as owning 10% or more of our stock by vote or value, persons holding series A shares or ADSs as part of a hedging or conversion transaction or a straddle, or persons whose functional currency is not the U.S. Dollar. Moreover, this summary does not address state, local or foreign taxes, the U.S. federal estate and gift taxes, or the Medicare contribution tax applicable to net investment income of certain non-corporate U.S. Holders, or alternative minimum tax consequences of acquiring, holding or disposing of series A shares or ADSs.

For purposes of this summary, a “U.S. Holder” is a beneficial owner of series A shares or ADSs that is (1) (a) a citizen or resident of the United States, (b) a U.S. domestic corporation or (c) otherwise subject to U.S. federal income taxation on a net income basis in respect of such series A shares or ADSs and (2) fully eligible for benefits under the U.S.-Mexico Tax Treaty.

You should consult your own tax advisors about the consequences of the acquisition, ownership, and disposition of the series A shares or ADSs, including the relevance to your particular situation of the considerations discussed below and any consequences arising under foreign, state, local or other tax laws.

ADSs

In general, if you are a U.S. Holder of ADSs, you will be treated, for U.S. federal income tax purposes, as the beneficial owner of the underlying series A shares that are represented by those ADSs.

Taxation of Dividends

Subject to the discussion below under “—Passive Foreign Investment Company Status,” the gross amount of any distribution of cash or property with respect to our series A shares or ADSs (including any amount withheld in respect of Mexican withholding taxes) that is paid out of our current or accumulated earnings and profits (as determined for United States federal income tax purposes) will generally be includible in your taxable income as ordinary dividend income on the day on which you receive the dividend, in the case of series A shares, or the date the depository receives the dividends, in the case of ADSs, and will not be eligible for the dividends-received deduction allowed to corporations under the Code.

We do not expect to maintain calculations of our earnings and profits in accordance with U.S. federal income tax principles. U.S. Holders therefore should expect that distributions generally will be treated as dividends for U.S. federal income tax purposes.

If you are a U.S. Holder, dividends paid in a currency other than U.S. Dollars generally will be includible in your income in a U.S. Dollar amount calculated by reference to the exchange rate in effect on the day you receive the dividends, in the case of series A shares, or the date the depository receives the dividends, in the case of series A shares represented by ADSs. Any gain or loss on a subsequent sale, conversion or other disposition of such non-U.S. currency by such U.S. Holder generally will be treated as ordinary income or loss and generally will be income or loss from sources within the United States. A U.S. Holder should consult its own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received as a dividend on the series A shares.

Subject to certain exceptions for short-term positions, the U.S. Dollar amount of dividends received by an individual with respect to the series A shares or ADSs will be subject to taxation at a preferential rate if the dividends are “qualified dividends.” Dividends paid on the series A shares or ADSs will be treated as qualified dividends if:

- the series A shares or ADSs are readily tradable on an established securities market in the United States, or we are eligible for the benefits of a comprehensive tax treaty with the United States that the U.S. Treasury determines is satisfactory for purposes of this provision and that includes an exchange of information program; and
- we were not, in the year prior to the year in which the dividend was paid, and are not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”).

The ADSs are listed on the NYSE, and will qualify as readily tradable on an established securities market in the United States so long as they are so listed. In addition, the U.S. Treasury has determined that the U.S.-Mexico Tax Treaty meets the requirements for reduced rates of taxation, and we believe we are eligible for the benefits of the U.S.-Mexico Tax Treaty. Based on our financial statements and our current expectations regarding the value and nature of our assets and the sources and nature of our income, we do not believe that we were a PFIC for our 2023 or 2022 taxable years, and we do not anticipate becoming a PFIC for our current taxable year or in the foreseeable future. Holders should consult their own tax advisers regarding the availability of the reduced dividend tax rate in light of their own particular circumstances.

Subject to generally applicable limitations and conditions, Mexican withholding tax on dividends paid at the appropriate rate applicable to the U.S. Holder may be eligible for a credit against such U.S. Holder’s U.S. federal income tax liability. These generally applicable limitations and conditions include new requirements recently adopted by the IRS in regulations promulgated in December 2021, and any Mexican tax will need to satisfy these requirements in order to be eligible to be a creditable tax for a U.S. Holder. In the case of a U.S. Holder that is either (i) eligible for, and properly elects, the benefits of the U.S.-Mexico Tax Treaty, or (ii) consistently elects to apply a modified version of these rules under recently issued temporary guidance and complies with specific requirements set forth in such guidance, the Mexican tax on dividends will be treated as meeting the new requirements and therefore as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Mexican tax on dividends is uncertain, and we have not determined whether these requirements have been met. If the Mexican tax on dividends is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued in the same taxable year, the U.S. Holder may be able to deduct the Mexican tax in computing such U.S. Holder’s taxable income for U.S. federal income tax purposes. Dividend distributions with respect to our series A shares or ADSs will constitute income from sources without the United States and, for U.S. Holders that elect to claim foreign tax credits, generally will constitute “passive category income” for foreign tax credit purposes.

The availability and calculation of foreign tax credits and deductions for foreign taxes depend on a U.S. Holder’s particular circumstances and involve the application of complex rules to those circumstances. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of these rules to their particular situations.

U.S. Holders that receive distributions of additional series A shares or ADSs or rights to subscribe for series A shares or ADSs as part of a pro rata distribution to all our shareholders generally will not be subject to U.S. federal income tax in respect of the distributions, unless the any holder of our shares or ADSs has the right to receive cash or property instead, in which case the U.S. Holder will generally be treated as if it received cash equal to the fair market value of the distribution.

Taxation of Dispositions of series A shares or ADSs

Subject to the discussion below under “—Passive Foreign Investment Company Status,” upon a sale, exchange or other disposition of the series A shares or ADSs, U.S. Holders will realize capital gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. Dollar value of the amount realized on the disposition and the U.S. Holder’s tax basis, determined in U.S. Dollars, in the series A shares or ADSs. Such gain or loss generally will be long-term capital gain or loss if the ADS or series A shares have been held for more than one year. Long-term capital gain realized by a U.S. Holder that is an individual generally is subject to taxation at a preferential rate. The deductibility of capital losses is subject to limitations.

A U.S. Holder generally will not be entitled to credit any Mexican or Argentine tax imposed on the sale or other disposition of the series A shares or ADSs against such U.S. Holder’s U.S. federal income tax liability, except in the case of a U.S. Holder that consistently elects to apply a modified version of the U.S. foreign tax credit rules that is permitted under recently issued temporary guidance and complies with the specific requirements set forth in such guidance. Additionally, capital gain or loss recognized by a U.S. Holder on the sale or other disposition of the series A shares or ADSs generally will be U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, even if the withholding tax qualifies as a creditable tax for U.S. foreign tax credit purposes, a U.S. Holder may not be able to credit the tax against its U.S. federal income tax liability unless such credit can be applied (subject to generally applicable conditions and limitations) against tax due on other income treated as derived from foreign sources. If the Mexican or Argentine tax is not a creditable tax, the tax would reduce the amount realized on the sale or other disposition of the series A shares or ADSs even if the U.S. Holder has elected to claim a foreign tax credit for other taxes in the same year. The temporary guidance discussed above also indicates that the Treasury and the IRS are considering proposing amendments to the December 2021 regulations and that the temporary guidance can be relied upon until additional guidance is issued that withdraws or modifies the temporary guidance. U.S. Holders should consult their own tax advisors regarding the application of the foreign tax credit rules to a sale or other disposition of the series A shares or ADSs and any Mexican or Argentine tax imposed on such sale or disposition.

If a U.S. Holder sells or otherwise disposes of our series A shares or ADSs in exchange for currency other than U.S. Dollars, the amount realized generally will be the U.S. Dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the shares are traded on an established securities market at such time, in the case of cash basis and electing accrual basis U.S. Holders, the settlement date). An accrual basis U.S. Holder that does not elect to determine the amount realized using the spot exchange rate on the settlement date will recognize foreign currency gain or loss equal to the difference between the U.S. Dollar value of the amount received based on the spot exchange rates in effect on the date of the sale or other disposition and the settlement date. A U.S. Holder will generally have a tax basis in the currency received equal to the U.S. Dollar value of the currency received at the spot rate on the settlement date. Any currency gain or loss realized on the settlement date or the subsequent sale, conversion, or other disposition of the non-U.S. currency received for a different U.S. Dollar amount generally will be U.S.-source ordinary income or loss, and will not be eligible for the reduced tax rate applicable to long-term capital gains. If an accrual basis U.S. Holder makes the election described in the first sentence of this paragraph, it must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. Holder should consult its own tax advisors regarding the treatment of any foreign currency gain or loss realized with respect to any currency received in a sale or other disposition of the series A shares or ADSs.

Deposits and withdrawals of series A shares by U.S. Holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Passive Foreign Investment Company Status

Special U.S. tax rules apply to companies that are considered to be PFICs. We will be classified as a PFIC in a particular taxable year if, taking into account our proportionate share of the income and assets of our subsidiaries under applicable “look-through” rules, either

- 75% or more of our gross income for the taxable year is passive income; or
- the average percentage of the value of our assets that produce or are held for the production of passive income is at least 50%.

For this purpose, passive income generally includes dividends, interest, gains from certain commodities transactions, rents, royalties and the excess of gains over losses from the disposition of assets that produce passive income.

Based on our financial statements and our current expectations regarding the value and nature of our assets and the sources and nature of our income, we do not believe that we were a PFIC for our 2023 or 2022 taxable years, and we do not anticipate becoming a PFIC for our current taxable year or in the foreseeable future. However, the determination whether we are a PFIC must be made annually based on the facts and circumstances at that time. Accordingly, we cannot be certain that we will not be a PFIC for the current year or future years. If we are classified as a PFIC, you will generally be subject to a special tax at ordinary income tax rates on “excess distributions” (generally, any distributions that you receive in a taxable year that are greater than 125% of the average annual distributions that you have received in the preceding three taxable years, or your holding period, if shorter), and gains that you recognize on the disposition of your series A shares or ADSs. Under these rules (a) the excess distributions or gains will be allocated ratably over your holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which we are a PFIC will be taxed as ordinary income, and (c) the amount allocated to each of the other taxable years will be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit will be imposed with respect to the resulting tax attributable to each such other taxable year. Classification as a PFIC may also have other adverse tax consequences, including, in the case of individuals, the denial of a step-up in the basis of your series A shares or ADSs at death.

If you are a U.S. Holder that owns an equity interest in a PFIC, you generally must annually file IRS Form 8621, and may be required to file other IRS forms. A failure to file one or more of these forms as required may toll the running of the statute of limitations in respect of each of your taxable years for which such form is required to be filed. As a result, the taxable years with respect to which you fail to file the form may remain open to assessment by the IRS indefinitely, until the form is filed.

You should consult your own tax advisor regarding the U.S. federal income tax considerations discussed above and the consequences to you if we are treated as a PFIC.

Foreign Financial Asset Reporting.

Individual U.S. Holders that own “specified foreign financial assets” with an aggregate value in excess of US\$50,000 on the last day of the taxable year, or \$75,000 at any time during the taxable year, are generally required to file an information statement along with their tax returns, currently on Form 8938, with respect to such assets. “Specified foreign financial assets” include any financial accounts held at a non-U.S. financial institution, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. Higher reporting thresholds apply to certain individuals living abroad and to certain married individuals. Regulations extend this reporting requirement to certain entities that are treated as formed or availed of to hold direct or indirect interests in “specified foreign financial assets” based on objective criteria. U.S. Holders who fail to report the required information could be subject to substantial penalties. In addition, the statute of limitations for assessment of tax would be suspended, in whole or part. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of these rules, including the application of the rules to their particular circumstances.

Backup Withholding and Information Reporting

Dividends paid on, and proceeds from the sale or other disposition of, the series A shares or ADSs to a U.S. Holder generally may be subject to the information reporting requirements of the Code and may be subject to backup withholding unless the U.S. Holder provides an accurate taxpayer identification number and makes any other required certification or otherwise establishes an exemption. Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a refund or credit against the U.S. Holder’s U.S. federal income tax liability, provided the required information is furnished to the U.S. Internal Revenue Service in a timely manner.

A holder that is not a U.S. Holder may be required to comply with certification and identification procedures in order to establish its exemption from information reporting and backup withholding.

Argentine Tax Considerations

Income Tax Law imposes a capital gain tax on the sale or transfer by non-Argentine residents of shares or other participations in foreign entities when the following two conditions are met: (i) 30% or more of the market value of the shares, stakes, quotas, securities, or rights that the seller holds in the foreign entity is, at the time of the sale or at any time during the 12 months prior to the sale, derived from assets located in Argentina, and (ii) the participation being transferred represents (at the time of the sale or transfer or during the 12 prior months) 10% or more of the equity of the foreign entity (please note that Argentine regulations foresee that, in certain cases, shares sold by related persons must be aggregated for this purpose). The applicable tax rate would generally be 15% (calculated on the actual net gain or a presumed net gain equal to 90% of the sale price) of the proportional value that corresponds to the Argentine assets. This tax on indirect transfers only applies to participations in foreign entities acquired after the effective date of the tax reform, in force from January 1, 2018.

Since our Argentine assets currently represent more than 30% of the value of our total assets on a consolidated basis, a holder that sells or transfers our common shares, acquired after January 1, 2018, could be subject to the Argentine capital gains tax to the extent the mentioned requisites are met.

Argentine holders are encouraged to consult a tax advisor as to the Argentine tax consequences derived from the holding of, and any transactions relating to, the ADSs and series A shares.

DOCUMENTS ON DISPLAY

Any SEC filings we make are available to the public over the Internet at the SEC's website: www.sec.gov.

ANNUAL REPORT TO SECURITY HOLDERS

Not applicable.

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our activities are exposed to market risk, including the exchange rate risk, the interest rate risk and the price risk. Financial risks are those derived from financial instruments we are exposed to during or at the closing of each fiscal year. Risk management systems and policies are reviewed on a regular basis to reflect changes in market conditions and our activities, with a focus not placed on the individual risks of the business units' operations, but with a wider perspective focused on monitoring risks affecting the whole portfolio. Financial risk management is controlled by the Financial Department, which identifies, evaluates and covers financial risks. Our risk management strategy seeks to achieve a balance between profitability targets and risk exposure levels.

For further information on our market risks, please see Note 18.6.1.1 to our Audited Financial Statements.

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

American Depositary Shares

The Bank of New York Mellon is the depositary of the ADS program. Each ADS represents one series A share (or a right to receive one series A share) deposited with Banco S3 Caceis México, S.A., Institución de Banca Múltiple, as custodian for the depositary in Mexico. The depositary's office at which the ADSs will be administered, and its principal executive office are located at 240 Greenwich Street, New York, New York 10286.

ADS holders may be unable to exercise voting rights with respect to the shares underlying the ADSs at our shareholders' meetings, and preemptive rights may be unavailable to non-Mexican holders of ADSs. Mexican law governs shareholder rights. The depositary will be the holder of the series A shares underlying the ADSs. Registered holders of ADSs, have ADS holder rights. A deposit agreement among us, the depositary, ADS holders, and all other persons indirectly holding or beneficially owning ADSs sets out ADS holder rights as well as the rights and obligations of the depositary. New York law governs the deposit agreement and the ADSs. To exercise any shareholder rights directly, ADSs holders need to surrender their ADSs to become a direct shareholder.

Depository Fees and Expenses

Persons depositing or withdrawing shares or ADS holders must pay:

US\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs)

US\$.05 (or less) per ADS

A fee equivalent to the fee that would be payable if securities distributed to you had been shares and the shares had been deposited for issuance of ADSs

US\$.05 (or less) per ADS per calendar year

Registration or transfer fees

Expenses of the depository

Taxes and other governmental charges the depository or the custodian has to pay on any ADSs or shares underlying ADSs, such as stock transfer taxes, stamp duty or withholding taxes

Any charges incurred by the depository or its agents for servicing the deposited securities

For:

Issuance of ADSs, including issuances resulting from a distribution of shares or rights or other property

Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates

Any cash distribution to ADS holders

Distribution of securities distributed to holders of deposited securities (including rights) that are distributed by the depository to ADS holders

Depository services

Transfer and registration of shares on our share register to or from the name of the depository or its agent when you deposit or withdraw shares

Cable and facsimile transmissions (when expressly provided in the deposit agreement)

Converting foreign currency to U.S. Dollars

As necessary

As necessary

The depository collects its fees for delivery and surrender of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depository collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depository may collect its annual fee for depository services by deduction from cash distributions or by directly billing investors or by charging the book-entry system accounts of participants acting for them. The depository may collect any of its fees by deduction from any cash distribution payable (or by selling a portion of securities or other property distributable) to ADS holders that are obligated to pay those fees. The depository may generally refuse to provide fee-attracting services until its fees for those services are paid.

From time to time, the depository may make payments to us to reimburse us for costs and expenses generally arising out of establishment and maintenance of the ADS program, waive fees and expenses for services provided to us by the depository or share revenue from the fees collected from ADS holders. For the year ended December 31, 2023, the depository reimbursed us a gross amount of US\$50,000 in connection with the ADS program.

In performing its duties under the deposit agreement, the depository may use brokers, dealers, foreign currency dealers or other service providers that are owned by or affiliated with the depository and that may earn or share fees, spreads or commissions.

The depository may convert currency itself or through any of its affiliates and, in those cases, acts as principal for its own account and not as agent, advisor, broker or fiduciary on behalf of any other person and earns revenue, including, without limitation, transaction spreads, that it will retain for its own account. The revenue is based on, among other things, the difference between the exchange rate assigned to the currency conversion made under the deposit agreement and the rate that the depository or its affiliate receives when buying or selling foreign currency for

its own account. The depository makes no representation that the exchange rate used or obtained in any currency conversion under the deposit agreement will be the most favorable rate that could be obtained at the time or that the method by which that rate will be determined will be the most favorable to ADS holders, subject to the depository's obligations under the deposit agreement. The methodology used to determine exchange rates used in currency conversions is available upon request.

You will be responsible for any taxes or other governmental charges payable on your ADSs or on the deposited securities represented by any of your ADSs. We, the depository bank and the custodian may withhold or deduct from any distribution the taxes and governmental charges payable by holders and the depository may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depository may refuse to register any transfer of your ADSs or allow you to withdraw the deposited securities represented by your ADSs until those taxes or other charges are paid. It may apply payments owed to you or sell deposited securities represented by your ADSs to pay any taxes owed and you will remain liable for any deficiency. If the depository sells deposited securities, it will, if appropriate, reduce the number of ADSs to reflect the sale and pay to ADS holders any proceeds, or send to ADS holders any property, remaining after it has paid the taxes. You are required to indemnify us, the depository and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

None.

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

None.

ITEM 15. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We have evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to 13a-15(e) and 15d-15(e) of the Exchange Act, as of December 31, 2023.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon our evaluation, we, with the participation of our Chief Executive Officer and Chief Financial Officer, concluded that as of December 31, 2023, our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report On Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934. Our internal control over financial reporting is a process designed under the supervision of our Chief Executive Officer and Chief Financial Officer, and monitored by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements for external reporting purposes in accordance with IFRS as issued by the IASB, and it includes those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions, dispositions of our assets, and treasury policies; (ii) provide reasonable assurance that transactions are recorded as

necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorization of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Therefore, effective control over financial reporting cannot, and does not, provide absolute assurance of achieving our control objectives. Also, projection of any evaluation of the effectiveness of the internal controls to future periods is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

As of the year ended December 31, 2023, our management conducted an assessment of the effectiveness of our internal control over financial reporting in accordance with the criteria established in the publication “Internal Control – Integrated Framework (2013),” issued by the Committee of the Sponsoring Organizations of the Treadway Commission, as well as the rules set by the SEC in its Final Rule “Management’s Report on Internal Control Over Financial Reporting and Certification of Disclosure in Exchange Act Periodic Reports.”

Based on the assessment performed, management concluded that our internal control over financial reporting was effective as of the end of the period covered by this annual report.

Attestation report of the registered public accounting firm

Reference is made to the report of Pistrelli, Henry Martin y Asociados S.R.L. (member of Ernst & Young Global Limited) on page F-4 of this annual report.

Changes in internal control over financial reporting

There was no change in our internal control over financial reporting that occurred during the period covered by this annual report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

During 2023, the Company completed the fourth year of implementation of specific standards for the Sarbanes-Oxley Act (“SOX”) and performed a management assessment over internal control.

ITEM 16. RESERVED

ITEM 16A. AUDIT COMMITTEE FINANCIAL EXPERT

The Board of Directors of Vista has determined that Pierre Jean Sivignon is the Audit Committee financial expert. We believe that Mr. Sivignon possesses the attributes of an Audit Committee financial expert set forth in the instructions to Item 16A of Form 20-F. Under Argentine law and Rule 10A-3 Mr. Sivignon is an independent director. See “Item 6—Directors, Senior Management and Employees—Board of Directors—Pierre-Jean Sivignon.”

ITEM 16B. CODE OF ETHICS

We have adopted a code of ethics and conduct (“Code of Ethics and Conduct”) that applies to all Vista’s officers and employees and third parties (contractors, suppliers, partners) which interact with Vista which is posted on our web site at: www.vistaenergy.com. We did not modify or amend our Code of Ethics and Conduct during the year ended December 31, 2023. In addition, we did not grant any waivers to our Code of Ethics and Conduct during the year ended December 31, 2023.

Our Code of Ethics and Conduct defines the way in which we conduct our businesses, and it is designed to help us comply with our obligations, to respect one another at the workplace and to act with integrity in the market. Our Code of Ethics and Conduct expressly sets forth, among other matters, that no one shall offer, in the name of Vista, directly or indirectly through third parties, anything of value to a public officer, or to his/her representatives, and particularly for the purposes of obtaining or maintaining a business, influencing business decisions or receiving an unfair advantage.

Additionally, Vista’s mission to conduct business in an ethical manner also entails the commitment of maintaining accuracy in our accounting books, financial statements and accounting records. Our accounting records, including our financial statements, management reports, contracts and agreements, must always be accurate and reflect the economic facts and transactions with integrity and accuracy, pursuant to the professional accounting standards and the laws governing Vista. All of Vista’s transactions, regardless of their amount, must be properly authorized, executed and recorded. Upon a determination that our Code of Ethics and Conduct has been violated, the Company shall take any appropriate disciplinary action.

ITEM 16C. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Audit and Non-Audit Fees

Our independent registered public accounting firm is Pistrelli, Henry Martin y Asociados S.R.L. (member of Ernst & Young Global Limited), beginning with the audit of the year ended December 31, 2023. In 2022, and from 2017, our independent registered public accounting firm was Mancera, S.C. (member of Ernst & Young Global Limited). See “Item 16F—Change in registrant’s certifying accountant.”

The following table provides details in respect of audit, audit related, and tax fees billed by the independent registered public accounting firm and other member firms of Ernst & Young Global Limited involved in the PCAOB audit (collectively, “EY”) for professional services:

	<u>2023</u>	<u>2022</u>
	<u>(in thousands of US\$)</u>	
Audit fees	851	628
Audit- related fees	49	98
Tax fees	290	122
Total fees	1,190	848

Audit Fees. Audit fees in the above table are the aggregate fees billed by EY in connection with the audit of our annual financial statements and the review of our quarterly financial information and statutory audits.

Audit-related Fees. Audit-related fees in the above table are the aggregate fees billed by EY for assurance and other services related to the performance of the audit

Tax Fees. Tax fees in the above table are fees billed by EY for allowed tax compliance, tax advice and tax planning.

The policy of our audit committee is to pre-approve all audit and non-audit services provided by EY, including audit services, audit-related services, tax services and other services as described above, other than those for *de minimis* services which are approved by the audit committee prior to the completion of the audit.

ITEM 16D. EXEMPTIONS FROM THE LISTING STANDARDS FOR AUDIT COMMITTEES

Not applicable.

ITEM 16E. PURCHASES OF EQUITY SECURITIES BY THE ISSUER AND AFFILIATED PURCHASERS

Not applicable.

ITEM 16F. CHANGE IN REGISTRANT’S CERTIFYING ACCOUNTANT

On December 20, 2023, Pistrelli, Henry Martin y Asociados S.R.L. (member of Ernst & Young Global Limited) was appointed as our independent registered public accounting firm, effective for the consolidated audit for the year ended December 31, 2023, succeeding Mancera, S.C. (member of Ernst & Young Global Limited), our former independent registered public accounting firm. The change of our independent registered public accounting firm was made at the request of the Audit Committee, after careful consideration and evaluation process and was approved by the Audit Committee.

Mancera, S.C. has served as our independent registered public accounting firm since 2017. Mancera, S.C.’s audit reports on our consolidated financial statements as of and for the past two fiscal years did not contain an adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles. In connection with the audits of the Company’s financial statements for each of the two most recent fiscal years ended December 31, 2022, and in the subsequent interim periods through December 19, 2023, there has been (i) no disagreements (as defined in Item 16F(a)(1)(iv) of Form 20-F and the related instructions thereto) between us and Mancera, S.C. on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of Mancera, S.C., would have caused Mancera, S.C. to make reference to the subject matter in their report. Mancera, S.C. continues to participate in the audit process of the Company.

During the two most recent fiscal years ended December 31, 2022, and in the subsequent interim period prior to the engagement of Pistrelli, Henry Martin y Asociados S.R.L. on December 20, 2023, neither we nor anyone acting on our behalf consulted with Pistrelli, Henry Martin y Asociados S.R.L. regarding either (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our consolidated financial statements, and neither a written report nor oral advice was provided to us that Pistrelli, Henry Martin y Asociados S.R.L. concluded was an important factor considered by us in reaching a decision as to any accounting, audit or financial reporting issue, (ii) any matter that was the subject of a disagreement pursuant to Item 16F(a)(1)(iv) of Form 20-F and the related instructions thereto, or (iii) any reportable event pursuant to Item 16F(a)(1)(v) of Form 20-F. We have provided Mancera, S.C. with a copy of this Item 16F and have requested and received from Mancera, S.C. a letter addressed to the SEC stating whether or not Mancera, S.C. agrees with the above statements. A copy of the letter from Mancera, S.C. is attached as Exhibit 15.4 to this annual report.

ITEM 16G. CORPORATE GOVERNANCE

Corporate Governance Practices

Companies listed on the NYSE must comply with the corporate governance standards provided under Section 303A of the NYSE Listed Company Manual. As a foreign private issuer, we are permitted to follow home country practices in lieu of Section 303A, except that we are required to comply with Sections 303A.06, 303A.11 and 303A.12(b) and (c) of the NYSE Listed Company Manual. Under Section 303A.06, we must have an audit committee that meets the independence requirements of Rule 10A-3 under the Exchange Act. Under Section 303A.11, we must disclose any significant ways in which their corporate governance practices differ from those followed by domestic companies under NYSE listing standards. Finally, under Section 303A.12(b) and (c), we must promptly notify the NYSE in writing after becoming aware of any non-compliance with any applicable provisions of this Section 303A and must annually make a written affirmation to the NYSE.

The table below briefly describes the significant differences between our Mexican corporate governance rules and the NYSE corporate governance rules.

<u>Section</u>	<u>NYSE Corporate Governance Rules</u>	<u>Mexican Corporate Governance Rules</u>
303A.01	A listed company must have a majority of independent directors. “Controlled companies” are not required to comply with this requirement.	A listed company must have at least 25% of independent directors. All listed companies must comply with this requirement.

<u>Section</u>	<u>NYSE Corporate Governance Rules</u>	<u>Mexican Corporate Governance Rules</u>
303A.02	No director qualifies as “independent” unless the board of directors affirmatively determines that the director has no material relationship with the listed company (whether directly or as a partner, shareholder, or officer of an organization that has a relationship with the company), and emphasizes that the concern is independence from management. The board is also required, on a case-by-case basis, to express an opinion with regard to the independence or lack of independence, of each individual director.	The shareholder’s meeting of a listed company in which a director is appointed or ratified, or where such appointment or ratification is informed, must affirmatively determine whether such director qualifies as independent. Under the Mexican Securities Market Law (i) shareholders that individually or as a group control the listed company, (ii) officers, employees or examiners of the listed company or its affiliates; (iii) individuals with significant influence or command authority (as defined below) over the listed company or its affiliates, among other persons, cannot be appointed as independent directors. There is test with respect to independence from the management as such.
303A.03	The non-management directors of a listed company must meet at regularly scheduled executive sessions without management.	There is no such requirement.
303A.04	A listed company must have a nominating/corporate governance committee composed entirely of independent directors, with a written charter that covers certain minimum specified duties. “Controlled companies” are not required to comply with this requirement.	A listed company must have a corporate governance committee with at least three members appointed by the board of directors and which members must all be independent. The corporate governance committee of a listed company that is controlled by a person or group maintaining 50% or more of its outstanding capital stock may be formed by a majority of independent members.
303A.05	A listed company must have a compensation committee composed entirely of independent directors, with a written charter that covers certain minimum specified duties. “Controlled companies” are not required to comply with this requirement.	There is no such requirement.
303A.06	A listed company must have an audit committee with a minimum of three independent directors who satisfy the independence requirements of Rule 10A-3, with a written charter that covers certain minimum specified duties.	A listed company must have an audit committee with at least three members appointed by the board of directors and which members must all be independent. The minimum duties of this committee are set forth in the Mexican Securities Market Law, which include, among other things, supervising external auditors, discuss yearly financial statements and, when applicable, recommend their approval, informing the board of directors of existing internal controls and irregularities that it encounters, investigate breaches of operating policies internal control and internal audit systems and supervise the activities of the chief executive officer.
	As a foreign private issuer, we are required to comply with Section 303A.06, other than the requirement to have a minimum of three members on our audit committee.	
303A.08	Shareholders must be given the opportunity to vote on all equity-compensation plans and material revisions thereto, with limited exemptions set forth in the NYSE rules.	Stock options plans for employees and pensions plans of a listed company and its affiliates, and similar structures, must be approved by the shareholders’ meeting of the listed company. Such plan must provide for a general and equivalent treatment to all employees in similar situations.
303A.09	A listed company must adopt and disclose corporate governance guidelines that cover certain minimum specified subjects.	The by-laws of a listed company must comply with the corporate governance provided for in the Mexican Securities Market Law.
303A.10	A listed company must adopt and disclose a code of business conduct and ethics for directors, officers and employees, and promptly disclose any waivers of the code for directors or executive officers.	A company listed in the Mexican Stock Exchange must adopt the code of ethics issued by the board of directors of such exchange and represent its knowledge of the best corporate practices code.

<u>Section</u>	<u>NYSE Corporate Governance Rules</u>	<u>Mexican Corporate Governance Rules</u>
303A.12	<p>(a) Each listed company CEO must certify to the NYSE each year that he or she is not aware of any violation by the company of NYSE corporate governance listing standards.</p> <p>(b) Each listed company CEO must promptly notify the NYSE in writing after any executive officer of the listed company becomes aware of any non-compliance with any applicable provisions of this Section 303A.</p> <p>(c) Each listed company must submit an executed Written Affirmation annually to the NYSE. In addition, each listed company must submit an interim Written Affirmation as and when required by the interim Written Affirmation form specified by the NYSE.</p>	<p>There is no such requirement.</p> <p>There is no such requirement.</p> <p>The secretary of the board of directors of a company listed in the Mexican Stock Exchange must disclose, at least once a year, the obligations, liabilities and recommendations resulting from the code of ethics, the best corporate practices code and the rules issued by the Mexican Stock Exchange to the directors of a listed company.</p>

As a foreign private issuer, we are required to comply with Section 303A.12.

ITEM 16H. MINE SAFETY DISCLOSURE

Not applicable.

ITEM 16I. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

ITEM 16J. INSIDER TRADING POLICIES

Not applicable.

ITEM 16K. CYBERSECURITY

Risk Management and Strategy.

We maintain a comprehensive process for assessing, identifying and managing material risks from cybersecurity threats, including risks relating to disruption of business operations or financial reporting systems, intellectual property theft; fraud; extortion; harm to employees or customers; violation of privacy laws and other litigation and legal risk; and reputational risk.

- We have adopted a Cybersecurity Policy that serves as an umbrella for our cybersecurity risk management standards and procedures. Such document sets forth guidelines that are designed to promote the development, implementation, and improvement of policies and procedures to safeguard information and ensure availability of critical data and systems.
- As an integral part of our Cybersecurity Policy, we have a cybersecurity governance framework in place with an initial scope, which is designed to protect information and information systems from unauthorized access and misuse. The program is built upon a foundation of advanced security technology, overseen by an experienced and trained team of experts with substantial knowledge of cybersecurity best practices.

Our cybersecurity risk management processes include the following:

- The Company has a cybersecurity and information security framework that includes risk assessment and mitigation through a threat intelligence-driven approach, application controls, and enhanced security with ransomware defense. The framework leverages International Organization for Standardizations (ISO) 27001/27002 standards for general information technology controls, International Society of Automation (ISA) / International Electrotechnical Commission (IEC) standards for industrial automation, the National Institute of Standards and Technology (NIST) Cyber Security Framework for measuring overall readiness to respond to cyber threats, and Sarbanes-Oxley (SOX) for assessment of internal controls.
- The Company utilizes policies, software, training programs and hardware solutions to protect and monitor our environment, including multifactor authentication on all critical systems (with no technical impediments), firewalls, intrusion detection and prevention systems, vulnerability and penetration testing and identity management systems.
- Our platform includes a host of encryption, antivirus, multi-factor authentication, firewall and patch-management technologies designed to protect and maintain the systems and computers across our business.
- Our Information Security team conducts annual information security awareness education and training for all employees, conducts internal “phishing” testing and training for “clickers”, requires security training for all new hires and publishes periodic cybersecurity newsletters to highlight any emerging or urgent security threats. We also conduct annual cyber awareness training and run tabletop and Crisis Management exercises to simulate a response to a cybersecurity incident, and use the findings to improve our practices, procedures, and technologies.
- We maintain a Cybersecurity Incident Response Plan, which provides a framework for handling cybersecurity incidents based on the severity of the incident and facilitates cross-functional coordination across all areas and have established a global Security Operations Center to support enterprise visibility to cyber incidents in real time.
- Our cybersecurity team regularly tests our controls through penetration testing, vulnerability scanning, and attack simulation.
- Risk assessments are conducted quarterly to determine the likelihood and impact for each risk using a qualitative risk assessment methodology. Risks are identified from various sources, including vulnerability scans, and penetration tests. We monitor our infrastructure and applications to identify evolving cyber threats, scan for vulnerabilities and mitigate risks. The outcome of the assessment is reported to company management as per the established Cybersecurity governance model.
- The Company conducts cybersecurity “tabletop” exercises administered by an independent third party with respect to breach and other problematic information security scenarios. The administrator poses questions to participants and advises how other companies typically respond to similar situations.

The Cybersecurity management process is run by the cybersecurity team and overseen by the Governance model described in the following section of this document.

Our business strategy, results of operations and financial condition have not been materially affected by risks from cybersecurity threats, including as a result of previous cybersecurity incidents, but we cannot provide assurance that they will not be materially affected in the future by such risks and any future material incidents. In the last fiscal three years, we have not experienced any material information security breach incidences and the expenses we have incurred from information security breach incidences were immaterial. This includes penalties and settlements, of which there were none.

Governance

Management

The cybersecurity risk management processes are managed by our Cybersecurity team lead reporting to the Innovation and Technology manager, who in turn reports to the CFO. Our Cybersecurity team lead has over 12 years of experience in cybersecurity in several industries, and the committee has been trained with fundamental cybersecurity skills provided by KPMG.

Cybersecurity committee

The Cybersecurity team reports quarterly to a Cybersecurity Committee which oversees and sponsors Cybersecurity strategy. Our CFO is the chair of the committee and reports the updates to the Corporate Practices Committee of the Board of Directors.

As part of this management, we keep the committee informed by reporting quarterly the following KPIs:

- NIST Maturity Score;
- Number of critical incidents reported in the period;
- Cybersecurity monitoring Alert distribution in the period;
- Number of critical risks;
- Number of critical risk scenarios identified with level 1 post-mitigation (highest amount of impact and probability of occurrence);
- Percentage of employees who complete mandatory cybersecurity trainings; and
- Average result of controlled phishing exercises.

ITEM 17. FINANCIAL STATEMENTS

Not applicable.

ITEM 18. FINANCIAL STATEMENTS

Our Audited Financial Statements are included in this annual report beginning on page F-1.

ITEM 19. EXHIBITS

Documents filed as exhibits to this annual report:

- 1.1 [English translation of bylaws \(as amended\) of the registrant.](#)
- 2.1 [Form of Deposit Agreement among Vista Energy, S.A.B. de C.V. \(formerly known as Vista Oil & Gas, S.A.B. de C.V.\), The Bank of New York Mellon, as depositary, and the owners and holders from time to time of American Depositary Shares issued thereunder \(incorporated by reference to our registration statement on Form F-6 filed with the SEC on July 2, 2019\).](#)
- 2.2 [Description of rights of each class of securities registered under Section 12 of the Securities Exchange Act of 1934 \(included as Exhibit 2.2 of the Form 20-F filed by Vista Energy, S.A.B. de C.V. \(formerly known as Vista Oil & Gas, S.A.B. de C.V.\), on April 30, 2020 and incorporated by reference herein\).](#)
- 4.1 [English translation of concession agreement regarding the Entre Lomas concession in the Province of Neuquén, dated June 11, 2009, among Petrolera Entre Lomas S.A., APCO Argentina Inc. \(Sucursal Argentina\) and the Province of Neuquén \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.2 [English translation of concession agreement regarding the Entre Lomas concession in the Province of Río Negro, dated December 9, 2014, among Petrolera Entre Lomas S.A. and the Province of Río Negro \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)
- 4.3 [English translation of concession agreement regarding the Jagüel de los Machos and 25 de Mayo–Medanito concessions in the Province of Río Negro, dated December 9, 2014, among Petrobras Argentina S.A. and the Province of Río \(incorporated by reference to Vista's registration statement on Form F-1 filed with the SEC on July 2, 2019\).](#)

- 4.4 [Amended and Restated Long Term Incentive Plan as approved by the Compensation Committee of the Board of Vista on February 22, 2023 \(included as Exhibit 4.8 of the Form 20-F filed by Vista Energy, S.A.B. de C.V. on April 24, 2023 and incorporated by reference herein\).](#)
- 8.1 [List of Subsidiaries.](#)
- 12.1 [Certification of Miguel Galuccio of Vista Energy, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 12.2 [Certification of Pablo Manuel Vera Pinto of Vista Energy, S.A.B. de C.V. pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.](#)
- 13.1 [Certification of Miguel Galuccio and Pablo Manuel Vera Pinto pursuant to U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 15.1 [Consent Letter dated April 23, 2024, prepared by DeGolyer and MacNaughton.](#)
- 15.2 [Consent Letter dated April 23, 2024, prepared by Pistrelli, Henry Martin y Asociados S.R.L.\(member of Ernst & Young Global Limited\).](#)
- 15.3 [Consent Letter dated April 23, 2024, prepared by Mancera, S.C. \(member of Ernst & Young Global Limited\).](#)
- 15.4 [Letter dated April 23, 2024 from Mancera, S.C. \(member of Ernst & Young Global Limited\).](#)
- 97.1 [Policy for the Recovery of Erroneously Awarded Compensation.](#)
- 99.1 [Reserves Report dated February 7, 2024, prepared by DeGolyer and MacNaughton.](#)
- 101.INS XBRL Instance Document

101.SCH	XBRL Taxonomy Extension Schema
101.CAL	XBRL Taxonomy Extension Calculation Linkbase
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Label Linkbase
101.PRE	XBRL Taxonomy Extension Presentation Linkbase

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

Vista Energy, S.A.B. de C.V.

By: /s/ Miguel Galuccio

Name: Miguel Galuccio

Title: Chief Executive Officer

By: /s/ Pablo Manuel Vera Pinto

Name: Pablo Manuel Vera Pinto

Title: Chief Financial Officer

Date: April 23, 2024

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Auditor Data Elements	December 31, 2023	December 31, 2022 and 2021
Auditor Name	Pistrelli, Henry Martin y Asociados S.R.L. (member of Ernst & Young Global Limited)	Mancera, S.C. (member of Ernst & Young Global Limited)
Auditor Location	Ciudad de Buenos Aires, Argentina	Ciudad de Mexico, Mexico
Auditor Firm ID	01449	01284

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated statement of financial position of Vista Energy, S.A.B. de C.V. (the Company) as of December 31, 2023, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023, and the results of its operations and its cash flows for the year then ended, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company’s internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated April 23, 2024 expressed an unqualified opinion thereon.

Change in Accounting Principle

As discussed in Note 2.6 to the consolidated financial statements, the Company has elected to change its method of accounting for the presentation of export duties in the consolidated statements of profit or loss and other comprehensive income.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (i) relate to accounts or disclosures that are material to the financial statements and (ii) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Impact of estimated proved oil and gas reserves on the depreciation, depletion and amortization of Oil and Gas Properties and Production Wells and Facilities

Description of the matter

As described in Note 13 to the consolidated financial statements, at December 31, 2023, Oil and Gas Properties and Production Wells and Facilities amounted \$1,719,162 thousand and had an associated depreciation, depletion and amortization (DD&A) expense for 2023 of \$259,872 thousand. As described in Note 3.2.5, DD&A of those assets is calculated using the unit-of-production method based on proved oil and gas reserves, developed and not developed as applicable, as estimated by an independent reserves engineering consultant.

Proved oil and gas reserves are those quantities of natural gas, crude oil, and natural gas liquid which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations. Judgment is required by the independent reserves engineering consultant in evaluating geological and engineering data when estimating oil and gas reserves. Estimating reserves also requires the selection and evaluation of inputs, including historical production, oil and gas price assumptions, and future operating and capital cost assumptions, among others.

Auditing the Company's DD&A calculation is complex because of the use of the work of the independent reserves engineering consultant and the evaluation of management's determination of the inputs described above used by the independent reserves engineering consultant in estimating proved oil and gas reserves.

How we addressed the matter in our audit

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over its process to calculate DD&A, including management's controls over the completeness and accuracy of the financial data provided to the independent reserves engineering consultant for use in estimating proved oil and gas reserves.

Our audit procedures included, among others, evaluating the professional qualifications and objectivity of the independent engineers and management's qualified person responsible for overseeing the preparation of the proved oil and gas reserve estimates. In addition, we evaluated the completeness and accuracy of the financial inputs described above used by the independent reserve engineering consultant in estimating proved oil and gas reserves by agreeing them to source documentation, and we identified and evaluated corroborative and contrary evidence. We also tested the mathematical accuracy of the DD&A calculation, including comparing the proved oil and gas reserves amounts used in the calculation to the certified reserve report prepared by the independent reserves engineering consultant.

Valuation of the accounts receivable and recognition of the gain for the transfer of Conventional Assets

Description of the matter

As described in Note 1.2.1 to the consolidated financial statements, the Company transferred certain Conventional Assets and recognized (a) a gain of \$89,659 thousand during the year ended December 31, 2023 on the transaction for the difference between the net disposal proceeds and the carrying amount of the net assets disposed and (b) an initial accounts receivable of \$205,730 thousand which reflects the estimated discounted funds and volumes of crude oil, natural gas and natural gas liquids to be received for the transferred Conventional Assets. Auditing the Company's recognition of the gain and the valuation of the related accounts receivable involved significant judgment given the uncertainty of the expected timing of settlement of the production. As further described in Note 3.2.7 to the consolidated financial statements, the estimation also required the evaluation of the costs of supplying the volumes of production and the applicable discount rate.

How we addressed the matter in our audit

For the valuation of the accounts receivable and recognition of the gain for the Conventional Assets transferred, our audit procedures included, among others, assessing the significant inputs used in the estimation process, such as operating cost estimates and timing of settlement assumptions. For example, we evaluated operating cost estimates by comparing the Company's estimates to recent costs. Additionally, we compared assumptions for the timing of settlements to production forecasts. We also involved our internal specialists in testing the discount rate used in the valuation. Additionally, we evaluated the related disclosures in the consolidated financial statements.

/s/ PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Member of Ernst & Young Global Limited

We have served as the Company's auditor since 2023.
City of Buenos Aires, Argentina
April 23, 2024

Report of Independent Registered Public Accounting Firm

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

Opinion on Internal Control Over Financial Reporting

We have audited Vista Energy, S.A.B. de C.V.'s (the Company) internal control over financial reporting as of December 31, 2023, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Vista Energy, S.A.B. de C.V. maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of Vista Energy, S.A.B. de C.V. as of December 31, 2023, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flow for the year then ended, and the related notes, and our report dated April 23, 2024 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ PISTRELLI, HENRY MARTIN Y ASOCIADOS S.R.L.
Member of Ernst & Young Global Limited

City of Buenos Aires, Argentina
April 23, 2024

Report of Independent Registered Public Accounting Firm

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

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Vista Energy, S.A.B. de C.V. (“the Company”) as of December 31, 2022, the related consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2022, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Change in Accounting Principle

As discussed in Note 2.6 to the consolidated financial statements, the Company has elected to change its method of accounting for the presentation of export duties in the consolidated statements of profit or loss and other comprehensive income for the years ended December 31, 2022 and 2021.

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor we were engaged to perform an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Mancera, S.C.
A member practice of
Ernst & Young Global Limited

We have served as the Company’s auditor from 2017 to 2023
Mexico City, Mexico
April 24, 2023
except for note 2.6, as to which date is April 23, 2024

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

Consolidated statements of profit or loss and other comprehensive income for the years ended December 31, 2023, 2022 and 2021

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Revenue from contracts with customers	5	1,168,774	1,187,660	665,310
Cost of sales:				
Operating costs	6.1	(94,685)	(133,385)	(107,123)
Crude oil stock fluctuation	6.2	(2,058)	(500)	(905)
Depreciation, depletion and amortization	13/14/15	(276,430)	(234,862)	(191,313)
Royalties and others	6.3	(176,813)	(188,677)	(99,364)
Other non-cash costs related to the transfer of conventional assets	11.2.1	(27,539)	—	—
Gross profit		591,249	630,236	266,605
Selling expenses	7	(68,792)	(59,904)	(42,748)
General and administrative expenses	8	(70,483)	(63,826)	(45,858)
Exploration expenses	9	(16)	(736)	(561)
Other operating income	10.1	203,812	26,698	23,285
Other operating expenses	10.2	302	(3,321)	(4,214)
(Impairment) reversal of long-lived assets	3.2.2	(24,585)	—	14,044
Operating profit		631,487	529,147	210,553
Interest income	11.1	1,235	809	65
Interest expense	11.2	(21,879)	(28,886)	(50,660)
Other financial income (expense)	11.3	(65,484)	(67,556)	(7,194)
Financial income (expense), net		(86,128)	(95,633)	(57,789)
Profit before income tax		545,359	433,514	152,764
Current income tax (expense)	16	(16,393)	(92,089)	(62,419)
Deferred income tax (expense)	16	(132,011)	(71,890)	(39,695)
Income tax (expense)		(148,404)	(163,979)	(102,114)
Profit for the year, net		396,955	269,535	50,650
Other comprehensive income				
<i>Other comprehensive income that shall not be reclassified to profit (loss) in subsequent periods</i>				
- Profit (loss) from actuarial remeasurement related to employee benefits	23	6,565	(4,181)	(4,513)
- Deferred income tax (expense) benefit	16	(2,298)	1,463	2,048
Other comprehensive income that shall not be reclassified to profit (loss) in subsequent years, net of taxes		4,267	(2,718)	(2,465)
Total comprehensive profit for the year		401,222	266,817	48,185
Earnings per share				
Basic (in US Dollars per share)	12	4.237	3.068	0.574
Diluted (in US Dollars per share)	12	4.000	2.755	0.543

Notes 1 through 33 are an integral part of these consolidated financial statements.

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

Consolidated statements of financial position as of December 31, 2023 and 2022

(Amounts expressed in thousands of US Dollars)

	Notes	As of December 31, 2023	As of December 31, 2022
Assets			
Noncurrent assets			
Property, plant and equipment	13	1,927,759	1,606,339
Goodwill	14	22,576	28,288
Other intangible assets	14	10,026	6,792
Right-of-use assets	15	61,025	26,228
Investments in associates	2.4.16	8,619	6,443
Trade and other receivables	17	136,351	15,864
Deferred income tax assets	16	5,743	335
Total noncurrent assets		2,172,099	1,690,289
Current assets			
Inventories	19	7,549	12,899
Trade and other receivables	17	205,102	90,406
Cash, bank balances and other short-term investments	20	213,253	244,385
Total current assets		425,904	347,690
Total assets		2,598,003	2,037,979
Equity and liabilities			
Equity			
Capital stock	21.1	517,874	517,873
Other equity instruments	21.1	32,144	32,144
Legal reserve	21.2	8,233	2,603
Share-based payments		42,476	40,744
Share repurchase reserve	21.2	79,324	49,465
Other accumulated comprehensive income (losses)		(4,427)	(8,694)
Accumulated profit (losses)		571,391	209,925
Total equity		1,247,015	844,060
Liabilities			
Noncurrent liabilities			
Deferred income tax liabilities	16	383,128	243,411
Lease liabilities	15	35,600	20,644
Provisions	22	12,339	31,668
Borrowings	18.1	554,832	477,601
Employee benefits	23	5,703	12,251
Total noncurrent liabilities		991,602	785,575
Current liabilities			
Provisions	22	4,133	2,848
Lease liabilities	15	34,868	8,550
Borrowings	18.1	61,223	71,731
Salaries and payroll taxes	24	17,555	25,120
Income tax liability	16	3	58,770
Other taxes and royalties	25	36,549	20,312
Trade and other payables	26	205,055	221,013
Total current liabilities		359,386	408,344
Total liabilities		1,350,988	1,193,919
Total equity and liabilities		2,598,003	2,037,979

Notes 1 through 33 are an integral part of these consolidated financial statements.

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

Consolidated statement of changes in equity for the year ended December 31, 2023

(Amounts expressed in thousands of US Dollars)

	Capital stock	Other equity instruments	Legal reserve	Share-based payments	Share repurchase reserve	Other accumulated comprehensive income (losses)	Accumulated profit (losses)	Total equity
Amounts as of December 31, 2022	517,873	32,144	2,603	40,744	49,465	(8,694)	209,925	844,060
Profit for the year	—	—	—	—	—	—	396,955	396,955
Other comprehensive income for the year	—	—	—	—	—	4,267	—	4,267
Total comprehensive income	—	—	—	—	—	4,267	396,955	401,222
Ordinary and Extraordinary General Shareholders' meeting on April 24, 2023 ⁽¹⁾ :								
Creation of legal reserve	—	—	5,630	—	—	—	(5,630)	—
Creation of share repurchase reserve	—	—	—	—	29,859	—	(29,859)	—
Share-based payments	1	—	—	1,732 ⁽²⁾	—	—	—	1,733
Amounts as of December 31, 2023	517,874	32,144	8,233	42,476	79,324	(4,427)	571,391	1,247,015

(1) See Note 21.2.

(2) Including 23,133 share-based payments (Note 8), net of tax charges.

Notes 1 through 33 are an integral part of these consolidated financial statements.

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

Consolidated 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-based payments	Share repurchase reserve	Other accumulated comprehensive income (losses)	Accumulated profit (losses)	Total equity
Amounts as of December 31, 2021	586,706	—	—	31,601	—	(5,976)	(47,072)	565,259
Profit for the year	—	—	—	—	—	—	269,535	269,535
Other comprehensive income for the year	—	—	—	—	—	(2,718)	—	(2,718)
Total comprehensive income	—	—	—	—	—	(2,718)	269,535	266,817
<i>Ordinary and Extraordinary General Shareholders' meeting on April 26, 2022</i> ⁽¹⁾ :								
Creation of legal reserve	—	—	1,255	—	—	—	(1,255)	—
Creation of share repurchase reserve	—	—	—	—	23,840	—	(23,840)	—
<i>Board of Directors' meeting on September 27, 2022</i> ⁽²⁾ :								
Reduction of capital stock	(39,530)	—	—	—	—	—	39,530	—
<i>Warrant Holders' meeting on October 4, 2022</i> ⁽²⁾ :								
Cashless exercises of warrants	—	32,144 ⁽³⁾	—	—	—	—	—	32,144
<i>Ordinary and General Shareholders' meeting on December 7, 2022</i> ⁽¹⁾ :								
Creation of legal reserve	—	—	1,348	—	—	—	(1,348)	—
Creation of share repurchase reserve	—	—	—	—	25,625	—	(25,625)	—
Share repurchase ⁽²⁾	(29,304)	—	—	—	—	—	—	(29,304)
Share-based payments	1	—	—	9,143 ⁽⁴⁾	—	—	—	9,144
Amounts as of December 31, 2022	517,873	32,144	2,603	40,744	49,465	(8,694)	209,925	844,060

(1) See Note 21.2.

(2) See Note 21.1.

(3) Including 32,894 of cashless exercise of warrant (Note 18.3 and 18.5.1), net of 750 related to expenses.

(4) Including 16,576 share-based payments (Note 8), net of tax charges.

Notes 1 through 33 are an integral part of these consolidated financial statements.

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

Consolidated statements of changes in equity for the years ended December 31, 2021

(Amounts expressed in thousands of US Dollars)

	Capital stock	Share-based payments	Other accumulated comprehensive income (losses)	Accumulated profit (losses)	Total equity
Amounts as of December 31, 2020	659,400	23,046	(3,511)	(170,417)	508,518
Profit for the year	—	—	—	50,650	50,650
Other comprehensive income for the year	—	—	(2,465)	—	(2,465)
Total comprehensive income	—	—	(2,465)	50,650	48,185
<i>Ordinary and General Shareholders' meeting on December 14, 2021</i> ⁽²⁾ :					
Reduction of capital stock	(72,695)	—	—	72,695	—
Share-based payments ⁽¹⁾	1	8,555	—	—	8,556
Amounts as of December 31, 2021	586,706	31,601	(5,976)	(47,072)	565,259

(1) Including 10,592 of share-based payments for the year ended December 31, 2021 (Note 8), net of tax charges.

(2) See Note 21.1.

Notes 1 through 33 are an integral part of these consolidated financial statements.

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

Consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Cash flows from operating activities:				
Profit for the year, net		396,955	269,535	50,650
Adjustments to reconcile net cash flows				
Items related to operating activities:				
Other non-cash costs related to the transfer of conventional assets	1.2.1	27,539	—	—
(Reversal of) allowance for expected credit losses	7 / 17	—	(36)	406
Share-based payments	8	23,133	16,576	10,592
Net (decrease) increase in provisions	10.2	(578)	2,790	1,930
Net changes in foreign exchange rate	11.3	(18,458)	(33,263)	(14,328)
Discount for well plugging and abandonment	11.3	2,387	2,444	2,546
Interest expense on lease liabilities	11.3	2,894	1,925	1,079
Discount of assets and liabilities at present value	11.3	(2,137)	2,561	2,300
Income tax expense	16	148,404	163,979	102,114
Employee benefits	23	300	502	247
Items related to investing activities:				
Gain related to the transfer of conventional assets	10.1/1.2.1	(89,659)	—	—
Impairment (Reversal) of long-lived assets	3.2.2	24,585	—	(14,044)
Gain from farmout agreement	10.1	(24,429)	(18,218)	(9,050)
Interest income	11.1	(1,235)	(809)	(65)
Changes in the fair value of financial assets	11.3	(19,437)	17,599	(5,061)
Depreciation and depletion	13/15	272,371	231,746	187,858
Amortization of intangible assets	14	4,059	3,116	3,455
Gain from assets disposal	10.1	—	—	(9,999)
Items related to financing activities:				
Interest expense	11.2	21,879	28,886	50,660
Changes in the fair value of warrants	11.3	—	30,350	2,182
Amortized cost	11.3	1,810	2,365	4,164
Remeasurement in borrowings	11.3	72,044	52,817	19,163
Other financial income (expense)	11.3	26,381	(9,242)	(4,851)
Changes in working capital:				
Trade and other receivables		(81,260)	(34,515)	12,326
Inventories	6.2	2,058	500	905
Trade and other payables		61,230	40,183	16,209
Payments of employee benefits	23	(283)	(254)	(399)
Salaries and payroll taxes		(26,441)	2,877	3,929
Other taxes and royalties		(43,507)	(8,024)	(7,311)
Provisions		(1,359)	(2,265)	(1,918)
Income tax payment		(67,213)	(74,354)	(4,296)
Net cash flows provided by operating activities		712,033	689,771	401,393

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

Consolidated statements of cash flows for the years ended December 31, 2023, 2022 and 2021

(Amounts expressed in thousands of US Dollars)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Cash flows from investing activities:				
Payments for acquisitions of property, plant and equipment		(688,437)	(479,025)	(321,286)
Payments for the acquisition of AFBN assets	29.2.5	(25,000)	(115,000)	—
Payments for acquisitions of other intangible assets	14	(7,293)	(6,030)	(1,611)
Payments for acquisitions of investments in associates		(2,176)	(3,466)	(2,977)
Prepayment of leases	17	(14,292)	—	—
Payments received from farmout agreement	10.1	26,650	20,000	10,000
Proceeds from the transfer of conventional assets	1.2.1	10,000	—	—
Interest received	11.1	1,235	809	65
Proceeds from disposal of oil and gas properties ⁽¹⁾		—	—	14,150
Cash received by AFBN assets acquisition	29.2.5	—	—	6,203
Net cash flows (used in) investing activities		(699,313)	(582,712)	(295,456)
Cash flows from financing activities:				
Proceeds from borrowings	18.2	318,169	128,788	358,093
Payment of borrowings cost	18.2	(1,779)	(1,670)	(3,326)
Payment of principal	18.2	(211,499)	(195,091)	(284,695)
Payment of interest	18.2	(22,993)	(34,430)	(54,636)
Payment of lease	15	(36,780)	(11,494)	(8,911)
Share repurchase	21.1	—	(29,304)	—
Payments of other financial cost	11.3	(25,562)	—	—
Net cash flows provided by (used in) financing activities		19,556	(143,201)	6,525
Net increase (decrease) in cash and cash equivalents		32,276	(36,142)	112,462
Cash and cash equivalents at beginning of year	20	241,956	311,217	201,314
Effect of exposure to changes in the foreign currency rate and other financial results of cash and cash equivalents		(64,716)	(33,119)	(2,559)
Net increase (decrease) in cash and cash equivalents		32,276	(36,142)	112,462
Cash and cash equivalents at end of year	20	209,516	241,956	311,217
Significant transactions that generated no cash flows				
Acquisition of property, plant and equipment through increase in trade and other payables		152,607	138,543	80,321
Disposal for transfer of conventional assets through increase in trade and other receivables	1.2.1	(116,071)	—	—
Changes in well plugging and abandonment with an impact in property, plant and equipment	13 / 22.1	(930)	(713)	2,112
AFBN assets acquisition	29.2.5	—	—	69,693
Acquisition of Mexico's exploration assets		—	—	6,174
Disposal of Mexico's exploration assets		—	—	(5,126)

(1) Including 15,000 received for the transfer of working interests in Coirón Amargo Sur Oeste ("CASO") concession (Note 29.2.6) net of 850 from payments related to the transfer of Mexico's exploration assets.

Notes 1 through 33 are an integral part of these consolidated financial statements.

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

Notes to the consolidated financial statements as of December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021
(Amounts expressed in thousands of US Dollars, except otherwise indicated)

Note 1. Group 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”.

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.

The Company mainly engages in crude oil and natural gas exploration and production (“Upstream”).

As of December 2023, the Company is the owner of the following exploitation concessions through its subsidiaries:

In Argentina

In the Neuquén basin:

- (i) 100% in the conventional exploitation concessions (not operated) as detailed below:
 - 25 de Mayo - Medanito S.E., located in the Province of Río Negro and maturing in 2026;
 - Jagüel de los Machos, located in the Province of Río Negro and maturing in 2025;
 - Entre Lomas Neuquén, Entre Lomas Río Negro, both maturing in 2026;
 - Jarilla Quemada (in Agua Amarga area); located in the Province of Río Negro and maturing in 2040; and
 - Charco del Palenque (in Agua Amarga area) located in the Province of Río Negro and maturing in 2034.

All of these areas are operated by Petrolera Aconcagua Energía S.A. (“Aconcagua”) (Note 1.2.1).

- (ii) 100% in the unconventional exploitation concessions (operated) as detailed below:
 - Bajada del Palo Oeste and Bajada del Palo Este, located in the Province of Neuquen, both maturing in 2053;
 - Aguada Federal and Bandurria Norte, located in the Province of Neuquen, both maturing in 2050.
- (iii) 84.62% in Coirón Amargo Norte conventional exploitation concession (operated); located in the Province of Neuquen, maturing in 2036.
- (iv) 90% in Águila Mora unconventional exploitation concession (operated); located in the Province of Neuquen, maturing in 2054.

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

Notes to the consolidated financial statements as of December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021 (Amounts expressed in thousands of US Dollars, except otherwise indicated)

In the Northwest basin:

- (v) 1.5% in Acambuco conventional exploitation concession (not operated), composed of two exploitation plots “San Pedrito” and “Macueca”, located in the Province of Salta, with maturing in 2036 and 2040, respectively and operated by Pan American Energy.

In Mexico

- (i) 100% in CS-01 area (operated), located in Tabasco, and maturing in 2047.

Additionally, as of December 31, 2023, the Company is the owner of the following transportation concessions through its subsidiaries:

In Argentina

- (i) 100% in the Federal transportation concession, which extend is from Borde Montuoso oilfield (in Bajada de Palo Oeste area, Province of Neuquén) to La Escondida pumping station, maturing in 2053.
- (ii) 100% in the Entre Lomas Crude oil transportation concession, which extend is from the oil pipeline connecting the crude treatment plant located in Charco Bayo oilfield in Entre Lomas area to its interconnection with the Crude oil trunk transportation system in La Escondida, maturing in 2026.
- (iii) 100% in the 25 de Mayo-Medanito S.E. crude oil transportation concession, which extend is from the oil pipeline connecting the crude treatment plant located in 25 de Mayo-Medanito S.E. area (Río Negro) to its interconnection with the Crude oil trunk transportation system in “Medanito”, maturing in 2026. This concession was signed to Aconcagua in the agreement mentioned to in Note 1.2.1.
- (iv) 100% in the Entre Lomas gas transportation concession, which extend is from the gas pipeline connecting the gas treatment plant located in Charco Bayo oilfield in Entre Lomas Area, to its interconnection with the gas trunk transportation system in the Province of Río Negro, maturing in 2026. This concession was signed to Aconcagua in the agreement mentioned to in Note 1.2.1.
- (v) 100% in the Jarilla Quemada gas transportation concession, which extend is from the gas pipeline connecting such oilfield to the Medanito-Mainqué gas pipeline, maturing in 2048. This concession was signed to Aconcagua in the agreement mentioned to in Note 1.2.1.

Its main office is located in the City of Mexico, Mexico, at Pedregal 24, floor 4, Colonia Molino del Rey, Alcaldía Miguel Hidalgo, zip code 11040.

1.2 Significant transactions for the year

1.2.1 Agreement signed with Aconcagua related to conventional assets (“transfer of conventional assets”)

On February 23, 2023, the Company approved the agreement signed by its subsidiary Vista Energy Argentina S.A.U. (“Vista Argentina”) with Aconcagua for the operations in the following concessions of the Neuquina Basin, Argentina (the “Transaction”): (i) the Entre Lomas upstream concession located in the Province of Neuquén; (ii) 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 (jointly, the “Exploitation Concessions”); (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 (jointly with the Exploitation concessions the “Concessions”).

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The Transaction consists of a two-phase operation as described below:

- The First Phase or Operating Period, which became effective on March 1, 2023, (“Effective Date”) and will remain in place until the “Closing Date”, which will be: (i) the date when Vista Argentina has received 4 (four) million barrels of crude oil and 300 (three hundred) million standard cubic meters (m³) of natural gas (9,300 kilocalories per m³); or (ii) February 28, 2027 (“Deadline”), whichever comes first.
- If Aconcagua fails to meet the aforementioned point (i), Aconcagua undertakes to pay in cash before Deadline the undelivered production according to the average price of the Neuquén Basin for the last 12 (twelve) months.
- The Second Phase will begin on Closing Date, and Vista Argentina and Aconcagua will request the Provinces of Río Negro and Neuquén (“the Provinces”) to approve the assignment of the Concessions. Thus, the Second Phase will end when the Concessions are transferred to Aconcagua through the Provinces’ approvals and the Transaction will then be formalized.

Under the terms of the Transaction, during the Operating Period, Vista Argentina maintains the ownership of the Concessions, and Aconcagua: (i) pays 26,468 in cash (10,000 on February 15, 2023, (“Signature Date”) and 10,734 and 5,734 in March 2024 and 2025, respectively); (ii) will operate the Concessions on an *as is where is* basis, and (iii) pays 100% of Vista’s share capex, operating cost, as well as assumes any other cost, including royalties and taxes related to the operation of Concessions (Note 33).

The Concession transaction is governed by a joint operating agreement between both parties. Among other issues, it is established that Vista Argentina maintains the right to explore and develop the Vaca Muerta formation in the exploitation concessions, and that it may obtain one or more independent and separate unconventional concessions to develop such resources.

In addition, the Parties signed natural gas processing and sales agreements whereby Aconcagua undertakes to provide Vista Argentina with certain additional volumes of natural gas, and to process and deliver the natural gas applicable to Vista Argentina.

Finally, if Aconcagua fails to comply with its obligations, which either in part or in full exceed 250, Vista Argentina may regain control of the Concessions.

As a consequence of the Transaction, the Company received 10,000 in cash; and recognized: (i) an initial accounts receivable for a total amount of 205,730 in “Trade and other receivables” under “Receivable related to the transfer of conventional assets” (Note 17); (ii) a disposal of 120,529 and 5,542 in “Property, plant and equipment” and “Goodwill”, respectively (Note 13 and 14), and (iii) a gain of 89,659 in “Other operating income” under “Gain related to transfer of conventional assets” (Note 10.1).

For the year ended December 31, 2023, the Company recognized 27,539 in the consolidated statement of profit or loss under “Other non-cash costs related to the transfer of conventional assets”, mainly related to the costs for supplying the volumes of crude oil, natural gas and Liquefied Petroleum Gas (“LPG”) by Aconcagua under the agreement, which were discounted from the initial credit recognized for the transaction.

Note 2. Basis of preparation and material accounting policies

2.1 Basis of preparation and presentation

The accompanying consolidated financial statements as of December 31, 2023, and 2022, and for the years ended December 31, 2023, 2022 and 2021, were prepared in accordance with the International Financial Reporting Standards (“IFRS”) and 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 consolidated financial statements were approved by management for issuance for the Company’s annual report on Form 20-F on April 23, 2024, and the subsequent events through that date are considered (Note 33).

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

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

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 after 1 January 2023.

The amendments were considered in the preparation of these consolidated financial statements.

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 after 1 January 2023.

The amendments had no impact on the Company’s consolidated financial statements as the current accounting policies are aligned to the amendments.

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 after 1 January 2023.

The amendments had no impact on the consolidated financial statements.

Amendments to IAS 12: Income tax. International Tax Reform Pillar Two Model Rules

On May 23, 2023, the IASB issued amendments to IAS 12 to apply the pillar two model rules published by the Organization for Economic Co-operation and Development (“OECD”), which establish that this model applies to multinational enterprises with revenue in excess of Euros 750 million in their consolidated financial statements.

The IASB amendments are:

- (i) A mandatory temporary exception to the deferred taxes accounting from the jurisdictional implementation of pillar two income taxes and;

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- (ii) Disclosure requirements for affected entities to help users of the financial information better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The amendments are effective for annual periods beginning on or after January 1, 2023, immediately and retrospectively, according to the principles established in IAS 8.

As the date of these financial statements, the adoption of the aforementioned amendments has not had effects since the required regulations have not been issued in the main jurisdictions in which the Company operates.

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

Amendments to IAS 1: Presentation of Financial Statements. Classification of Liabilities as Current or Non-current

In October 2022, the IASB published changes to certain paragraphs of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- (i) What is meant by a right to defer settlement;
- (ii) That a right to defer must exist at the end of the reporting period;
- (iii) That classification is unaffected by the likelihood that an entity will exercise its deferral right and;
- (iv) That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

These amendments will be effective for annual periods beginning on or after January 1, 2024, and should be applied retrospectively.

These amendments are not expected to have a major impact on the Company's consolidated financial statements.

Amendments to IAS 7: Statements of Cash Flows, and IFRS 7: Financial Instruments: Disclosures – Disclosure of Supplier Finance Arrangements

On May 25, 2023, the IASB published amendments to IAS 7 and IFRS 7 whereby it introduces new disclosure requirements in IFRS Standards to enhance the transparency and, thus, the usefulness of the information provided by entities about supplier finance arrangement. The new requirements aim to facilitate a better understanding of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

They will be effective for annual periods beginning on or after January 1, 2024.

These amendments are not expected to have a major impact on the Company's consolidated financial statements.

Amendments to IFRS 16: Leases. Recognition of lease liabilities in a sale and leaseback

In September 2022, the IASB published amendments to IFRS 16 related to the recognition of lease liabilities in a sale and leaseback. The amendment specifies the requirements that a seller-lessee should use to measure the lease liability arising in a sale to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

They will be effective for annual periods beginning on or after January 1, 2024. They are applied retrospectively, and early adoption is allowed.

They are not expected to have a major impact on the Company's consolidated financial statements since it has no sale and leaseback transactions.

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2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries.

2.3.1 Subsidiaries

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

- (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.

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.

Below are the Company's main subsidiaries:

Subsidiary name	Equity interest			Place of business	Main activity
	December 31, 2023	December 31, 2022	December 31, 2021		
Vista Energy Holding I, S.A. de C.V. ("Vista Holding I")	100%	100%	100%	Mexico	Holding company
Vista Energy Holding II, S.A. de C.V. ("Vista Holding II")	100%	100%	100%	Mexico	Exploration and production ⁽¹⁾
Vista Energy Holding III, S.A. de C.V.	100%	100%	100%	Mexico	Services
Vista Energy Holding IV, S.A. de C.V.	100%	100%	100%	Mexico	Services
Vista Oil & Gas Holding V B.V.	100%	100%	100%	Netherland	Holding company
Vista Complemento S.A. de C.V. ⁽³⁾	— %	— %	100%	Mexico	Services
Vista Holding VII S.á.r.l.	100%	100%	100%	Luxembourg	Holding company
Vista Argentina	100%	100%	100%	Argentina	Exploration and production ⁽¹⁾

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Subsidiary name	Equity interest			Place of business	Main activity
	December 31, 2023	December 31, 2022	December 31, 2021		
Aleph Midstream S.A. (“Aleph”)	100%	100%	100%	Argentina	Services ⁽²⁾
Aluvional S.A. (“Aluvional”)	100%	100%	100%	Argentina	Mining and industry
AFBN S.R.L. (“AFBN”)	100%	100%	100%	Argentina	Exploration and production ⁽¹⁾
VX Ventures Asociación en Participación	100%	100%	100%	Mexico	Holding company

(1) It refers to the exploration and production of natural gas and crude oil.

(2) Including operations related to the capture, treatment, transport and distribution of hydrocarbons and derivatives.

(3) Subsidiary merged with Vista Holding II on January 1, 2022.

2.3.2 Changes in interests

Changes in the Company’s working interests in its 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.

When the Company ceases to consolidate or book a subsidiary for loss of control, joint control or significant influence, any retained working interest in the entity is remeasured at fair value with the change in the carrying amount recognized in the statements of profit or loss and other comprehensive income. This fair value becomes the initial carrying amount for the purposes of subsequently booking retained interest as the associate, joint venture or financial asset. In addition, any amount previously recognized in other comprehensive income in relation to such entity is booked as if the Company had directly disposed of the related assets or liabilities.

This may mean that the amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the working interest in a joint venture or associate is reduced, but the entity retains the joint control or significant influence, only a proportion of the previously recognized amounts in other comprehensive income is reclassified to profit or loss.

2.3.3 Joint arrangements

According to IFRS 11 Joint Arrangements, investments are classified as joint operations or joint venture, depending on contractual rights and obligations. The Company has joint operations but has no joint venture.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control exists only when decisions about the relevant business activities require the unanimous consent of the parties that collectively control the arrangement.

When the Company carries out activities under joint operations, the Company as a joint operator, to recognize in proportion to its interest in the joint arrangement:

- (i) Its assets and liabilities held jointly;
- (ii) Its revenue from the sale of its share of the output of the joint operation;
- (iii) Its revenue from the sale of its share of the output of the joint operation; and
- (iv) Its expenses, including its share of any expenses incurred jointly.

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The Company books its assets, liabilities, revenues and expenses related to its interest in a joint operation according to the IFRS applicable to specific assets, liabilities, revenues and expenses. They were included in the consolidated financial statements in the related accounts. Interest in joint operations were based on the latest financial statements or financial information available as of every year-end considering significant subsequent events and transactions, and management information available. The financial statements or the financial information of the joint operations are adjusted, if needed, so that the accounting policies are consistent with the Company's accounting policies.

See Notes 1.1 and 29 for further information on the Company's joint operations.

2.3.4 Business combination

The acquisition method is used to book business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for these acquisitions comprises:

- (i) The fair value of transferred assets;
- (ii) The liabilities incurred to former owners of the acquired business;
- (iii) The equity interests issued by the Company;
- (iv) The fair value of any asset or liability from a contingent consideration arrangement; and
- (v) The fair value of any previously held equity interest in the subsidiary.

Identifiable assets acquired and contingent liabilities assumed in a business combination are initially measured at fair values at the date of purchase.

The costs related to the acquisition are booked as incurred expenses. Goodwill is an excess of:

- (i) The consideration transferred; and
- (ii) The fair value of net identifiable assets acquired.

If the fair value of the acquiree's net identifiable assets exceeds these amounts, before recognizing profit, the Company reassesses whether it has correctly identified all assets acquired and liabilities assumed, reviewing the procedures employed to measure the amounts to be recognized at the acquisition date. If the assessment still results in excess of the fair value of net assets acquired in relation to the total consideration transferred, gain from a bargain purchase is recognized directly in the consolidated statements of profit or loss and other comprehensive income.

When the settlement of any cash consideration is deferred, the future amounts payable is discounted at their present value at the exchange date. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained under comparable terms and conditions.

Contingent consideration will be recognized at its fair value at the acquisition date. Contingent consideration is classified as equity or as a financial liability. The amounts classified as a financial liability are remeasured at fair value with changes in fair value through the consolidated statements of profit or loss and other comprehensive income. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

When the Company acquires a business, it assesses the financial assets acquired and liabilities incurred in relation to its adequate classification and designation according to contractual terms, economic circumstances and relevant conditions as of the acquisition date.

Oil reserves and resources acquired that may be measured reliably are recognized separately at fair value upon the acquisition. Other potential reserves, resources and rights, which fair values cannot be measured reliability, are not recognized separately but are considered part of goodwill.

If the business combination is performed in stages, the previously held equity interest in the acquiree is measured at acquisition-date fair value. Profit or loss from such remeasurement is recognized in the consolidated statements of profit or loss and other comprehensive income.

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The Company has a maximum period of 12 (twelve) months from the date of acquisition to finalize the acquisition accounting. When it is incomplete as of the end of the year in which the business combination takes place, the Company reports provisional amounts.

For the years ended December 31, 2023, 2022, and 2021, transactions carried out by the Company are not business combinations.

2.4 Summary of material accounting policies

2.4.1 Segment information

The operating segments are reported in a consistent manner with the internal reports provided by the Executive Management Committee (the “Committee” that is considerate the “Chief Operating Decision Maker” or “CODM”).

The CODM is the highest decision-making authority, in charge of allocating resources and establishing the performance of the entity’s operating segments and was identified as the body executing the Company’s strategic decisions. See Note 4.

2.4.2 Property, plant and equipment and intangible assets

Property, plant and equipment

Property, plant and equipment is measured using the cost model, the asset is valued at cost less depreciation and any subsequent accumulated impairment loss.

Subsequent costs are included in the carrying amount of the asset or are recognized as a separate asset, as the case may be, only when it is probable that future economic benefits may flow to the Company and the cost of the asset may be measured reliably, otherwise such costs are charged to profit or loss during the reporting period in which they are incurred.

Works in progress are booked at cost less any impairment loss, of applicable.

Profit or loss from the sale of property, plant and equipment is calculated by comparing the consideration received with the carrying amount of the date in which the transaction was carried out.

2.4.2.1 Depreciation methods and useful lives

Estimated useful lives, residual values and the depreciation method are reviewed at every period-end, and changes are recognized prospectively. An asset is impaired when its carrying amount exceeds its recoverable amount.

The Company amortizes drilling costs applicable to productive and in development, productive wells, and production facilities, according to the unit of production method (“UDP” by Spanish acronym), applying the proportion of crude oil and natural gas produced to proved and developed crude oil and Natural gas reserves, as the case may be. The mineral properties are amortized applying the proportion of produced crude oil and natural gas to total estimated crude oil and natural gas proved reserves.

The costs of acquiring properties with unproved reserves are valued at cost, and their recoverability is assessed regularly based on geological and engineering estimates of the reserves and resources expected to be proved during the life of each concession and are not depreciated.

Capitalized costs related to the acquisition of properties and the extension of concessions with proved reserves were depreciated per field based on a UDP by applying the proportion of produced crude oil and natural gas to estimated total proved oil and gas reserves.

(Note 2.4.2.3).

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The Company's remainder items of property, plant and equipment (including significant identifiable components) are depreciated using the straight-line method based on their estimated useful lives, as detailed below:

Buildings	50 years
Machinery and installations	10 years
Equipment and furniture	10 years
Vehicles	5 years
Computer equipment	3 years

Land does not depreciate.

2.4.2.2 Assets for oil and gas exploration and production

The Company adopts the successful effort method to account for its oil and gas exploration and production activities.

This method implies the capitalization of: (i) the cost of acquiring properties in oil and gas exploration and production areas; (ii) the cost of drilling and equipping exploration wells arising from the discovery of commercially recoverable reserves; (iii) the cost of drilling and equipping development wells; and (iv) estimated well plugging and abandonment obligations.

Exploration and evaluation involve the search for hydrocarbon resources, the assessment of its technical viability and the assessment of the commercial feasibility of an identified resource.

According to the successful effort method, exploration costs such as geological and geophysical ("G&G") costs, excluding the costs of exploration wells and 3D seismic testing in operating concessions, are expensed in the period in which they are incurred.

These capitalized costs are subject to technical, commercial and administrative review, and a review of impairment indicators at every period-end. When there is sufficient management information indicating impairment, the Company conducts an impairment test according to the policies described in Note 3.2.2.

Estimated well plugging and abandonment obligations in hydrocarbon areas, discounted at a risk-adjusted rate, are capitalized in the cost of assets and are amortized using the UDP method. A liability for the estimated value of discounted amounts payable is also recognized. Changes in the measurement of these obligations as a consequence of changes in the estimated term, the cost or discount rate are added to or deducted from the cost of the related asset.

2.4.2.3 Rights and Concessions

Rights and concessions are booked as part of property, plant and equipment and are depleted on the UDP over the total proved developed and undeveloped reserves of the relevant area. The calculation of the UDP rate for the depreciation / amortization of development costs considers expenses incurred to date and authorized future development expenses.

2.4.2.4 Intangible assets

a. Goowill

Goodwill arises during a business combination and represents the excess of the consideration transferred over the fair value of net assets acquired. After initial recognition, goodwill is measured at cost less cumulative impairment losses.

To conduct impairment tests, goodwill is allocated as from acquisition date to each cash-generating unit ("CGU"), which represents the lowest level within the Company at which the goodwill is monitored for internal management purposes. Goodwill is tested once a year.

When goodwill is allocated to a CGU and part of the transaction within such unit is eliminated, goodwill related to such eliminated transaction is included in the carrying amount of the transaction to determine gain or loss on sale.

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b. Other intangible assets

Other intangible assets acquired separately are measured using the cost model; after initial recognition, the asset is valued at cost less amortization and any subsequent accumulated impairment loss.

Intangible assets are amortized using the straight-line method; software licenses are amortized over their estimated 3 (three) year useful life. The amortization of these assets is recognized in the statements of profit or loss and other comprehensive income.

The estimated useful life, residual value and amortization method are reviewed at every period-end, and changes are recognized prospectively. An asset is impaired when its carrying amount exceeds its recoverable amount.

2.4.3 Leases

The Company has lease contracts for various items of buildings, facilities and machinery, which are recognized under IFRS 16.

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., on the date when the underlying asset is available for use). Right-of-use assets are measured at cost, net of the accumulated depreciation and impairment losses, and are adjusted by the remeasurement of lease liabilities. The cost of assets includes the amount for recognized liabilities, direct costs initially incurred, and payments made until the commencement date. Unless the Company is reasonably certain that it will obtain the ownership of the leased asset at the end of the contract, these assets are depreciated under the straight-line method during the shortest of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. See Note 3.2.2 for further detail on the accounting policy to impairment of nonfinancial assets other than goodwill.

The Company recognizes lease liabilities measured at the present value of the payments to be made during the lease term. These payments include fixed payments, variable payments dependent on an index or rate, and the purchase option and the penalty payments from lease termination. The Company determines the lease term as the noncancellable lease term, together with any period covered by an option to extend the agreement if it is reasonably certain that it will exercise that option. To calculate the present value of lease payments, the Company uses the incremental borrowing rate at the lease contract.

After the commencement date, liabilities will be increased to reflect the accretion of interest and will be reduced by the payments made. In addition, the carrying amount of lease liabilities are remeasured if there is an amendment, a change in the lease term, a change in the fixed or in-substance fixed payments or a change in the assessment to buy the underlying asset.

The Company applies the exemption to recognize short-term leases (i.e., those leases for a term under 12 (twelve) months as from the commencement date with no call option). Also, the low-value asset exemption also applies to low-value items. The lease payments of low-value assets are recognized as expenses under the straight-line method during the lease term.

2.4.4 Impairment of nonfinancial assets other than goodwill

Other nonfinancial assets with a definite useful life undergo impairment tests whenever events or changes in circumstances have indicated that their carrying value may not be recoverable. When the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized for the value of the asset. An asset's recoverable amount is the higher of (i) the fair value of an asset less costs of disposal and (ii) its value in use.

Assets are tested for impairment at the lowest level in which there are separately identifiable cash flows largely independent of the cash flows of other groups of assets or CGUs. Amortized nonfinancial assets are reviewed for potential reversal of impairment at the end of each reporting period.

See Note 3.2.2 for further information on impairment of nonfinancial assets other than Goodwill.

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2.4.5 Foreign currency translation

2.4.5.1 Functional and presentation currency

The functional currency of the Company and its subsidiaries is the USD, the currency of the primary economic context in which the entity operates. To determine the functional currency, the Company makes judgments. The Company 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.

2.4.5.2 Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are accounted for at the exchange rate as of each transaction date. Foreign exchange gains and losses from the settlement of transactions and the translation at the closing exchange rate of monetary assets and liabilities denominated in foreign currency are recognized in the consolidated statements of profit or loss and other comprehensive income in “Other financial income (expense)” under “Net changes in foreign exchange rate”.

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

2.4.6 Financial instruments

2.4.6.1 Financial assets

2.4.6.1.1 Classification

(i) 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.

(ii) Financial assets at fair value

Financial assets are classified and measured at fair value through the consolidated statements of other comprehensive income if the financial assets are held in a business model whose objective is achieved by obtaining contractual cash flows and selling financial assets. However, financial assets are classified and measured at fair value through the consolidated statements of profit or loss if any of the aforementioned criteria is not met.

2.4.6.1.2 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 model for managing these assets.

2.4.6.1.3 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.

For trade and other receivables, the Company calculates an allowance for ECL at each reporting date.

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Expected credit losses in trade and other receivables are estimated on a case-by-case basis according to the debtor's history of noncompliance and an analysis of the debtor's financial position, adjusted by the general economic conditions of the industry, its current assessment and a Management forecast of conditions as of the reporting date.

The Company recognizes the impairment of a financial asset when contractual payments are more than 90 (ninety) days past due or when the internal or external information shows that it is unlikely that the pending contractual amounts be received. A financial asset is derecognized when there is no fair expectation to recover contractual cash flows.

2.4.6.1.4 Offsetting of financial instruments

Financial assets and liabilities are disclosed separately in the consolidated statement of financial position unless the following criteria are met: (i) the Company has a legally enforceable right to set off the recognized amounts, and (ii) the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. A right to set off is that available to the Company to settle a payable to a creditor by applying against it a receivable from the same counterparty.

Jurisdiction and laws applicable to relations between parties are considered upon assessing whether there is such a legally enforceable right.

2.4.6.2 Financial liabilities and equity instruments

Liabilities and equity instruments issued by the Company are classified as financial liabilities or equity according to the substance of the agreement and its definition.

(i) Financial liabilities

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

The 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 the consolidated statements of profit or loss and other comprehensive income.

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 throughout the expected life of the financial liability.

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.

Borrowings are recognized initially at fair value, net of transaction costs incurred. Financial liabilities related to purchasing value units ("UVA" by Spanish acronym) are adjusted by the benchmark stabilization coefficient ("CER" by Spanish acronym) at each closing date, recognizing the effects on "Other financial income (expense)" under "Remeasurement in borrowings".

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(ii) 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.

(iii) 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.

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2.4.7 Recognition of revenue from contracts with customers and other income

2.4.7.1 Revenue from contracts with customers

Revenue from contracts with customers related to the sale of Crude oil, Natural gas and LPG is recognized when control of the assets is transferred to the customer upon delivery of inventory. It is recognized for an amount of consideration to which the Company expects to be entitled in exchange for these assets. As of December 31, 2023, the normal credit term is 19 days for Crude oil sales and 50 days for Natural gas and LPG sales. The Company has reached the conclusion that it acts as principal in its revenue agreements because it regularly controls assets before transferring them to the customer.

In Note 5.1 revenues was broken down by (i) product type and (ii) distribution channels. All Company revenue is recognized at a point in time.

2.4.7.2 Contract balances

Contract assets

A contract asset is defined as the right to obtain a consideration in exchange for the goods or services transferred to the customer. Should goods or services be transferred before receiving the agreed-upon payment or consideration, a contract asset is recognized for the consideration received. The Company has no contract assets as of December 31, 2023 and 2022.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration. If the customer pays consideration before the Company transfers the goods or services, it recognizes a contract liability. When the Company fulfills its obligations according to the agreement, liabilities are recognized as revenue. The Company has no contract liabilities as of December 31, 2023 and 2022.

2.4.7.3 Other operating income

Other operating income is mainly included: (i) gain related to the transfer of conventional assets (Note 1.2.1); (ii) gain from Exports Increase Program (Note 2.5.1.1); (iii) gain from farmout agreement (Note 29.2.1.1 and 29.2.1.2) and; (iv) the provision of services to third parties that are not directly related to the main activity. The Company recognizes revenue over time using an input method to measure progress toward service completion because the customer simultaneously receives and consumes the benefits provided by the Company.

2.4.8 Inventories

Inventories are made up of crude oil and materials and spare parts, and they are measured at the lower of cost and net realizable value.

The cost of Crude oil inventories includes production expenses and other costs incurred in bringing the inventories to their present location and condition to make the sale. The cost of materials and spare parts is determined using the weighted average cost method.

The net realizable value is the estimated selling price in the ordinary course of business less the estimated direct costs necessary to make the sale.

The recoverable amount of these assets is assessed at each reporting date, and the resulting loss is recognized in the consolidated statements of profit or loss and other comprehensive income.

Significant materials and spare parts, that the Company expects to use in the next 12 (twelve) months, are included in "Property, plant and equipment".

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2.4.9 Cash and cash equivalents

For the presentation of the consolidated statement of cash flows, cash and cash equivalents include: (i) cash on hand in banks; (ii) demand deposits in financial institutions; and (iii) 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.

Overdrafts in checking accounts, if any, are disclosed within current liabilities in the consolidated statement of financial position. They are not disclosed in the consolidated statement of cash flows as they do not comprise the Company's cash and cash equivalents.

2.4.10 Equity

Changes in equity were accounted for according to 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 and is made up of series "A" and "C" shares.

b. Other equity instruments

The other equity instruments are related to a capital stock generated by a cashless exercise of warrants, which allows to the holders, obtains 1 (one) Series A share for each 31 (thirty-one) Warrants owned (Note 21.1).

c. Legal reserve

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

d. Share repurchase reserve

The share repurchase reserve is related to the creation of a reserve for the acquisition of the Company's own shares, which 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 ("CNBV" 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 comprehensive income comprises actuarial gains and losses for defined benefit plan remeasurement and the related tax effect.

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.

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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).

2.4.11 Employee benefits

2.4.11.1 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 and are disclosed in “Salaries and payroll taxes” current in the consolidated statement of financial position.

Costs related to compensated absences, such as vacation, are recognized as they are accrued.

In Mexico, the employees’ share in profit (“PTU, by Spanish acronym”) is paid to qualifying employees; 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 consolidated 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 3 (three) months of their current salary or the average PTU collected by the employee over the previous 3 (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.

2.4.11.2 Employee benefits

The Company maintains a defined benefit plan described in Note 23. Which are related to a series of pension benefits that an employee will receive at retirement, depending on 1 (one) or more factors, such as age, years of service and compensation. According to the conditions established in each plan, the benefit may consist of a single payment or payments supplementary to pension system payments.

The cost of employee defined benefit plans is recognized periodically according to the contributions made by the Company.

Labor cost liabilities are accumulated in the periods in which employees render the services that give rise to the consideration.

The defined benefit obligation liability recognized in the consolidated statement of financial position is the present value of the defined benefit obligation, net of the fair value of plan assets. The defined benefit obligation is calculated at least as of every year-end by independent actuaries through the projected unit credit method. The present value of the defined benefit obligation is assessed discounting estimated future cash outflows using future actuarial assumptions on the demographic and financial variables that affect the assessment of such amounts.

Actuarial profit and losses derived from changes in actuarial assumptions are recognized in other comprehensive income in the period in which they arise, and that shall not be reclassified to profit (loss) in subsequent years, likewise, the costs of past services are recognized immediately in the consolidated statements of profit or loss and other comprehensive income.

2.4.12 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.

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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, 2023, 2022 and 2021, the Company has not capitalized borrowings costs because it had no qualifying assets, except for interest on the discount at present value on lease liabilities disclosed in Note 15.

2.4.13 Provisions and contingent liabilities

The Company recognizes provisions when the following conditions are met: (i) it has a present or future obligation as a result of a past event; (ii) it is probable that an outflow of resources will be required to settle the obligation; and (iii) a reliable estimate can be made. No provisions for operating future losses are recognized.

In the case of provisions in which the time value of money is significant, as is the case of well plugging and abandonment and environmental remediation, these provisions are determined as the present value of the expected cash outflow for settling the obligation. Provisions are discounted at a post-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 consolidated statements of profit or loss and other comprehensive income.

2.4.13.1 Provision for contingencies

Provisions for contingencies are measured at the present value of the amounts 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 nonoccurrence of uncertain future events not wholly within the entity's control; or (ii) present obligations from past events that will not likely require an outflow of resources for its settlement, or which amount cannot be estimated reliably.

Contingent liabilities which probability is remote are not disclosed.

2.4.13.2 Well plugging and abandonment provision

The Company recognizes a provision for well plugging and abandonment when there is a legal or constructive obligation as a result of past events, it is probable that a cash flow will be required to settle the obligation, and the amount to be disbursed can be reliably estimated.

In general, the obligation arises when the asset is installed, or the wells of land or environment at the site is altered.

When the liability is initially recognized, the present value of estimated costs is capitalized, increasing the carrying amount of the assets related to the crude oil and natural gas extraction insofar as they were incurred for the development or construction of the well.

The other provisions from an enhanced development or construction of the crude oil and natural gas production wells and facilities increase the cost of the related asset when the liability arises.

The changes in the estimated time or cost of well plugging and abandonment are afforded a prospective treatment by booking an adjustment to the related provision and asset.

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2.4.13.3 Provision for environmental remediation

The provision for environmental remediation is recognized when it is likely that a soil remediation be conducted, and costs may be estimated reliably. Generally, the timing of recognition of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites.

The amount recognized is the best estimate of the expenditure required to settle the obligation. If the time value of money is material, the recognized value is the present value of the estimated future expense. The effect of such estimate is recognized in the consolidated statements of profit or loss and other comprehensive income.

2.4.14 Income tax

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 Argentina and Mexico stand at 35% and 30% as of December 31, 2023, 2022 and 2021, respectively. For further information, see Notes 16, 30.1 and 30.3.

2.4.14.1 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.

The Company does business in several jurisdictions and is governed by effective laws enacted by each tax authority. The final assessment of current income tax for certain transactions and calculations is uncertain as there are cases in which tax regulations are subject to Company interpretation.

2.4.14.2 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.

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.

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2.4.15 Share-based payments

The Company grants to some employees shared-based compensation; whereby 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 (Note 31).

Such cost is recognized in the consolidated statements of profit or loss and other comprehensive income in “General and administrative expenses” 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.

On March 22, 2018, the Company approved a Long-Term Incentive Plan (“LTIP”) whose goal is 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 (“SOP”) (equity-settled)

The stock option plan grants 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 specific terms and conditions. The equity-settled compensation cost is recognized in the consolidated statements of profit or loss and other comprehensive income in “General and administrative expenses” under “Share-based payments”.

(ii) Restricted stock (“RS”) (equity-settled)

The restricted stock plan grants the participant additional benefits are met through a stock option plan 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 specific terms and conditions. The equity-settled compensation cost is recognized in the consolidated statements of profit or loss and other comprehensive income in “General and administrative expenses” under “Share-based payments”.

(iii) Performance restricted stock (“PRS”) (equity-settled)

The performance restricted stock grants the participant, 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 specific terms and conditions. The equity-settled compensation cost is recognized in the consolidated statements of profit or loss and other comprehensive income in “General and administrative expenses” under “Share-based payments”.

2.4.16 Investments in associates

An associate is an entity over which the Company has significant influence, being the power to participate in the financial and operating policy decisions of the associate but not control over it. The considerations regarding control and significant influence are similar to those made by the Company in relation to its subsidiaries (Note 2.3.1).

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.

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The associates' financial statements used to apply the equity method were prepared using the same accounting period as of December 31, 2023 and 2022, and the same accounting policies employed in preparing these consolidated financial statements.

The Company's interests in the associates' net profits or losses, after acquisition, are recognized in the statements of profit or loss and other comprehensive income.

As of December 31, 2023 and 2022, the Company valued these investments at acquisition cost without recognition of the equity method for 8,619 and 6,443, respectively.

2.4.17 Going concern

The Board oversees the Group's cash position regularly and liquidity risk throughout the year to ensure that there are sufficient funds to meet expected financing, operating and investing requirements. Sensitivity tests are conducted to disclose the latest expense expectations, Crude oil and Natural 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, 2023 and 2022, the Directors asserted, upon approving the consolidated financial statements, that the Group may reasonably be expected to fulfill its obligations in the foreseeable future. Therefore, these consolidated financial statements were prepared on a going concern basis.

2.4.18 Climate-Related Matters

The consolidated financial statements include certain estimates and assumptions that could be affected by climate-related matters. Thus, the Company is required to periodically assess potential impacts based on physical risks and legal or regulatory restrictions.

Consequently, even though as of the date of issuance of these consolidated financial statements, climate-related risks have no major impact, VISTA monitors relevant changes and innovations on a permanent basis.

The Enhancement and Standardization of Climate-Related Disclosures for Investors

On March 06, 2024, the Securities and Exchange Commission ("SEC") issued the final rule on The Enhancement and Standardization of Climate-Related Disclosures for Investors. This rule mandates the disclosure of information regarding a registrant's climate-related risks that have materially impacted or are reasonably likely to have a material impact on, its business strategy, results of operations, or financial condition.

In April 2024, the SEC voluntarily stayed its climate-related disclosure rules pending judicial review by the US Court of Appeals for the Eighth Circuit of the consolidated challenges to the rules. The SEC said in its order the stay will facilitate the judicial resolution of the challenges and that it will continue to vigorously defend the rules' validity in court.

2.5 Regulatory framework

A- Argentina

2.5.1 General

2.5.1.1 Exports Increase Program

On October 3, 2023, the Department of Energy ("SE" by Spanish acronym) through Resolution No. 808/23, established that the exporters of crude oil, natural gas and by-products (that meet certain conditions) may receive 25% of the funds obtained from exports through securities acquired in foreign currency and sold in local currency.

On October 23, 2023, the Argentine Executive ("PEN" by Spanish acronym), through Necessity and Urgency Decree ("DNU" by Spanish acronym) No. 549/23, set forth the Export Increase Program, by virtue of which 30% of the funds obtained from exports may be received through securities market, effective through November 17, 2023.

On November 20, 2023, the PEN through DNU No. 597/23 amended the percentages setting 50% as the amount obtained from export to be received through the securities market, effective until December 10, 2023. It also ratified the exporters should pay duties, taxes and other items based on the exceptional and temporary countervalue related to these payments.

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On December 13, 2023, the PEN through DNU No. 28/23 amended the percentages setting 20% as the amount to be received through the securities market in foreign currency, currently in place.

For the year ended December 31, 2023, the Company recognized a gain of 81,232 in “Other operating income” under “Gain from Exports Increase Program” (Note 10.1).

2.5.2 Regulatory framework for the oil and gas activity

In Argentina, oil and gas exploration, exploitation and trade is governed by Law No. 17,319. The Law mentioned above in Section 28, regulates the activity of transporting hydrocarbons, sets forth that all operating concession holders are entitled to obtain a concession for transporting hydrocarbons.

The aforementioned Law was amended by Law No. 27,007, mainly establishing the following changes:

(i) It sets the terms for exploration permits and operating and transport concessions, distinguishing between conventional and unconventional concessions, the continental platform and territorial marine reserves;

(ii) The 12% payable as royalties still effective to the grantor by operating concessionaires on the extraction of liquid hydrocarbon byproducts in wellheads and Natural gas production. In case of an extension, additional royalties will be paid up to 3% up to a maximum 18% for the following extensions and;

(iii) It prevents the Argentine government and provinces from reserving new areas in the future in favor of public or mixed companies or entities, regardless of their legal type. Therefore, the agreements entered into by provincial companies for the exploration and development of reserved areas before the amendment are safeguarded.

However, the Province of Neuquén has its own Hydrocarbon Law No. 2,453. Hence, the Company’s assets in the Province of Neuquén are governed by such law, whereas the remainder assets located in the Provinces of Río Negro and Salta follow Law No. 17,319, and its subsequent amendments.

2.5.3 Gas market

2.5.3.1 Argentine promotion plan to stimulate natural gas production: 2020-2024 supply and demand system (“Gas IV Plan”)

On November 13, 2020, through Presidential Decree No. 892/2020, the PEN approved Gas IV Plan, whereby it declared that the promotion of Natural gas production is both a matter of public interest and a priority.

On December 15, 2020, through Resolution No. 391/2020, the SE awarded volumes and prices, for which the Company entered into agreements with Compañía Administradora del Mercado Mayorista Eléctrico S.A. (“CAMMESA”), Integración Energética Argentina S.A. (“IEASA”) and other distribution licensees or subdistributors to supply natural gas for electric power generation and residential consumption, respectively.

Moreover, through Presidential Decree No. 730/2022 of November 3, 2022, the Argentine government replaced Presidential Decree No. 892/2020, thus extending the term of the Gas IV Plan through December 31, 2028.

On December 22, 2022, through Resolution No. 860/2022, of the SE, the Company, through its subsidiary Vista Argentina, was awarded a base volume of 0.86 Mcm/day at an annual average price of 3.29 USD/MMBTU (Millions of British Thermal Units (“MMBTU”)), applicable until December 31, 2024.

The Company was granted a permit by the SE to export natural gas to Chile according to the following volumes:

(i) 0.15 Mcm/day for the period elapsed from January through April 2022;

(ii) a variable volume for May through September 2022; and

(iii) 0.45 Mcm/day for the period elapsed from October 2022 through April 2023.

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On April 19, 2023, through Resolution No. 265/2023 of the SE, the base volume awarded to Vista was increased to 1.14 Mcm/day, maintaining the annual average price of 3.29 USD/MMBTU, applicable for a four (4) year period as from January 1, 2025.

Therefore, the Company was granted a permit by the SE to export natural gas to Chile according to the following volumes:

- (i) 0.02 Mcm/day for the period elapsed from July through September 2023;
- (ii) 0.43 Mcm/day for the period elapsed from October 2023 through April 2024;
- (iii) 0.17 Mcm/day for the period elapsed from May through September 2024;
- (iv) 0.43 Mcm/day for the period elapsed from October through December 2024; and
- (v) a variable volume until December 2024.

For the years ended December 31, 2023 and 2022, the Company received a net amount of 5,189 and 3,149, respectively.

As of December 31, 2023 and 2022, the receivables related to such plan stand at 1,245 and 3,772, respectively (Note 17).

2.5.4 Royalties and others

(i) Royalties

Royalties are governed by Law No. 17,319, as amended, and apply to the total production of conventional and unconventional concessions. Royalties are calculated by applying 12% to the selling price after discounting certain expenses with the purpose of taking the value of the cubic meter of crude oil, natural gas and LPG to wellhead prices. In addition, in case of extension of the concessions, this percentage may be increased by 3% to 18%.

(ii) Export duties

Law No. 27,541, issued in December 2019, sets the maximum rate for export duties of hydrocarbons and mining at 8%.

Royalties and export duties are recognized in the consolidated statements of profit or loss and other comprehensive income in “Cost of sales” under “Royalties and others” (Note 6.3).

B- Mexico

2.5.5 Exploration and production activities regulatory framework

In 2013, Mexico introduced several amendments to Mexico’s Constitution that led to opening Crude oil, Natural gas and energy to private investments. As part of the energy reform, Petróleos Mexicanos (“PEMEX” by Spanish acronym) transformed from a decentralized public entity into a productive state-owned enterprise.

Mexico’s Hydrocarbon Law, that preserves state property over subsoil hydrocarbons but allows private companies to assume responsibility for hydrocarbons once extracted. Therefore, empowers private-sector entities to request the granting of a permit from Mexico’s Energy Regulatory Commission (“CRE” by Spanish acronym) to store, transport, distribute, trade and sell hydrocarbons. In addition, private-sector entities can import or export hydrocarbons subject to a permit issued by Mexico’s Ministry of Energy (the “SENER” by Spanish acronym).

The National Hydrocarbon Commission (the “CNH” by Spanish acronym) conducts rounds of bid granting agreements to oil companies and business consortia. It interacts with PEMEX and private companies and manage all exploration and production (“E&P”) agreements. The agreements for the transport, storage, distribution, compression, liquefaction, decompression, regassification, trade and sale of Crude oil, oil byproducts and Natural gas are granted by the CRE.

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As part of the reform process mentioned above, the Mexican government gradually lifted controls of gasoline and diesel prices as part of Mexico's fuel price deregulation. Therefore, as of the date of issuance of these consolidated financial statements, gasoline and diesel selling prices are fully deregulated and determined by the market.

2.5.6 Royalties and others

The consideration payable to the Mexican government will be made up of:

(i) Contractual installment for exploration phase

It applies to the areas that do not have a development plan approved by the CNH and it is calculated monthly using the instalment established for each square kilometer comprising the areas covered by the contract.

(ii) Royalties

Royalties apply to the concessions' total output and are calculated by applying the contractual percentage to the selling price. The contractual percentage is 45%, which will be adjusted as established in the contract. There is also a variable royalty, which will be applied to each type of hydrocarbon by applying the related rate to the selling price. Royalties are included in the consolidated statements of profit or loss and other comprehensive income in "Cost of sales" under "Royalties and others" (Note 6.3).

2.6 Comparative Information

In these consolidated financial statements as of December 31, 2023, the Company has made a change in the "Export Duties" presentation in the "Royalties and others" (Note 6.3), which was previously included in "Revenues from contract with customers".

The comparative information for the years ended December 31, 2022 and 2021, has been reclassified to ensure consistent filing with the consolidated financial statements as of December 31, 2023.

"Revenues from contract with customers" and "Royalties and others" increased by 43,840 and 13,123 for the years ended December 31, 2022 and 2021, respectively.

These changes had no effect on the net profit for the years ended December 31, 2022 and 2021.

Note 3. Significant accounting judgements estimates and assumptions

Preparing the consolidated financial statements requires that the Company make future judgments and estimates, apply significant accounting judgments and make assumptions that affect the application of accounting policies and the figures for assets and liabilities, revenue and expenses.

The estimates and judgments used in preparing the consolidated financial statements are constantly evaluated and are based on the historical experience and other factors considered to be fair in accordance with current circumstances. Future profit (loss) may differ from the estimates and evaluations made as of the date of preparation of these consolidated financial statements.

3.1 Significant judgments in the application of accounting policies

Below are the significant judgments other than those involving estimates (Note 3.2) that Management made in applying the Company's accounting policies and that have a material impact on the figures recognized in the consolidated financial statements.

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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 liability, employing the criteria mentioned in Note 22.3; hence, Management makes estimates mainly with the legal counsel's assistance based on information available as of the date of the consolidated financial statements and the litigation, resolution or settlement strategies.

Contingencies include pending lawsuits or claims for potential damage or third-party claims in the Company's ordinary course of business and third-party claims from disputes related to the interpretation of applicable legislation.

3.1.2 Environmental remediation

The costs incurred in limiting, neutralizing or preventing environmental pollution are capitalized only if at least one of the following conditions is met: (i) these costs are related to security improvements; (ii) environmental pollution risk is prevented or limited; or (iii) the costs incurred in preparing assets for sale and the carrying amount (which considers these costs) of these assets does not exceed the related recovery value.

The liabilities related to future remediation costs are booked when, based on environmental assessments, the likelihood of occurrence of these liabilities is high and costs may be reasonably estimated. The actual recognition and amount of these provisions is generally based on the commitments acquired by the Company to realize them, such as an approved remediation plan or the sale or disposal of an asset. The provision is recognized on the basis that the future remediation commitment will be required.

The Company measures liabilities based on the best estimate of the present value of future costs using the information currently available and by applying current environmental laws and regulations and the Company's existing environmental policies.

3.1.3 Business combinations

The acquisition method implies the measurement at fair value of identifiable assets acquired and liabilities assumed in a business combination at acquisition date.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create an output. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with necessary skills, knowledge or experience to perform that processes or else it significantly contributes to the ability to produce outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs. In cases where an oil and gas property acquisition transaction does not compliance the above conditions, the Company considers that it must be recognized as an asset acquisition.

When the Company determines that it has acquired a business, to determine the fair value of identifiable assets, the Company uses the valuation approach that is most representative for each asset. These methods are the (i) income approach through indirect cash flows (net present value of expected future cash flows) or through the multi-period excess earnings method; (ii) cost approach (replacement value of the asset adjusted by loss due to physical impairment, functional and economic obsolescence); and (iii) market approach through a comparable transaction method.

Also, to determine the fair value of liabilities assumed, the Company considers the likelihood of cash outflows that will be required for each contingency and calculates the estimates with the legal counsel's assistance based on available information and the litigation and resolution/settlement strategy.

Management significant judgment is required to choose the approach to be used and estimate future cash flows. Actual cash flows and values may differ significantly from expected future cash flows and the related values obtained through the aforementioned valuation techniques.

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3.1.4 Joint arrangements

The Company assesses whether it has joint control on an arrangement, which requires assessing activities and decisions about these relevant activities that require unanimous consent. The Company determined that the relevant activities for joint arrangements are those related to operating decisions, including the approval of the annual work program and operating expenses; the budget; and the approval of service suppliers. The considerations made to assess joint control are the same as those needed to determine control on subsidiaries as established in Note 2.3.1.

Judgment is also required to classify a joint arrangement. Which requires that the Company assess its rights and obligations under the agreement.

3.1.5 Functional currency

The functional currency of the Company and its subsidiaries is the USD (Note 2.4.5.1), the currency of the primary economic context in which the entity operates. To determine the functional currency, the Company makes judgments. The Company reconsiders the functional currency in the event of a change in conditions that may determine the primary economic context.

3.2 Key sources of uncertainty in estimates

Below are the main estimates that entail significant impact in the Company's assets and liabilities:

3.2.1 Impairment of goodwill

Goodwill is reviewed annually for impairment or more frequently if there are events or changes in circumstances showing that the recoverable amount of the CGU related to goodwill should be analyzed. Whether goodwill is impaired is assessed by considering the recoverable amount of the CGUs to which it is allocated. Impairment is recognized when the recoverable amount of the CGU is lower than its carrying amount (including goodwill).

The Company has goodwill for 22,576 and 28,888 in the consolidated statement of financial position as of December 31, 2023 and 2022 (Note 14) related to the initial business combination.

The assessment of whether goodwill of a CGU or group of CGUs is impaired involves Management estimates on highly uncertain matters, including the assessment of the appropriate group of CGUs for goodwill impairment testing. The Company supervises goodwill for internal management purposes based on its only business segment.

Upon testing goodwill for impairment, the Company uses the approach described in Note 3.2.2.

No goodwill impairment losses were recognized as of December 31, 2023, 2022 and 2021.

3.2.2 Impairment of nonfinancial assets other than goodwill

Nonfinancial assets, including identifiable intangible assets, are tested for impairment at the lowest level in which there are separately identifiable cash flows largely independent of the cash flows of other groups of assets or CGUs.

In Argentina, oil and gas properties were grouped as detailed below:

- As of December 31, 2023, (i) operated exploitation concessions of unconventional oil and gas exploration and production; and (ii) non-operating concessions of conventional oil and gas exploration and production.

- As of December 31, 2022, (i) operated exploitation concessions of conventional oil and gas exploration and production; (ii) operated concessions of unconventional oil and gas exploration and production; and (iii) non-operating concessions of conventional oil and gas exploration and production.

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The Company also identified only 1 (one) CGUs in Mexico: (i) operated exploitation concessions of conventional oil and gas exploration and production, as of December 31, 2023 and 2022.

To assess whether there is evidence that a CGU may be impaired, external and internal sources of information are analyzed, provided that the events or changes in circumstances show that the book value of an asset or CGU may not be recovered. Some examples of these events are changes in the Group's business plans, physical damage testing, or, in the case of oil and gas assets, decrease of estimated reserves or increases in estimated future development expenses or dismantling costs, the behavior of Crude oil international prices and demand, the regulatory framework, expected capital investments and changes in demand. Should there be an indication of impairment, the Company estimates the recoverable amount of the asset or CGU.

The recoverable amount of a CGU is the highest of (i) its fair value less selling price or costs of disposal, and (ii) its value in use. When the carrying amount of a CGU exceeds its recoverable amount, the CGU is deemed impaired, and it is reduced to its recoverable amount. Due to the nature of the Company's activities, the information on the fair value less selling price of an asset or CGU is usually difficult to obtain unless negotiations are underway with potential buyers or similar transactions. Consequently, unless otherwise stated, the recoverable amount used in impairment testing is the value in use.

The value in use of each CGU is estimated using the present value of future net cash flows. Each CGU's business plans, which are approved annually by the Company, are the main sources of information to determine the value in use.

As the initial step in drafting these plans, the Company establishes different assumptions on market conditions, such as Crude oil, Natural gas and LPG prices. These assumptions consider existing prices, the balance between global supply and demand of Crude oil and Natural gas. Upon assessing the value in use, estimated future cash flows are adjusted to consider the specific risks of the group of assets and are discounted at present value using a discount rate before taxes that reflects the current market assessments of the time value of money.

The Company assesses whether there is an indication that previously recognized impairment losses have reversed or decreased as of each reporting date. A previously recognized impairment loss is reversed only if there has been a change in the estimates used in determining the recoverable amount of the asset.

The assessment of whether an asset or CGU is impaired and to which extent involves Company estimates on highly uncertain issues such as discount rates, production profiles, reserves and resources and commodity future prices. It requires that assumptions be made when assessing the proper grouping of items of property, plant and equipment in a CGU. Actual cash flows and values may differ significantly from expected future cash flows and related amounts obtained using discount techniques, which could create major changes in the accounting values of the Group's assets.

As of December 31, 2023, the Company identified impairment indicators, mainly resulting from the decline in the international price of crude oil in Mexico and local price of natural gas in Argentina. Therefore, the Company performed an impairment testing; using estimated cash flows per CGU, to determine the recoverable amount of the long-lived assets and compare it against carrying amount of CGU.

As result of the analysis performed, for the year ended December 31, 2023, the Company recorded an impairment of 22,906 related to the CGU operated exploitation concessions of conventional oil and gas exploration and production in Mexico and 1,679 related to the CGU for non-operating exploitation concessions of conventional oil and gas exploration and production in Argentina.

As of December 31, 2022, the Company did not identify indications of impairment related with goodwill and nonfinancial assets other than goodwill.

For the year ended December 31, 2021, it recognized a reversal in impairment for 14,044 related to the CGU of operated concessions of conventional oil and gas exploration and production in Mexico, mainly related to the recovery of Crude oil prices and the increase in proved reserves.

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Main assumptions used

The Company's calculation of the value in use related to the aforementioned CGUs is more sensitive to the following assumptions:

	As of December 31, 2023		As of December 31, 2022		As of December 31, 2021	
	Argentina	Mexico	Argentina	Mexico	Argentina	Mexico
Discount rates (after taxes)	12.9%	6.0%	11.9%	7.9%	10.4%	6.1%
Discount rates (before taxes)	21.9%	8.2%	18.7%	11.6%	16.6%	10.0%
Prices of crude oil, natural gas and LPG						
Crude oil (USD/bbl) ⁽¹⁾						
2023	—	—	80.3	72.2	70.1	63.0
2024	82.4	73.4	92.8	88.3	70.5	63.5
2025	79.0	70.9	84.0	79.9	65.9	58.9
2026	72.6	64.5	79.3	78.3	64.6	58.9
As from 2027	66.4	61.3	79.3	78.3	64.6	58.9
Natural gas-local prices (USD/MMBTU)						
As from	2.8	3.3	3.9	3.0	3.3	3.0
LPG-local prices (USD/tn.)						
As from	296.3	—	250.4	—	300	—

(1) The prices correspond to Brent and Maya, for Argentina and Mexico, respectively.

Discount rates: Discount rates represent the present market value of the Company's specific risks considering the time value of money and the individual risks of the underlying assets that have not been considered in cash flow estimates. The discount rate is calculated based on the Company's specific circumstances and is derived from the weighted average cost of capital ("WACC") with the proper adjustments to reflect risks and determine the rate before taxes. The income tax rate used is the tax rate effective in Argentina and Mexico standing at 35% and 30%, respectively.

(i) The WACC considers the cost of debt and cost of capital and considered public market data of certain companies deemed comparable ("comparable companies") based on the industry, region and main activity.

(ii) **Prices of crude oil, natural gas and LPG:** Expected commodity prices are based on Management estimates and available market data.

The Company considered discounts for Crude oil prices based on the quality of the Crude oil produced in each CGU. The dynamics of the domestic Crude oil and liquid fuels markets in Argentina and Mexico are also considered. The changes in Brent and Maya prices were estimated using the average market analysis forecasts.

To forecast the local price of Natural gas used the average price received from gas sales in each CGU. Natural gas prices are adjusted linearly by the calorific value of gas produced in each CGU.

The Company's long-term assumption for Crude oil prices reflects the judgment the market can produce enough oil to meet global demand sustainably.

(iii) **Production and reserve volumes:** the production level and the reserves are based on the reports certified by the independent reserves engineering consultant and different risk factors were also applied to determine the expected value of each type of reserve (Note 32).

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Sensitivity to changes in assumptions

Regarding the assessment of the value in use as of December 31, 2023, and 2022, the Company considers that there are no reasonably possible changes in any of the abovementioned main assumptions that may cause the carrying amount of any CGU to exceed its recoverable amount, except for the following:

	<u>As of December 31, 2023</u>		<u>As of December 31, 2022</u>		<u>As of December 31, 2021</u>	
	<u>Argentina (1)</u>	<u>Mexico</u>	<u>Argentina (2)</u>	<u>Mexico</u>	<u>Argentina (1)</u>	<u>Mexico</u>
Discount rate		+ 10%		+ 10%		+ 10%
Carrying amount	(136)	(2,559)	—	—	(98)	(98)
Expected prices of crude oil, natural gas and LPG		- 10%		- 10%		- 10%
Carrying amount	(349)	(13,402)	(41,816)	—	(31,773)	—

(1) Related to the non-operating concessions of conventional oil and gas exploration and production CGU.

(2) Related to the operated concessions of conventional oil and gas exploration and production CGU.

The aforementioned sensitivity analysis may not be representative of the actual change in the carrying amount because it is unlikely that the change in the assumptions would occur in isolation as some assumptions may be correlated.

As of December 31, 2023, and 2022, the net carrying amount of property, plant and equipment, intangible assets and right-of-use assets is disclosed in Notes 13, 14 and 15, respectively.

3.2.3 Current and deferred income tax

3.2.3.1 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.

3.2.3.2 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, which are affected by sales and production volumes; Crude oil and Natural gas prices; operating costs; well plugging and abandonment costs; capital expenses; and the judgment on the application of tax laws effective in each jurisdiction.

Insofar as future cash flows and taxable profit substantially differ from the Group's estimates, the Group's capacity to realize net deferred tax assets booked at reporting date may be affected. Moreover, future changes in the tax laws in the jurisdictions in which the Group operates may hinder its capacity to obtain tax deductions in future periods.

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3.2.4 Well plugging and abandonment

Well plugging and abandonment at the end of the exploitation concession term requires that Company Management calculate the number of wells, the long-term costs of abandonment and the remaining time until abandonment. The technological, cost, policy, environment and safety issues change constantly and may give rise to differences between actual costs and future estimates.

Well plugging and abandonment estimates should be adjusted by the Company at least annually or in the event of changes in the assessment criteria assumed.

Well plugging and abandonment liabilities stand at 15,287 and 32,524, as of December 31, 2023, and 2022, respectively (Note 22.1).

3.2.5 Oil and gas reserves

Oil and gas items of property, plant and equipment are depreciated using the UDP method over total proved reserves (developed and not developed as applicable). Proved oil and gas reserves are those quantities of natural gas, crude oil, and natural gas liquid which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations.

The useful life of each property, plant and equipment asset is assessed at least annually considering the physical limitations of the goods and the assessments of the economically recoverable reserves in the field in which the asset is located.

There are several uncertainties in the estimate of proved reserves and future production plans, development costs and prices, including several factors that are beyond the Company's control. In estimating reserves involves a certain degree of uncertainty and depend on the quality of the engineering and geological data available as of the estimate date and their interpretation and judgment.

Reserve estimates are adjusted when it is justified by changes in the assessment criteria or at least annually. These reserves are based on the estimates certified annually by the independent reserve engineering consultant.

The Company uses the information obtained from the reserve calculation in determining the depreciation of assets used in oil and gas areas, and in assessing their recoverability (Notes 3.2.1, 3.2.2, 13 and 32).

3.2.6 Share-based payments

The fair value estimate of share-based payments requires the determination of the most appropriate valuation model, which depends on the terms and conditions of the award. This estimate also requires the assessment of the most appropriate input for the valuation model, including the remaining life of stock options, and the shares volatility.

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 31.

3.2.7 Profit related to the assignment of conventional assets

As mentioned in Note 1.2.1, the Company has recognized gain of 89,659 in "Other operating profit" under "Gain related to the transfer of conventional assets" (Note 10.1) resulting from the difference between the initial consideration and the residual value deletion of net assets included in the Transaction.

This consideration is related to the committed funds and the initial credit recognized, which is equivalent to the discounted value of the agreed-upon volumes of crude oil, natural gas and LPG to be received during the Operating Period.

For the valuation of receivables, the Company has estimated the terms and costs of supplying these volumes and the discount rate applicable.

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Note 4. Segment information

The CODM is in charge of allocating resources and assessing the performance of the operating segment. It supervises operating profit (loss) and the performance of the indicators related to its oil and gas properties on an aggregate basis to make decisions regarding the location of resources, negotiate with international suppliers and determine the method for managing contracts with customers.

The CODM considers as a single segment the exploration and production of crude oil, natural gas and LPG (including E&P commercial activities), through its own activities, subsidiaries and interests in joint operations and based on the nature of the business, customer portfolio and risks involved. The Company aggregated no segment as it has only one.

For the years ended December 31, 2023, 2022, and 2021, the Company generated 99% and 1% of its revenues related to assets located in Argentina and Mexico, respectively.

The accounting criteria used by the subsidiaries to measure profit or loss, assets and liabilities of the segments are consistent with those used in these consolidated financial statements.

The following chart summarizes noncurrent assets per geographical area:

	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
Argentina	2,122,735	1,638,973	1,260,851
Mexico	49,364	51,316	47,837
Total noncurrent assets	2,172,099	1,690,289	1,308,688

Note 5. Revenue from contracts with customers

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Goods sold	1,168,774	1,187,660	665,310
Total revenue from contracts with customers	1,168,774	1,187,660	665,310
Recognized at a point in time	1,168,774	1,187,660	665,310

The Company's transactions and main revenue are described in Note 2.4.7. Revenue is derived from contracts with customers.

5.1 Information broken down by revenue from contracts with customers

Type of products	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Revenues from crude oil sales	1,097,316	1,113,411	606,183
Revenues from natural gas sales	67,290	68,663	54,301
Revenues from LPG sales	4,168	5,586	4,826
Total revenue from contracts with customers	1,168,774	1,187,660	665,310

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Distribution channels	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Exports of crude oil	642,155	604,977	195,279
Local crude oil for refineries	455,161	508,434	410,904
Exports of natural gas	20,359	13,531	169
Local natural gas for industries	19,606	20,093	17,320
Local natural gas for retail distribution companies	17,639	18,829	18,351
Local natural gas for electric power generation	9,686	16,210	18,461
LPG sales	4,168	5,586	4,826
Total revenue from contracts with customers	1,168,774	1,187,660	665,310

The Company's performance obligations are related to the transfer of goods to customers. The E&P business involves all the activities related to Crude oil and Natural gas exploration, development and production. Revenue is mainly derived from the sale of produced Crude oil, Natural gas and LPG to third parties at a point in time.

Note 6. Cost of sales

6.1 Operating costs

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Fees and compensation for services	48,729	66,155	53,024
Salaries and payroll taxes	21,072	22,344	16,591
Employee benefits	5,926	6,481	4,877
Transport	5,214	5,963	3,274
Consumption of materials and spare parts	4,933	16,824	15,912
Easements and fees	4,547	11,427	9,572
Other	4,264	4,191	3,873
Total operating costs	94,685	133,385	107,123

6.2 Crude oil stock fluctuation

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Crude oil stock at beginning of the year (Note 19)	4,722	5,222	6,127
Less: Crude oil stock at end of the year (Note 19)	(2,664)	(4,722)	(5,222)
Total crude oil stock fluctuation	2,058	500	905

6.3 Royalties and others

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Royalties	128,723	144,837	86,241
Export duties	48,090	43,840	13,123
Total royalties and others	176,813	188,677	99,364

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Note 7. Selling expenses

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Transport	33,006	28,686	19,554
Taxes, rates and contributions	14,908	16,522	13,921
Fees and compensation for services	10,490	5,137	2,806
Tax on bank account transactions	10,388	9,595	6,061
(Reversal of) allowance for expected credit losses (Note 17)	—	(36)	406
Total selling expenses	68,792	59,904	42,748

Note 8. General and administrative expenses

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and payroll taxes	23,300	27,178	20,242
Share-based payments (Note 31)	23,133	16,576	10,592
Fees and compensation for services	11,764	9,848	7,412
Employee benefits	4,678	3,360	2,124
Institutional promotion and advertising	2,174	2,066	2,237
Taxes, rates and contributions	1,884	1,859	1,311
Other	3,550	2,939	1,940
Total general and administrative expenses	70,483	63,826	45,858

Note 9. Exploration expenses

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Geological and geophysical expenses	16	736	561
Total exploration expenses	16	736	561

Note 10. Other operating income and expenses

10.1 Other operating income

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Gain related to the transfer of conventional assets ⁽¹⁾	89,659	—	—
Gain from Exports Increase Program ⁽²⁾	81,232	—	—
Gain from farmout agreement ⁽³⁾	24,429	18,218	9,050
Other services income ⁽⁴⁾	8,492	8,480	4,236
Gain from assets disposal ⁽⁵⁾	—	—	9,999
Total other operating income	203,812	26,698	23,285

(1) See Note 1.2.1.

(2) Including 86,173 of gain, net of related costs (Note 2.5.1.1).

(3) The years ended December 31, 2023, 2022 and 2021, including 26,650 20,000 and 10,000 of payments received by Trafigura Argentina S.A. (“Trafigura”), related to the farmout agreements, net of disposals of oil and gas properties and goodwill for 2,051 and 170; 1,654 and 128, and 882 and 68, respectively (Notes 13 and 14).

(4) Services not directly related to the Company’s main activity.

(5) The year ended December 31, 2021 including: (i) 9,788 related to the transfer of the working interest in CASO (Note 29.2.6); (ii) 198 related to Mexico exploratory assets transfer (Note 29.2.7) and; (iii) 13 related to the expiration of Sur Rio Deseado Este exploitation concession (29.2.8).

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10.2 Other operating expenses

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
(Provision for) environmental remediation ⁽¹⁾ (Note 22.2)	(485)	(2,133)	(1,029)
Restructuring and reorganization expenses ⁽²⁾	(276)	(531)	(2,284)
Reversal of (provision for) materials and spare parts obsolescence ⁽¹⁾	1,132	(278)	(249)
(Provision for) contingencies ⁽¹⁾ (Note 22.3)	(69)	(379)	(652)
Total other operating expenses	302	(3,321)	(4,214)

(1) These transactions did not generate cash flows.

(2) The Company booked restructuring expenses including payments, fees and transaction costs related to the changes in the Group's structure.

Note 11. Financial income (expense), net

11.1 Interest income

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Financial interest	1,235	809	65
Total interest income	1,235	809	65

11.2 Interest expense

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Borrowings interest (Note 18.2)	(21,879)	(28,886)	(50,660)
Total interest expense	(21,879)	(28,886)	(50,660)

11.3 Other financial income (expense)

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Amortized cost (Note 18.2)	(1,810)	(2,365)	(4,164)
Changes in the fair value of warrants (Note 18.5.1)	—	(30,350)	(2,182)
Net changes in foreign exchange rate	18,458	33,263	14,328
Discount of assets and liabilities at present value	2,137	(2,561)	(2,300)
Changes in the fair value of financial assets	19,437	(17,599)	5,061
Interest expense on lease liabilities (Note 15)	(2,894)	(1,925)	(1,079)
Discount for well plugging and abandonment (Note 22.1)	(2,387)	(2,444)	(2,546)
Remeasurement in borrowings ⁽¹⁾	(72,044)	(52,817)	(19,163)
Other ⁽²⁾	(26,381)	9,242	4,851
Total other financial income (expense)	(65,484)	(67,556)	(7,194)

(1) Related to corporate bonds ("ON" by its Spanish acronym) in UVA adjusted by CER (Note 18.2).

(2) For the years ended December 31, 2023 and 2022, including 819 and 2,515 from loss for ON swapping, respectively (Notes 18.1 and 18.2).

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Note 12. Earnings per share

a) Basic

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

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Profit for the year, net	396,955	269,535	50,650
Weighted average number of ordinary shares	93,679,904	87,862,531	88,242,621
Basic earnings per share	4.237	3.068	0.574

b) Diluted

Diluted earnings per share is calculated by dividing the Company's profit 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.

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Profit for the year, net	396,955	269,535	50,650
Weighted average number of ordinary shares ⁽¹⁾	99,232,919	97,830,538	93,273,978
Diluted earnings per share	4.000	2.755	0.543

⁽¹⁾ As of December 31, 2023, the Company has 95,355,432 outstanding shares (Note 21.1) that cannot exceed 98,781,028 shares.

Likewise, in accordance with IFRS the average number of ordinary shares with a potential dilutive effect amounts to 99,232,919.

As of December 31, 2023 and 2022 the Company holds 3,705,757 and 4,854,408 respectively, Series A shares to be used in the LTIP, that, on the date of this consolidated financial statements, are currently unvested. Consequently, they are not included in the weighted average number of ordinary shares to calculate diluted earnings per share.

As of December 31, 2021, the Company holds the following ordinary shares that, on the date of this consolidated financial statements, are currently out of the money. Consequently, they are not included in the weighted average number of ordinary shares to calculate diluted earnings / (loss) per share:

- i. 21,666,667 Series A shares related to 65,000,000 Series A warrants (Note 18.3);
- ii. 9,893,333 Series A shares related to 29,680,000 warrants (Note 18.3);
- iii. 1,666,667 Series A shares related to 5,000,000 securities (Forward Purchase Agreement or "FPA") (Note 18.3);
- iv. 3,957,518 Series A shares to be used in the LTIP.

There were no other transactions involving ordinary shares or dilutive potential ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.

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Note 13. Property, plant and equipment

The changes in property, plant and equipment for the year ended December 31, 2023, are as follows:

	<u>Land and buildings</u>	<u>Vehicles, machinery, facilities, computer hardware and furniture and fixtures</u>	<u>Oil and gas properties</u>	<u>Production wells and facilities</u>	<u>Works in progress</u>	<u>Materials and spare parts</u>	<u>Total</u>
Cost							
Amounts as of December 31,							
2022	10,794	43,522	513,164	1,607,895	153,948	41,958	2,371,281
Additions	—	1	—	—	636,189	98,124	734,314
Transfers	3,474	7,551	—	738,092	(666,739)	(82,378)	—
Disposals	—	(13)	(2,475) ⁽¹⁾	(930) ⁽²⁾	—	—	(3,418)
Impairment of long -lived assets ⁽³⁾	—	—	(11,982)	(16,393)	—	—	(28,375)
Disposals related to the transfer of conventional assets ⁽⁴⁾	(1,694)	(7,537)	—	(292,020)	(383)	(12,749)	(314,383)
Amounts as of December 31,							
2023	12,574	43,524	498,707	2,036,644	123,015	44,955	2,759,419
Accumulated depreciation							
Amounts as of December 31,							
2022	(300)	(15,587)	(67,947)	(681,108)	—	—	(764,942)
Depreciation	(3)	(4,921)	(13,634)	(246,238)	—	—	(264,796)
Disposals	—	10	424 ⁽¹⁾	—	—	—	434
Impairment of long -lived assets ⁽³⁾	—	—	502	3,288	—	—	3,790
Disposals related to the transfer of conventional assets ⁽⁴⁾	71	5,259	—	188,524	—	—	193,854
Amounts as of December 31,							
2023	(232)	(15,239)	(80,655)	(735,534)	—	—	(831,660)
Net value							
Amounts as of December 31,							
2023	12,342	28,285	418,052	1,301,110	123,015	44,955	1,927,759

(1) Related to the farmout agreement I and II mentioned in Note 29.2.1.1 and 29.2.1.2.

(2) Related to the re-estimation of well plugging and abandonment (Note 22.1). This transaction did not generate cash flows.

(3) See Note 3.2.2.

(4) See Note 1.2.1.

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The changes in property, plant and equipment for the year ended December 31, 2022, are as follows:

	Land and buildings	Vehicles, machinery, facilities, computer hardware and furniture and fixtures	Oil and gas properties	Production wells and facilities	Works in progress	Materials and spare parts	Total
Cost							
Amounts as of December 31,							
2021	2,709	23,070	446,291	1,174,699	91,245	27,796	1,765,810
Additions	8,550	285	—	—	433,942	97,243	540,020
Transfers	—	20,171	—	433,909	(371,239)	(82,841)	—
Disposals	(465)	(4)	(1,870) ⁽¹⁾	(713) ⁽²⁾	—	(240)	(3,292)
Incorporation for the acquisition of AFBN assets	—	—	68,743 ⁽³⁾	—	—	—	68,743
Amounts as of December 31, 2022	10,794	43,522	513,164	1,607,895	153,948	41,958	2,371,281
Accumulated depreciation							
Amounts as of December 31,							
2021	(294)	(10,834)	(53,623)	(477,077)	—	—	(541,828)
Depreciation	(17)	(4,756)	(14,540)	(204,031)	—	—	(223,344)
Disposals	11	3	216 ⁽¹⁾	—	—	—	230
Amounts as of December 31, 2022	(300)	(15,587)	(67,947)	(681,108)	—	—	(764,942)
Net value							
Amounts as of December 31, 2022	10,494	27,935	445,217	926,787	153,948	41,958	1,606,339

(1) Related to the farmout agreement I, mentioned in Note 29.2.1.1.

(2) Related to the re-estimation of well plugging and abandonment (Note 22.1). This transaction did not generate cash flows.

(3) See Note 29.2.5

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Note 14. Goodwill and other intangible assets

Below are the changes in goodwill and other intangible assets for the year ended December 31, 2023:

	<u>Goodwill</u>	<u>Other intangible assets</u>
<u>Cost</u>		
Amounts as of December 31, 2022	28,288	18,246
Additions	—	7,293
Disposals	(170) ⁽¹⁾	—
Disposals related to the transfer of conventional assets ⁽²⁾	(5,542)	(1,143)
Amounts as of December 31, 2023	22,576	24,396
<u>Accumulated amortization</u>		
Amounts as of December 31, 2022	—	(11,454)
Amortization	—	(4,059)
Disposals related to the transfer of conventional assets ⁽²⁾	—	1,143
Amounts as of December 31, 2023	—	(14,370)
<u>Net value</u>		
Amounts as of December 31, 2023	22,576	10,026

(1) Related to the farmout agreement I and II mentioned in Note 29.2.1.1 and 29.2.1.2.

(2) See Note 1.2.1.

Below are the changes in goodwill and other intangible assets for the year ended December 31, 2022:

	<u>Goodwill</u>	<u>Other intangible assets</u>
<u>Cost</u>		
Amounts as of December 31, 2021	28,416	12,216
Additions	—	6,030
Disposals	(128) ⁽¹⁾	—
Amounts as of December 31, 2022	28,288	18,246
<u>Accumulated amortization</u>		
Amounts as of December 31, 2021	—	(8,338)
Amortization	—	(3,116)
Amounts as of December 31, 2022	—	(11,454)
<u>Net value</u>		
Amounts as of December 31, 2022	28,288	6,792

(1) Related to the farmout agreement I mentioned in Note 29.2.1.1.

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Goodwill arises from the initial business combination, mainly due to the Company's capacity to tap into unique synergies from managing a portfolio of acquired oil and existing plots of land.

As of December 31, 2023, it was allocated to operated concessions of unconventional oil and gas exploration and production CGU. As of December 31, 2022, it was allocated to the following CGUs in Argentina: (i) 22,746 to operated concessions of unconventional oil and gas exploration and production; and (ii) 5,542 to operated concessions of conventional oil and gas exploration and production.

Note 15. Right-of-use assets and lease liabilities

The carrying amount of the Company's right-of-use assets and lease liabilities, as well as the changes for the years ended in December 31, 2023, and 2022, are detailed below:

	Right-of-use assets			Total lease liabilities
	Buildings	Facilities and machinery	Total	
Amounts as of December 31, 2022	986	25,242	26,228	(29,194)
Additions	—	63,336	63,336	(68,499)
Reestimation	(14)	1,450	1,436	(1,675)
Depreciation ⁽¹⁾	(584)	(29,391)	(29,975)	—
Payments	—	—	—	36,780
Interest expense ⁽²⁾	—	—	—	(7,880)
Amounts as of December 31, 2023	388	60,637	61,025	(70,468)

(1) Including the depreciation of drilling services capitalized as "Works in progress" for 22,400.

(2) Including drilling agreements capitalized as "Works in progress" for 4,986.

	Right-of-use assets			Total lease liabilities
	Buildings	Facilities and machinery	Total	
Amounts as of December 31, 2021	1,211	25,243	26,454	(27,074)
Additions	—	449	449	(449)
Reestimation	348	9,206	9,554	(9,554)
Depreciation ⁽¹⁾	(573)	(9,656)	(10,229)	—
Payments	—	—	—	11,494
Interest expense ⁽²⁾	—	—	—	(3,611)
Amounts as of December 31, 2022	986	25,242	26,228	(29,194)

(1) Including the depreciation of drilling services capitalized as "Works in progress" for 1,827.

(2) Including drilling agreements capitalized as "Works in progress" for 1,686.

In line with Note 2.4.3, short-term and low-value lease agreements were recognized under "General and administrative expenses" in the statements of profit or loss and other comprehensive income for 69, 118 and 152 for the years ended December 31, 2023, 2022, and 2021, respectively.

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Note 16. Deferred income tax assets and liabilities, and income tax expense

Deferred income tax assets and liabilities break down as follows:

	As of January 1, 2023	Profit (loss)	Other comprehensive income (loss)	As of December 31, 2023
Tax losses and other unused tax credits ⁽¹⁾	4,717	3,215	—	7,932
Provisions	4,706	(436)	—	4,270
Right-of-use assets, net	1,038	2,267	—	3,305
Employee benefit	3,909	(356)	(2,298)	1,255
Other	1,447	(1,420)	—	27
Assets for deferred income tax	15,817	3,270	(2,298)	16,789
Property, plant and equipment	(146,154)	(132,570)	—	(278,724)
Tax inflation adjustment	(108,363)	6,124	—	(102,239)
Trade and other receivables	(1,347)	(10,353)	—	(11,700)
Borrowings	(921)	(47)	—	(968)
Inventories	(898)	519	—	(379)
Short-term investments	(1,210)	1,046	—	(164)
Liabilities for deferred income tax	(258,893)	(135,281)	—	(394,174)
Deferred income tax, net	(243,076)	(132,011)	(2,298)	(377,385)

	As of January 1, 2022	Profit (loss)	Other comprehensive income (loss)	As of December 31, 2022
Tax losses and other unused tax credits ⁽¹⁾	6,972	(2,255)	—	4,717
Provisions	7,265	(2,559)	—	4,706
Employee benefit	2,913	(467)	1,463	3,909
Right-of-use assets, net	161	877	—	1,038
Other	(501)	1,948	—	1,447
Assets for deferred income tax	16,810	(2,456)	1,463	15,817
Property, plant and equipment	(150,786)	4,632	—	(146,154)
Tax inflation adjustment	(36,038)	(72,325)	—	(108,363)
Trade and other receivables	1,784	(3,131)	—	(1,347)
Short-term investments	(1,925)	715	—	(1,210)
Borrowings	(1,225)	304	—	(921)
Inventories	(1,269)	371	—	(898)
Liabilities for deferred income tax	(189,459)	(69,434)	—	(258,893)
Deferred income tax, net	(172,649)	(71,890)	1,463	(243,076)

⁽¹⁾ As of December 31, 2023 and 2022, the Company has recognized Net Operating Loss (“NOL”) based on the analysis of expected future taxable income in the following years, generated in Argentina and Mexico.

Deferred income tax assets and liabilities are offset in the following cases: (i) when there is a legally enforceable right to offset tax assets and liabilities; and (ii) when deferred income tax charges are related to the same tax authority. The following amounts, are disclosed in the consolidated statement of financial position:

	As of December 31, 2023	As of December 31, 2022
Deferred income tax assets, net	5,743	335
Deferred income tax assets, net	5,743	335

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	As of December 31, 2023	As of December 31, 2022
Deferred income tax liabilities, net	383,128	243,411
Deferred income tax liabilities, net	383,128	243,411

Income tax breaks down as follows:

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
<u>Income tax</u>			
Current income tax	(16,393)	(92,089)	(62,419)
Deferred income tax	(132,011)	(71,890)	(39,695)
Income tax (expense) charged in the statement of profit or loss	(148,404)	(163,979)	(102,114)
Deferred income tax charged to other comprehensive income	(2,298)	1,463	2,048
Total income tax (expense)	(150,702)	(162,516)	(100,066)

For the years ended December 31, 2023, 2022 and 2021, the Company's effective rate was 27%, 38% and 67%, respectively. The differences between the effective and statutory rate mainly include: (i) the application of the tax adjustment for inflation in Argentina; (ii) the depreciation of the Argentine peso ("ARS") with respect to the USD affecting the Company's tax deductions of nonmonetary assets; and (iii) the accumulative tax losses not recognized in the period.

Below is the reconciliation between income tax expense and the amount resulting from the application of the tax rate to profit income tax:

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Profit before income tax	545,359	433,514	152,764
Effective income tax rate	30%	30%	30%
Income tax at the effective tax rate pursuant to effective tax regulations	(163,608)	(130,054)	(45,829)
Items that adjust income tax (expense) / benefit:			
Nondeductible expenses	(13,328)	(18,735)	(6,600)
Inflation adjustment	(146,077)	(153,517)	(98,348)
Effect on the measurement of monetary and nonmonetary items at functional currency	196,841	169,058	86,724
Unrecognized tax losses and other assets	(7,156)	(15,568)	(4,047)
Effect of tax losses ⁽¹⁾	—	—	31,232
Effect related to statutory income tax rate change ⁽²⁾	—	—	(67,312)
Difference in income tax estimate prior year	1,695	6,358	—
Application of tax credits	16,077	6,229	9,710
Effect related to the difference in tax rate other than Mexican statutory rate	(34,317)	(25,762)	(7,637)
Other	1,469	(1,988)	(7)
Total income tax (expense)	(148,404)	(163,979)	(102,114)

(1) For the year ended December 31, 2021, see Note 16.1.

(2) For the year ended December 31, 2021, mainly include effects in Note 30.1.

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As of December 31, 2023 and 2022, the Company and some subsidiaries in Mexico carry accumulated tax losses not recognized 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, 2023	As of December 31, 2022	As of December 31, 2021
2027	6,185	5,166	4,499
2028	72,643	60,727	51,618
2029	32,126	27,113	13,781
As from 2030	83,735	36,203	7,903
Total accumulated tax losses not recognized	194,689	129,209	77,801

Income tax liabilities break down as follows:

	As of December 31, 2023	As of December 31, 2022
<u>Current</u>		
Income tax, net of withholdings and prepayments	3	58,770
Total current	3	58,770

16.1 Current income tax

The reform introduced by Law No. 27,541 in Argentina set forth that, for fiscal years beginning January 1, 2021, 100% of the adjustment for inflation be deducted or levied in the year in which it is determined (Note 30.1).

For the fiscal year ended December 31, 2021, such adjustment for inflation generated a significant increase in the income tax base of Vista Argentina, a Company's subsidiary, due to the disparity between the changes in the Consumer Price Index ("IPC", by Spanish acronym) and the exchange rate during such period.

The Company considers that the application of this adjustment for inflation violates constitutional rights, principles and guarantees, as it levies fictitious profit, thus increasing the tax burden in a way which is constitutionally inadmissible pursuant to case law issued by the Argentine Supreme Court of Justice.

In addition, in this context, Vista Argentina recognized the effects of inflation upon applying accumulated tax losses to the income tax base for the year ended December 31, 2021.

Note 17. Trade and other receivables

	As of December 31, 2023	As of December 31, 2022
<u>Noncurrent</u>		
Other receivables:		
Prepayments, tax receivables and other:		
Receivables related to the transfer of conventional assets ⁽¹⁾	70,526	—
Midstream prepaid expenses ⁽²⁾	34,660	—
Prepaid expenses and other receivables ⁽³⁾	27,414	13,630
Value added tax ("VAT")	462	940
Turnover tax	5	493
	133,067	15,063

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	As of December 31, 2023	As of December 31, 2022
Financial assets:		
Receivables from joint operations	2,936	—
Loans to employees	348	801
	3,284	801
Total noncurrent trade and other receivables	136,351	15,864
Current		
Trade:		
Oil and gas accounts receivable (net of allowance for expected credit losses)	59,787	38,978
	59,787	38,978
Other receivables:		
Prepayments, tax credits and other:		
Receivables related to the transfer of conventional assets ⁽¹⁾	86,043	—
VAT	19,713	22,939
Income tax	13,409	2,921
Prepaid expenses and other receivables	9,381	13,864
Turnover tax	385	634
	128,931	40,358
Financial assets:		
Accounts receivable from third parties	7,804	2,172
Receivables from joint operations	6,581	3,854
Gas IV Plan (Note 2.5.3.1)	1,245	3,772
Advances to directors and loans to employees	557	444
Other	197	828
	16,384	11,070
Other receivables	145,315	51,428
Total current trade and other receivables	205,102	90,406

(1) Related to the accounts receivable recognized as a result of the Transaction mentioned in Note 1.2.1.

(2) Related to the Duplicar Plus Project implemented by Oleoductos del Valle S.A. ("Oldelval") (Note 28.1 and 33)

(3) As of December 31, 2023, includes 14,292 related to prepayment of leases.

Due to the short-term nature of current trade and other receivables, the carrying amount is considered similar to its fair value.

The fair values of noncurrent trade and other receivables do not differ significantly from its carrying amounts either.

As of December 31, 2023, in general accounts receivable has a 19-day term for sales of crude oil and a 50-day term for sales of natural gas and LPG.

The Company sets up a provision for trade receivables when there is information showing that the debtor is facing severe financial difficulties and that there is no realistic probability of recovery, for example, when the debtor goes into liquidation or files for bankruptcy proceedings. Trade receivables that are derecognized are not subject to compliance activities. The Company recognized an allowance for expected credit losses of 100% against all trade receivables that are 90 (ninety) days past due because based on its history these receivables are generally not recovered.

As of December 31, 2023 and 2022 the provision for expected credit losses was recorder for 52 and 231 respectively.

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The changes in the allowance for expected credit losses of trade and other receivables are as follows:

	As of December 31, 2023	As of December 31, 2022
Amounts at beginning of year	(231)	(406)
Allowances for expected credit losses (Note 7)	—	36
Foreign exchange differences	179	139
Amounts at end of year	(52)	(231)

As of the date of these consolidated financial statements, maximum exposure to credit risk is related to the carrying amount of each class of accounts receivable.

Note 18. Financial assets and liabilities

18.1 Borrowings:

	As of December 31, 2023	As of December 31, 2022
<u>Noncurrent</u>		
Borrowings	554,832	477,601
Total noncurrent	554,832	477,601
<u>Current</u>		
Borrowings	61,223	71,731
Total current	61,223	71,731
Total Borrowings	616,055	549,332

Below are the maturity dates of Company borrowings (excluding lease liabilities) and their exposure to interest rates:

	As of December 31, 2023	As of December 31, 2022
Fixed interest		
Less than 1 year	60,373	48,588
From 1 to 2 years	81,900	154,895
From 2 to 5 years	392,550	232,279
Over 5 years	55,382	65,427
Total	590,205	501,189
Variable interest		
Less than 1 year	850	23,143
From 1 to 2 years	—	—
From 2 to 5 years	25,000	25,000
Over 5 years	—	—
Total	25,850	48,143
Total Borrowings	616,055	549,332

See Note 18.5.2 for information on the fair value of the borrowings.

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The carrying amount of borrowings as of December 31, 2023 and 2022 of the Company through its subsidiary Vista Argentina, is as follows:

Company	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	As of December 31, 2023	As of December 31, 2022
Banco Galicia, Banco Itaú Unibanco, Banco Santander Rio and Citibank NA ⁽¹⁾	July, 2018	USD	150,000	Variable	LIBOR + 4.50%	July, 2023	—	69,121
Santander International	January, 2021	USD	11,700	Fixed	1.80%	January, 2026	68 ⁽²⁾ (4)	68 ⁽²⁾
Santander International	July, 2021	USD	43,500	Fixed	2.05%	July, 2026	79 ⁽²⁾ (4)	79 ⁽²⁾
Santander International	January, 2022	USD	13,500	Fixed	2.45%	January, 2027	28 ⁽²⁾ (4)	28 ⁽²⁾
ConocoPhillips Company	January, 2022	USD	25,000	Variable	SOFR ⁽³⁾ + 2.01%	September, 2026	25,850 ⁽⁴⁾	25,594
Total							26,025	94,890

(1) As of December 31, 2022, the Company should meet the following financial ratios according to the parameters defined in the loan agreement:

- (i) The ratio of consolidated net debt to consolidated EBITDA (“Earnings Before Interest, Tax, Depreciation and Amortization.”).
- (ii) The consolidated interest coverage rate as of the last day of every tax quarter. The consolidated interest coverage rate is the proportion of (a) consolidated EBITDA to (b) consolidated interest expenses for the period.

This credit facility includes covenants restricting, but not prohibiting, among other things, Vista Argentina, Vista Holding I, Vista Holding II, Aluvional and AFBN, and the Company’s ability to: (i) incur or guarantee additional debt; (ii) create liens on its assets to secure debt; (iii) dispose of assets (iv) merge or consolidate with another person or sell or otherwise dispose of all or substantially all of its assets; (v) change their existing line of business (vi) declare or pay any dividends or return any capital; (vii) make investments; (viii) enter into transactions with affiliates; and (ix) change their existing accounting practices. As of December 31, 2022, there was no non-compliance of said affirmative, negative and financial covenants.

(2) The carrying amount is related to interest, and the principal is collateralized.

(3) Secured Overnight Financing Rate (“SOFR”), which replaces LIBOR as of June 30, 2023.

(4) See Note 33.

Moreover, Vista Argentina issued ON, under the name “Programa de Notas” approved by the National Securities Commission in Argentina (“CNV” by its Spanish acronym). The following chart shows the carrying amount of ON as of December 31, 2023 and 2022:

Instrument	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	As of December 31, 2023	As of December 31, 2022
ON III	February, 2020	USD	50,000	Fixed	3.50%	February, 2024	— ⁽¹⁾	9,607
ON VI	December, 2020	USD-linked ⁽²⁾	10,000	Fixed	3.24%	December, 2024	9,997 ⁽⁵⁾	9,968
ON VII	March, 2021	USD	42,371 ⁽³⁾	Fixed	4.25%	March, 2024	—	42,200
ON VIII	March, 2021	ARS	3,054,537 ⁽⁴⁾	Fixed	2.73%	September, 2024	— ⁽¹⁾	45,185
ON X	June, 2021	ARS	3,104,063 ⁽⁴⁾	Fixed	4.00%	March, 2025	— ⁽¹⁾	40,765
ON XI	August, 2021	USD-linked ⁽²⁾	9,230	Fixed	3.48%	August, 2025	9,231 ⁽⁵⁾	9,214
ON XII	August, 2021	USD-linked ⁽²⁾	100,769	Fixed	5.85%	August, 2031	102,556 ⁽⁵⁾	102,504
ON XIII	June, 2022	USD	43,500	Fixed	6.00%	August, 2024	43,458	43,211
ON XIV	November, 2022	USD	40,511	Fixed	6.25%	November, 2025	36,484	36,408
ON XV	December, 2022	USD	13,500	Fixed	4.00%	January, 2025	13,476 ⁽⁵⁾	13,413

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Instrument	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	As of December 31, 2023	As of December 31, 2022
ON XVI	December, 2022	USD-linked ⁽²⁾	63,450	Fixed	0.00%	June, 2026	63,231	63,079
	May, 2023	USD-linked ⁽²⁾	40,785 ⁽³⁾	Fixed	0.00%	June, 2026	40,525	—
ON XVII	December, 2022	USD-linked ⁽²⁾	39,118	Fixed	0.00%	December, 2026	38,948	38,888
ON XVIII	March, 2023	USD-linked ⁽²⁾	118,542	Fixed	0.00%	March, 2027	117,979	—
ON XIX	March, 2023	USD-linked ⁽²⁾	16,458	Fixed	1.00%	March, 2028	16,396 ⁽⁵⁾	—
ON XX	June, 2023	USD	13,500	Fixed	4.50%	July, 2025	13,357 ⁽⁵⁾	—
ON XXI	August, 2023	USD-linked ⁽²⁾	70,000	Fixed	0.99%	August, 2028	69,749 ⁽⁵⁾	—
ON XXII	December, 2023	USD	14,669	Fixed	5.00%	June, 2026	14,643	—
Total ON							590,030	454,442
Total Borrowings							616,055	549,332

(1) As of December 31, 2023 the Company pre- settled ON III, VIII and X.

(2) Subscribed in USD, payable in ARS at the exchange rate applicable on maturity date.

(3) On May 29, 2023, the Company settled ON VII by: (i) issuing additional ON XVI for 40,785 (which generated no cash flows); and (ii) paid reminder principal and interests. The Company recognized 819 related to the loss from the issuance of the swap mentioned (Note 11.3).

On December 6, 2022, the Company settled ON V and IX for a total amount of 68,787, out of which: i) 60,935 issued ON XVI and; ii) 7,852 are related to the payment of principal remaining. Therefore, the Company issued ON XVI for a total amount of 63,450, out which: i) 60,935 are related to the swap mentioned above and; ii) 2,515 related to the loss from the issuance (Note 11.3).

(4) Amount in UVA, adjusted by CER (Note 11.3).

(5) See Note 33.

Under the aforementioned program, Vista Argentina may list ON in Argentina for a total principal up to 800,000 or its equivalent in other currencies at any time.

18.2 Changes in liabilities from financing activities

Changes in the borrowings were as follows:

	As of December 31, 2023	As of December 31, 2022
Amounts at beginning of year	549,332	610,973
Proceeds from borrowings ⁽¹⁾	358,954	228,614
Borrowings interest ⁽²⁾ (Note 11.2)	21,879	28,886
Payment of borrowing cost	(1,779)	(1,670)
Payment of interest	(22,993)	(34,430)
Payment of principal ⁽¹⁾	(252,284)	(294,917)
Amortized cost ⁽²⁾ (Note 11.3)	1,810	2,365
Remeasurement in borrowings ⁽²⁾ ⁽³⁾ (Note 11.3)	72,044	52,817
Changes in foreign exchange rate ⁽²⁾ ⁽³⁾	(111,727)	(45,821)
Other financial expense ⁽²⁾ (Note 11.3)	819	2,515
Amounts at end of year	616,055	549,332

(1) As of December 31, 2023, borrowings received, and principal payments include 40,785 related to the ON swapping mentioned in Note 18.1. These transactions did not generate cash flows. As of December 31, 2022, borrowings received, and principal payments include 99,826 related to the ON swapping mentioned in Note 18.1. These transactions did not generate cash flows.

(2) These transactions did not generate cash flows.

(3) Related to ON VIII and X, which amounts were in UVA and adjusted by CER. As of December 31, 2023, they were pre- settled by the Company.

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18.3 Warrants

Along with the issuance of Series A ordinary shares in the Initial Public Offering (“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 (one) Series A share representative of the capital stock of the Company for each 31 (thirty one) 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” (Note 18.5.1 and 21.1).

Thus, for the years ended December 31, 2023, and 2022, a total of 1,176,811 and 2,038,643 Series A shares were issued, respectively. They have no nominal value (Note 21.1).

As of the date of these consolidated financial statements, there are no optional stocks pending to be exercised or outstanding.

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18.4 Financial instruments by category

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

As of December 31, 2023	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value	Total financial assets/liabilities
Assets			
Plan assets (Note 23)	—	5,438	5,438
Trade and other receivables (Note 17)	3,284	—	3,284
Total noncurrent financial assets	3,284	5,438	8,722
Cash, bank balances and other short-term investments (Note 20)	35,292	156,163	191,455
Trade and other receivables (Note 17)	76,171	—	76,171
Total current financial assets	111,463	156,163	267,626
Liabilities			
Borrowings (Note 18.1)	554,832	—	554,832
Lease liabilities (Note 15)	35,600	—	35,600
Total noncurrent financial liabilities	590,432	—	590,432
Borrowings (Note 18.1)	61,223	—	61,223
Trade and other payables (Note 26)	205,055	—	205,055
Lease liabilities (Note 15)	34,868	—	34,868
Total current financial liabilities	301,146	—	301,146
As of December 31, 2022			
Assets			
Plan assets (Note 23)	—	5,703	5,703
Trade and other receivables (Note 17)	801	—	801
Total noncurrent financial assets	801	5,703	6,504
Cash, bank balances and other short-term investments (Note 20)	17,606	202,869	220,475
Trade and other receivables (Note 17)	50,048	—	50,048
Total current financial assets	67,654	202,869	270,523
Liabilities			
Borrowings (Note 18.1)	477,601	—	477,601
Lease liabilities (Note 15)	20,644	—	20,644
Total noncurrent financial liabilities	498,245	—	498,245
Borrowings (Note 18.1)	71,731	—	71,731
Trade and other payables (Note 26)	221,013	—	221,013
Lease liabilities (Note 15)	8,550	—	8,550
Total current financial liabilities	301,294	—	301,294

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

For the year ended December 31, 2023:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value	Total financial assets/liabilities
Interest income (Note 11.1)	1,235	—	1,235
Interest expense (Note 11.2)	(21,879)	—	(21,879)
Amortized cost (Note 11.3)	(1,810)	—	(1,810)
Net changes in foreign exchange rate (Note 11.3)	18,458	—	18,458
Discount of assets and liabilities at present value (Note 11.3)	2,137	—	2,137
Changes in the fair value of financial assets (Note 11.3)	—	19,437	19,437
Interest expense on lease liabilities (Note 11.3)	(2,894)	—	(2,894)
Discount for well plugging and abandonment (Note 11.3)	(2,387)	—	(2,387)
Remeasurement in borrowings (Note 11.3)	(72,044)	—	(72,044)
Other (Note 11.3)	(26,381)	—	(26,381)
Total	(105,565)	19,437	(86,128)

For the year ended December 31, 2022:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value	Total financial assets/liabilities
Interest income (Note 11.1)	809	—	809
Interest expense (Note 11.2)	(28,886)	—	(28,886)
Amortized cost (Note 11.3)	(2,365)	—	(2,365)
Changes in the fair value of warrants (Note 11.3)	—	(30,350)	(30,350)
Net changes in foreign exchange rate (Note 11.3)	33,263	—	33,263
Discount of assets and liabilities at present value (Note 11.3)	(2,561)	—	(2,561)
Changes in the fair value of financial assets (Note 11.3)	—	(17,599)	(17,599)
Interest expense on lease liabilities (Note 11.3)	(1,925)	—	(1,925)
Discount for well plugging and abandonment (Note 11.3)	(2,444)	—	(2,444)
Remeasurement in borrowings (Note 11.3)	(52,817)	—	(52,817)
Other (Note 11.3)	9,242	—	9,242
Total	(47,684)	(47,949)	(95,633)

For the year ended December 31, 2021:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at fair value	Total financial assets/liabilities
Interest income (Note 11.1)	65	—	65
Interest expense (Note 11.2)	(50,660)	—	(50,660)
Amortized cost (Note 11.3)	(4,164)	—	(4,164)
Changes in the fair value of warrants (Note 11.3)	—	(2,182)	(2,182)
Net changes in foreign exchange rate (Note 11.3)	14,328	—	14,328
Discount of assets and liabilities at present value (Note 11.3)	(2,300)	—	(2,300)
Changes in the fair value of financial assets (Note 11.3)	—	5,061	5,061
Interest expense on lease liabilities (Note 11.3)	(1,079)	—	(1,079)
Discount for well plugging and abandonment (Note 11.3)	(2,546)	—	(2,546)
Remeasurement in borrowings (Note 11.3)	(19,163)	—	(19,163)
Other (Note 11.3)	4,851	—	4,851
Total	(60,668)	2,879	(57,789)

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18.5 Fair value

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

18.5.1 Fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis

The Company classifies the measurements at fair value of financial instruments using a fair value hierarchy, which shows the relevance of the variables applied to carry out these measurements. The fair value hierarchy has the following levels:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: data other than the quoted prices included in Level 1 that are observable for assets or liabilities, either directly (that is prices) or indirectly (that is derived from prices);
- Level 3: data on the asset or liability that are based on information that cannot be observed in the market (that is, non-observable data).

The following chart shows the Company's financial assets measured at fair value as of December 31, 2023 and 2022:

As of December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Plan assets	5,438	—	—	5,438
Short-term investments	156,163	—	—	156,163
Total assets	161,601	—	—	161,601
As of December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Plan assets	5,703	—	—	5,703
Short-term investments	202,869	—	—	202,869
Total assets	208,572	—	—	208,572

The value of financial instruments traded in active markets is based on quoted market prices as of the date of these accompanying consolidated financial statements. A market is considered active when quoted prices are available regularly through a stock exchange, a broker, a specific sector entity or regulatory agency, and these prices reflect regular and current market transactions between parties at arm's length. The quoted market price used for financial assets held by the Company is the current offer price. These instruments are included in Level 1.

For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. These valuation techniques maximize the use of observable market data, when available, and minimize the use of Company's specific estimates. Should all significant variables used to establish the fair value of a financial instrument be observable, the instrument is included in Level 2.

Should one or more variables used in determining the fair value not be observable in the market, the financial instrument is included in Level 3.

There were no transfers between Level 1 and Level 2 from December 31, 2022, through December 31, 2023.

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As of December 31, 2022, 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.

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

Reconciliation of level 3 measurements at fair value:

	As of December 31, 2022	As of December 31, 2022
Amounts at beginning of year	2,544	362
Changes in the fair value of warrants (Note 11.3)	30,350	2,182
Other equity instruments (Note 18.3)	(32,894)	—
Amounts at end of year	—	2,544

18.5.2 Fair value of financial assets and liabilities that are not measured at fair value (but require fair value disclosures)

Except for the information included in the following chart, the Company considers that the carrying amounts of financial assets and liabilities recognized in the consolidated financial statements approximate to its fair values, as explained in the related notes.

	Carrying amount	Fair value	Level
As of December 31, 2023			
Liabilities			
Borrowings	616,055	516,699	2
Total liabilities	616,055	516,699	
As of December 31, 2022			
Liabilities			
Borrowings	549,332	459,122	2
Total liabilities	549,332	459,122	

18.6 Risk management objectives and policies concerning financial instruments

18.6.1 Financial risk factors

The Company's activities are exposed to several financial risks: market risk (including exchange rate risk, price risk and interest risk), credit risk and liquidity risk.

Financial risk management is included in the Company's global policies, and it adopts a comprehensive risk management policy focused on tracking risks affecting the entire Company. This strategy aims at striking a balance between profitability targets and risk exposure levels. Financial risks are derived from the financial instruments to which the Company is exposed during period-end or as of every year-end.

The Company's financial department controls financial risk by identifying, assessing and covering financial risks. The risk management systems and policies are reviewed regularly to show the changes in market conditions and the Company's activities. This section includes a description of the main risks and uncertainties, which may adversely affect the Company's strategy, performance, operational results and financial position.

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18.6.1.1 Market risk

(i) Exchange rate risk

The Company's financial position and results of operations are sensitive to exchange rate changes between USD and ARS. As of December 31, 2023 and 2022, the Company performed foreign exchange currency and the impact in the results of the year is recognized in the consolidated statement of profit or loss in "Other financial income (expense)".

Most Company revenues are denominated in USD, or the changes in sales follow the changes in USD listed price.

During the years ended December 31, 2023, and 2022, ARS depreciated by about 356% and 72%, respectively.

The following chart shows the sensitivity to a modification in the exchange rate of ARS to USD while maintaining the remainder variables constant. Impact on profit before taxes is related to changes in the fair value of monetary assets and liabilities denominated in currencies other than the USD, the Company's functional currency. The Company's exposure to changes in foreign exchange rates for the remainder currencies is immaterial.

	As of December 31, 2023	As of December 31, 2022
Changes in exchange rate	+/- 10%	+/- 10%
Effect on profit before income taxes	658 / (658)	22,938 / (22,938)
Effect on equity before income taxes	658 / (658)	22,938 / (22,938)

Inflation in Argentina

As of December 31, 2023, and 2022, the 3 (three)-year cumulative inflation rate stood at about 814%, and 300%, respectively.

(ii) Price risk

The Company's investments in financial assets classified "at fair value through profit or loss" are sensitive to the risk of changes in market prices derived from uncertainties on the future value of these financial assets.

The Company estimates that provided that the remainder variables remain constant, a revaluation (devaluation) of each market price detailed below will give rise to the following increase (decrease) in profit (loss) for the year before taxes in relation to the financial assets at fair value through profit or loss detailed in Note 18.5 to the consolidated financial statements:

	As of December 31, 2023	As of December 31, 2022
Changes in government bonds	+/- 10%	+/- 10%
Effect on profit before income tax	374 / (374)	243 / (243)
Changes in mutual funds	+/- 10%	+/- 10%
Effect on profit before income tax	15,243 / (15,243)	20,044 / (20,044)

(iii) Interest rate risk

The purpose of interest rate risk management is to minimize finance costs and limit the Company's exposure to interest rate increases.

For the years ended December 31, 2023, and 2022 the average interest rate was 100% and 57%, respectively.

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Variable-rate indebtedness exposes the Company's cash flows to interest rate risk due to the potential volatility. Fixed-rate indebtedness exposes the Company to interest rate risk on the fair value of its liabilities as they could be considerably higher than variable rates. As of December 31, 2023, and 2022, about 4% and 9% of indebtedness was subject to variable interest rates.

For the years ended December 31, 2023 and 2022, the variable interest rate of loans denominated in USD stood at 9.32% and 4.55%, respectively. For the year ended December 31, 2022, the variable rate of loans denominated in ARS stood at 36.31%.

The Company expects to lessen its interest rate exposure by analyzing and assessing (i) the different sources of liquidity available in domestic and international financial and capital markets (if available); (ii) alternative (fixed or variable) interest rates, currencies and contractual terms available for companies in a sector, industry and risk similar to the Company's; and (iii) the availability, access and cost of interest rate hedge contracts. Hence, the Company assesses the impact on profit or loss of each strategy on the obligations that represent the main positions to the main interest-bearing positions.

The Company considers that the risk of an increase in interest rates is low; therefore, it does not expect substantial debt risk.

For the years ended December 31, 2023 and 2022, the Company did not use derivative financial instruments to mitigate interest rate risks.

18.6.1.2 Credit risk

The Company establishes credit limits according to Management definitions based on internal or external ratings. It performs ongoing credit assessments on the customers' financial capacity, which minimizes the potential risk of doubtful accounts. The customer's credit risk is managed according to the Company's procedures and controls. Pending accounts receivable are monitored on a regular basis.

Credit risk represents the exposure to potential losses from customer noncompliance with the obligations assumed. This risk is mainly derived from economic and financial factors.

The Company established a reserve for expected credit losses that represents the best estimate of potential losses related to trade and other receivables.

The Company has the following credit risk concentration with respect to its interest in all receivables as of December 31, 2023, and 2022, and revenue per year.

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	As of December 31, 2023	As of December 31, 2022
Percentages to total trade receivables:		
Customers		
Raizen Argentina S.A.	41%	32%
PEMEX	21%	18%
ENAP Refinerías S.A.	18%	-%
Trafigura	7%	19%
Cinergia Chile S.p.a	1%	10%
	For the year ended December 31, 2023	For the year ended December 31, 2022
Percentages to revenue from contracts with customers per product:		
Crude oil		
Raizen Argentina S.A.	24%	20%
Trafigura	16%	26%
Trafigura Pte LTD	16%	21%
Valero Marketing and Supply Company	10%	8%
Repsol Trading USA Corp.	10%	-%
Natural gas		
Cinergia Chile S.p.a	30%	22%
CAMMESA	8%	7%
Rafael G. Albanesi S.A.	6%	8%
Generación Mediterránea S.A.	-%	9%

No other individual customer has an interest in total trade receivables or revenue exceeding 10% for the years reported.

The Company keeps no securities as insurance. It assesses risk concentration with respect to trade and other receivables as high because its customers are concentrated as detailed below.

Below is the information on the credit risk exposure of the Company's trade receivables (Note 17):

<u>As of December 31, 2023</u>	<u>To fall due</u>	<u>Less than 90 days</u>	<u>More than 90 days</u>	<u>Total</u>
Gross amount at default of oil and gas accounts receivable	57,873	1,914	52	59,839
Expected credit losses	—	—	(52)	(52)
Net amount at default of oil and gas accounts receivable				59,787
<u>As of December 31, 2022</u>	<u>To fall due</u>	<u>Less than 90 days</u>	<u>More than 90 days</u>	<u>Total</u>
Gross amount at default of oil and gas accounts receivable				
Expected credit losses	32,921	6,057	231	39,209
Net amount at default of oil and gas accounts receivable	—	—	(231)	(231)
				38,978

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The credit risk of mutual funds and other financial investments is limited since the counterparties are banks with high credit ratings. If there are no independent risk ratings, the risk control area assesses the customer's solvency based on prior experiences and other factors.

18.6.1.3 Liquidity risk

Liquidity risk is related to the Company's capacity to finance its commitments and carry out its business plans with stable financial sources, indebtedness level and the maturity profile of the financial payable. The Company's Finance department makes cash flow projections.

The Company supervises the updated projections on liquidity requirements to ensure the sufficiency of cash and liquid financial instruments to meet operating needs. These projections consider the plans to finance 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 Finance department that mainly invests the surplus in mutual funds and money market funds by choosing instruments with timely due dates and currencies and proper credit quality and liquidity to provide sufficient margin according to the aforementioned projections.

The Company diversifies its sources of funding between banks and capital markets and is exposed to refinancing risk upon expiry.

Below is the assessment of the Company's liquidity risk as of December 31, 2023, and 2022:

	As of December 31, 2023	As of December 31, 2022
Current assets	425,904	347,690
Current liabilities	359,386	408,344
Liquidity index	1.185	0.852

The following table includes an analysis of the Company's financial liabilities grouped according to their maturity dates and considering the remainder period until contractual expiry date as from the date of the consolidated financial statements.

The amounts included in the table are no discounted contractual cash flows.

	Financial liabilities except borrowings	Borrowings	Total
As of December 31, 2023			
To fall due:			
Less than 1 year	239,923	61,223	301,146
From 1 to 2 years	11,898	81,900	93,798
From 2 to 5 years	16,120	417,550	433,670
Over 5 years	7,582	55,382	62,964
Total	275,523	616,055	891,578
As of December 31, 2022			
To fall due:			
Less than 1 year	229,563	71,731	301,294
From 1 to 2 years	5,147	154,895	160,042
From 2 to 5 years	9,998	257,279	267,277
Over 5 years	5,499	65,427	70,926
Total	250,207	549,332	799,539

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18.6.1.4 Other risks

Access to the foreign exchange market in Argentina

Below is the regulatory framework established by the Central Bank of Argentina (“BCRA” by Spanish acronym) during the years ended December 31, 2023 and 2022, whereby it introduced certain restrictions and adjustments on hoarding and consumption of currencies other than the Argentine peso, and for the acquisition of currency that may be accessed by the Company:

(i) Communiqué “A” 7532, as supplemented

On June 27, 2022, through Communiqué “A” 7532, the BCRA introduced as an additional requirement for customer transactions subject to the comprehensive system for monitoring foreign payments of services (“SIMPES” by Spanish acronym) that the entity may provide access to the foreign exchange market insofar as any of the following conditions is met:

(a) the Company has the customer’s sworn statement evidencing that the accumulated amount (including the payment to be made and those made by the client through the foreign exchange market for the items subject to the SIMPES in the current

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calendar year) does not exceed the amount that arises from considering: (i) the proportional portion, accrued through the current month, of all payments made by the importer in 2021 for all items included. Should the latter be smaller than 50,000 (fifty thousand), this amount or the annual cap will be used, whichever lower (ii) less the amount outstanding to date for letters of credit or endorsed bills in its name by local financial entities for service imports;

(b) The payment meets the following conditions: (i) it may be classified under the methods provided for in points 3.18 and 3.19 of the revised foreign trade and foreign exchange regulations; (ii) it is related to items “S08. Prima de seguros” (insurance premiums) and “S09. Pago de siniestros” (claim payment), and (iii) it is made within 180 (one hundred and eighty) days as from the actual service provision.

However, Communiqué “A” 7547, of July 14, 2022, reduces the term to 60 (sixty) calendar days in case of services hired from non-residents by companies in the energy sector to meet their operating needs.

(c) The customer (i) gains access simultaneously by settling a new financial payable abroad with an average life no less than 180 (one hundred and eighty) days and at least 50% of principal falls due after the actual service provision plus 90 (ninety) days; (ii) gains access with funds from financing of service imports granted by a local financial institution from a trade credit line abroad with an average life no less than 180 (one hundred and eighty) days and at least 50% of principal falls due after the actual service provision plus 90 (ninety) days.

As of the date of issuance of these consolidated financial statements, Communiqué “A” 7532, as amended, remains effective.

(ii) Communiqué “A” 7552, as supplemented

On July 21, 2022, through Communiqué “A” 7552, the BCRA included the holding of Argentine certificates of deposit (“CEDEARs” by Spanish acronym) in the availability cap of 100,000 (one thousand) for those who access the official foreign exchange market.

The Company should also have a sworn statement detailing the natural or artificial persons who exert a direct control over the customer, and the evidence of the day when market access is requested, validating that in the previous 90 (ninety) calendar days in the case of securities issued under Argentine laws, and 180 (one hundred and eighty) calendar days in the case of securities issued under foreign laws: (a) it has not sold in Argentina securities settled in foreign currency; (b) it has not swapped securities issued by residents for external assets; (c) it did not transfer securities to entities abroad; (d) it has not acquired in Argentina securities issued by non-residents settled in Argentine pesos; (e) it has not acquired CEDEARs representative of foreign shares; (f) it has not acquired securities representative of private debt issued abroad; (g) it has not delivered funds in local currency or other local assets, (except for funds in foreign currency deposited in local financial institutions) to any natural or artificial person, resident or not, related or not receiving, as prior or subsequent consideration, either directly or indirectly, on its own or through an affiliate, controlled or parent company, external assets, cryptocurrency or securities deposited abroad.

To prepare these tax returns, the following should not be considered: (i) the transfers of securities to foreign entities made by the client to swap debt securities issued by the Argentine government, or resident issuers in the private sector provided that the client undertakes to file the related certificate for the debt securities swapped; (ii) the delivery of local assets to settle a payable to a financial institution abroad, and/or (iii) the sales of securities acquired in foreign currency in Argentina or abroad when all the funds obtained from such settlements are used, or will be used, for the following transactions within 10 (ten) calendar days:

a) Payments at maturity of principal or interest to foreign parties made as from October 2, 2023, which provides for at least one-year grace period for principal payment.

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- b) Capital and income repatriation related to direct investments by non-residents received as from October 2, 2023, to the extent that the funds are repatriated at least 1 (one) year after the capital contribution in agreement with the legal mechanisms available.
- c) Payments at maturity of principal or interest on debt securities issued as from October 2, 2023, with public registration in Argentina, denominated and subscribed in foreign currency, payable in Argentina and that involve at least 2 (two) years of grace for the principal payment.
- d) Payments at maturity of principal or financial interest to foreign parties that do not generate disbursements because they are refinancing the principal and/or interest of the transactions included in sections (a) and (c) above to the extent that they do not anticipate the maturity of the original debt.
- e) Payments at maturity of principal or interest on debt securities issued with public registration in Argentina, denominated in foreign currency and which services are payable in Argentina, do not generate disbursements for being a refinance of principal and/or interest of transactions included in section (c) to the extent that the refinancing does not anticipate the maturity of the original debt.

In any case, the client should file a tax return stating that the funds received for the transactions detailed in (a) to (c) above were used in full to make payments in Argentina related to the investments made in Argentina.

(f) Sales converted into Argentine pesos in Argentina or abroad of the Bonds for the Reconstruction of a Free Argentina (“BOPREAL” by Spanish Acronym) or transfers abroad when they are made up to the amount acquired in the primary subscription.

The BCRA’s prior authorization is required in all cases.

As of the date of issuance of these consolidated financial statements, Communiqué “A” 7552, as amended, remains effective.

(iii) Communiqué “A” 7570 as supplemented

On August 5, 2022, through Communiqué “A” 7570, the BCRA established that the prepayments and pre- and post-financing from abroad should be entered into the foreign exchange market within 5 (five) business days from the date of collection or disbursement abroad, with an additional term of 10 (ten) calendar days to actually convert the funds in the foreign exchange market. For exports included in Presidential Decree No. 28/23, the abovementioned will be considered met when the exporter has entered into Argentina and converted into Argentine pesos on the foreign exchange market an amount not less than 80% of the countervalue of the prepayments, pre and post-financing, and for the portion not settled, has acquired securities in foreign currency and sold them in Argentine pesos in Argentina. The term will be extended to 180 (one hundred and eighty) calendar days from the date of collection or disbursement abroad when the client meets all of the following conditions: (a) The transfer of currencies has entered the correspondent bank account of the local entity between April 10, 2023, and December 31, 2024, an extension of the current term through Communiqué “A” 7953; (b) the client has converted foreign currency in the foreign exchange market for prepayments, pre- and post-financing from abroad in 2022 for an amount equal to or greater than the equivalent of 100,000,000 (one hundred million); (c) the client enters the funds for their crediting in a Special Account for Crediting Export Financing in their name until the settlement is completed; and (d) the transfer abroad of funds that remain as transfers pending to be settled will require the BCRA’s prior approval.

(iv) Communiqué “A” 7914 as supplemented

On December 7, 2023, through Communiqué “A” 7914, amending Communiqué “A” 7507 issued on May 5, 2022, the BCRA, among other provisions, amended some Foreign Transactions and Exchange regulations regarding access to the foreign exchange market for processing payments for imports of goods, and extended the validity of the restrictions to access the foreign exchange market for certain financial payables through December 31, 2023.

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The BCRA requires that companies that carry financial payables to foreign parties and principal payments scheduled within the period elapsed between October 15, 2020, and December 31, 2023 (the “Relevant Period”) file a refinancing plan (the “Refinancing Plan”) according to the following criteria: (a) The principal amount for which the debtor may access the foreign exchange market through December 31, 2023, does not exceed 40% of the principal amount due in the Relevant Period; and (b) the remaining 60% of the principal amount is refinanced through a new payable with an average life of 2 (two) years longer than the remaining average life of the refinanced principal.

The refinancing plan will be considered complete when the debtor accesses the foreign exchange market to settle the principal in an amount exceeding 40% of the original capital, provided that they have a Certificate of Increase in the Exports of Goods or a Certificate for Access to Foreign Currency for the Incremental Production of Oil and/or Natural, in terms of: (a) issuance of debt securities with public registration abroad or other financial payables to foreign entities; (b) issuance of debt securities with public registration in the country denominated in foreign currency that meet the specified conditions; and (c) the transaction is carried out through a swap and/or arbitrage operation with funds deposited in the client’s Special Account for the Promotion of the Knowledge Economy, and the client has a Certificate for Direct Investment Contributions under the Knowledge Economy Promotion System.

(v) Communiqué “A” 7917, as supplemented

Through Communiqué “A” 7917 of December 13, 2023, the BCRA communicated the new conditions to access the foreign exchange market for the payment of imports of goods and services, especially the following:

(a) Entities may grant access to the foreign exchange market to make deferred payments for imports of goods with customs entry registration as long as they follow the established schedule.

(b) Entities may also grant access to the foreign exchange market before the terms mentioned in the previous point, or they may process payments with pending customs entry registration or deferred payments before the terms when the following conditions are met (among others):

- The client accesses the foreign exchange market through funds arising from the financing of imports of goods granted by a local financial entity; or simultaneously with the settlement of funds for prepayments or export prefinancing from abroad or export prefinancing granted by financial entities, or with the settlement of funds from financial payables to foreign parties. All cases must comply with Foreign Transactions and Exchange regulations.
- It is a payment for imports of goods or capital goods framed within the mechanism provided for in point 7.11 and 7.10.2.2. of the Foreign Transactions and Exchange regulations.
- The client accesses the foreign exchange market to make a principal payment of trade payables for the import of goods and has the equivalent value paid with a Certificate for Access to Foreign Currency for the Incremental Production of Oil and/or Natural (Presidential Decree No. 277/22).
- The payment is related to transactions financed or secured through December 2023, by local or foreign financial entities, or by international organizations and/or official credit agencies.
- The payment is related to imports of goods whose customs entry registration was made until December 12, 2023.

In the case of payments for services rendered by non-residents, entities may provide access to the foreign exchange market to make payments for services rendered by non-residents provided that the conditions established in the Foreign Transactions and Exchange regulations are met.

In any case in such regulation, transactions should be validated by the online system implemented to such an end by the BCRA.

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(vi) Communiqué “A” 7925, as supplemented

Through Communiqué “A” 7925 of December 22, 2023, the BCRA establishes the Bond for the BOPREAL, which sets forth that the holders of payables for the imports of goods and services accumulated through December 12, 2023, may use BOPREAL for settling: (i) tax and customs obligations, plus interest, fines and related charges, with the Federal Public Revenue Agency (“AFIP” by Spanish acronym) prior validation; (ii) payables for imports of goods and services under section 1, Presidential Decree No. 72/2023 at the technical value calculated at the applicable exchange rate based on the terms and conditions set by the AFIP with the BCRA.

In addition, it sets forth that the subscription in Argentine pesos of bonds or securities issued in US dollars by the BCRA, as determined by the AFIP, by those who carry payables for imports of goods with customs entry registration and/or import of services will be subject to Tax for an inclusive and supportive Argentina (PAIS tax).

(vii) Communiqué “A” 7935 as supplemented

On December 28, 2023, through Communiqué “A” 7935, amending Communiqué “A” 7914 issued on December 7, 2023, the BCRA enacted a new revised text of the Foreign Transactions and Exchange regulations whereby, among others, it extended through December 31, 2024:

- (a) the foreign exchange restrictions applicable to import payments;
- (b) the prior approval for making payments of financial payables to foreign related creditors, and
- (c) the rules on the refinancing of external liabilities (revised text of Foreign Transactions and Exchange).

As of December 31, 2023 and 2022, the Company implemented the necessary actions to comply with the aforementioned communiqués and continues to monitor new changes in the regulatory framework and the impact of settling payables in currencies other than the ARS.

Note 19. Inventories

	<u>As of December 31, 2023</u>	<u>As of December 31, 2022</u>
Materials and spare parts	4,651	8,177
Crude oil stock (Note 6.2)	2,664	4,722
Assigned crude oil stock	234	—
Total inventories	7,549	12,899

Note 20. Cash, bank balances and other short-term investments

	<u>As of December 31, 2023</u>	<u>As of December 31, 2022</u>
Mutual funds	152,426	202,165
Money market funds	35,292	15,881
Cash in banks	21,798	23,910
Government bonds	3,737	2,429
Total cash, bank balances and other short-term investments	213,253	244,385

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Cash and cash equivalents include cash on hand and at bank and investments maturing within 3 (three) months. For the consolidated statement of cash flows purposes below is the reconciliation between cash, bank and short-term investments and cash and cash equivalents:

	As of December 31, 2023	As of December 31, 2022
Cash, bank balances and other short-term investments	213,253	244,385
Less		
Government bonds	(3,737)	(2,429)
Cash and cash equivalents	209,516	241,956

Note 21. Capital stock and capital risk management

21.1 Capital stock

The following chart shows a reconciliation of the movements in the Company's capital stock for the years ended December 31, 2023, 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	(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	(39,530)	—	(39,530)
Number of shares	—	—	—
Cashless exercises of warrant	—	—	—
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
Cashless exercises of warrants	—	—	—
Number of shares	1,176,811	—	1,176,811
Series A shares to be granted in LTIP	1	—	1
Number of shares	5,772,141	—	5,772,141
Amounts as of December 31, 2023	517,874	—	517,874
Number of shares	95,355,430	2	95,355,432

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1) Series A Shares

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 (Note 18.3). As a result, a maximum of 3,215,483 shares will become outstanding once all Warrants are converted. Similarly, on March 2, 2023, the CNBV authorized the automatic exercise without cash payment, so on March 15, 2023, by virtue of this automatic exercise, all outstanding warrants were exercised. Therefore, as of the date of these consolidated financial statements, there are no outstanding warrants.

Thus, as of December 31, 2023, and 2022, 1,176,811 and 2,038,643 Series A shares were issued, respectively. They have no nominal value and the resulting amount of this swap, which stands at 32,144, is disclosed in "Other equity instruments."

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 are held in treasury. This operation did not generate any tax effect in Mexico.

For the years ended December 31, 2023, and 2022, the Company granted 5,772,141 and 972,121 Serie A shares related to the LTIP.

As of December 31, 2023, and 2022, the Company's variable capital stock amounts to 95,355,430 and 88,406,478 fully subscribed and paid Series A shares with no face value, respectively, each entitled to one vote.

As of December 31, 2023, and 2022, the Company's authorized capital includes 33,436,809 and 40,385,761 Series A ordinary shares held in Treasury respectively.

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.

On March 17, 2023, Vista concluded a transaction that resulted in the acquisition of 2 (two) series C outstanding shares according to the share buy-back program authorized by the Company's shareholders. These series C shares are in the Company's possession.

21.2 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.

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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.

On April 24, 2023, through the Ordinary and Extraordinary General Shareholders' Meeting, the Company's shareholders approved an increase of a fund to acquire own shares for 29,859, and the increase of the legal reserve for 5,630, both based on the Company's nonconsolidated financial statements.

21.3 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.

The Company monitors its capital based on the leverage ratio. This ratio is calculated by dividing: (i) the net debt (borrowings and liabilities for leases less cash, banks and short-term investments) by (ii) total equity.

The leverage ratio as of December 31, 2023, and 2022, is as follows:

	As of December 31, 2023	As of December 31, 2022
Total borrowings and lease liabilities	686,523	578,526
Less: Cash, bank balances and other short-term investments	(213,253)	(244,385)
Net debt	473,270	334,141
Total equity	1,247,015	844,060
Leverage ratio	37.95%	40.00%

No changes were made in capital management objectives, policies or processes for the years ended December 31, 2023, and 2022.

Note 22. Provisions

	As of December 31, 2023	As of December 31, 2022
<u>Noncurrent</u>		
Well plugging and abandonment	12,191	31,389
Environmental remediation	148	279
Total noncurrent provisions	12,339	31,668
	As of December 31, 2023	As of December 31, 2022
<u>Current</u>		
Well plugging and abandonment	3,096	1,135
Environmental remediation	936	1,542
Contingencies	101	171
Total current provisions	4,133	2,848

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22.1 Provision for well plugging and abandonment

According to applicable regulations in the countries where the Company (either directly or indirectly through its subsidiaries) conducts oil and gas exploration and production activities, it should carry costs related to well plugging and abandonment. As of December 31, 2023 and 2022, the Company has a trust to plug and abandon wells in Mexico; however, it did not grant any asset as security to settle these obligations in Argentina.

The provision for well plugging and abandonment represents the present value of dismantling costs related to oil and gas properties expected to be incurred through the end of each concession, when oil and gas producing wells are expected to cease operations. These provisions were created based on the operator's or the Company's internal estimates, as appropriate.

Assumptions based on the current economic context were made, so the Company considers that it is a reasonable basis to estimate future liabilities. These estimates are reviewed periodically to consider substantial changes in assumptions. However, the actual costs of well plugging and abandonment will ultimately depend on future market prices for the plugging and abandonment works needed. Moreover, wells will probably be plugged and abandoned when plots of land cease to produce at economically feasible rates. They will also depend on Crude oil and Natural gas future prices, which are uncertain by nature.

The discount rate used in calculating the provision as of December 31, 2023, ranges between 4.40% and 11.09% whereas it ranges between 8.54% and 11.13% as of December 31, 2022.

The Company conducted a sensibility analysis related to the discount rate. The increase or decrease of such rate by 1% would have no significant impact on well plugging and abandonment.

Below are the changes in the provision for well plugging and abandonment for the year:

	<u>As of December 31, 2023</u>	<u>As of December 31, 2022</u>
Amounts at beginning of year	32,524	30,796
Discount for well plugging and abandonment (Note 11.3)	2,387	2,444
(Decrease) in the change in capitalized estimates (Note 13)	(930)	(713)
(Decrease) in the change in estimates of conventional assets ⁽¹⁾	(18,697)	—
Foreign exchange differences	3	(3)
Amounts at end of year	15,287	32,524

- (1) According to Note 1.2.1, the Company carries a receivable with Aconcagua since the latter assumes all past, present, and future well plugging and abandonment obligations derived from the Concessions involved in the transaction through the end of the Operating Period. However, the Company still owns 100% of such concessions (Note 1.1).

22.2 Provision for environmental remediation

The Company performs environmental impact assessments for new projects and investments, and the environmental requirements and restrictions imposed on these new projects had no major adverse effects on the Company's businesses to date.

The Company conducted a sensibility analysis related to the discount rate. The increase or decrease of such rate by 1% would have no significant impact on the environmental remediation obligation.

Below are the changes in the provision for environmental remediation for the year:

	<u>As of December 31, 2023</u>	<u>As of December 31, 2022</u>
Amounts at beginning of year	1,821	1,599
Increases (Note 10.2)	485	2,133
Increase in the change in estimates of conventional assets ⁽¹⁾	624	—
Foreign exchange differences	(1,846)	(1,911)
Amounts at end of year	1,084	1,821

- (1) According to Note 1.2.1, the Company carries a receivable with Aconcagua since the latter assumes all past, present, and future environmental remediation obligations derived from the Concessions involved in the transaction through the end of the Operating Period. However, the Company still owns 100% of such concessions (Note 1.1).

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22.3 Provision for contingencies

The Company (directly or indirectly through its subsidiaries) is part of commercial, tax and labor litigations and claims arising from the ordinary course of business. Upon estimating the amounts and likelihood of occurrence, the Company considered its best estimate with the assistance of advisors.

The assessment of the estimates may change in the future due to new developments or unknown events upon assessing the provision. Consequently, the adverse resolution of the proceedings and claims assessed could exceed the provision set.

The Company's total claims, and legal actions amount to 101 and 171, from which it has estimated a probable loss of 101 and 171 as of December 31, 2023 and 2022, respectively.

The Company, considering its legal counsel's opinion, estimates that the provision amount is sufficient to cover potential contingencies. It has booked a provision or disclosed all claims or other issues in these consolidated financial statements, either individually or in the aggregate.

Below are the changes in the provision for contingencies for the year:

	As of December 31, 2023	As of December 31, 2022
Amounts at beginning of year	171	142
Increases (Note 10.2)	69	379
Amounts incurred for payments	(46)	(307)
Foreign exchange differences	(93)	(43)
Amounts at end of year	101	171

Note 23. Employee benefits

The employee benefit plans originally applies to Company employees that meet certain conditions, such as, for example, having participated uninterrupted in the defined benefit plan, and that, having joined the Company before May 31, 1995, they have the required number of years in service and are therefore eligible to a certain amount according to plan provisions.

It is based on the last computable salary and the number of years worked after deducting the benefits from the Argentine pension system managed by the Federal Social Security Administration ("ANSES" by Spanish acronym).

Upon retirement, these employees are entitled to a monthly payment at constant value that is updated every year-end by the IPC published by the Argentine Institute of Statistics and Census ("INDEC by Spanish acronym). If the variation exceeds 10% during a certain year, the payment will be adjusted temporarily once the percentage is exceeded.

The plan is backed by assets deposited exclusively by the Company and with no employee contributions to the trust fund. Fund assets may be invested by the Company in monetary market instruments denominated in USD or certificates of deposit to preserve accumulated capital and obtain returns in line with a moderate risk profile. Funds are mainly invested in United States of America bonds, Treasury bonds and trade notes with quality ratings.

The Bank of New York Mellon is the trustee, and Willis Towers Watson is the business agent. Should there be an excess (duly certified by an independent actuary) of funds to be used to settle the benefits granted under the plan, the Company will be entitled to use it, in which case the trustee should be notified.

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The following charts summarize the components of net expenses and the obligation recognized in the consolidated financial statements:

	Year ended December 31, 2023	Year ended December 31, 2022	Year ended December 31, 2021
Cost of services	(25)	(44)	(28)
Cost of interest	(639)	(458)	(219)
Settlement	364	—	—
Total	(300)	(502)	(247)

	As of December 31, 2023		
	Present value of the obligation	Fair value of asset's plan	Net liabilities
Amounts at beginning of year	(19,009)	6,758	(12,251)
<i>Items classified as loss or profit</i>			
Cost of services	(25)	—	(25)
Cost of interest	(909)	270	(639)
Settlement	364	—	364
<i>Items classified in other comprehensive income</i>			
Actuarial remeasurement gain	6,213	352	6,565
Benefit payments	777	(777)	—
Payment of contributions	1,294	(1,011)	283
Amounts at end of year	(11,295)	5,592	(5,703)

	As of December 31, 2022		
	Present value of the obligation	Fair value of asset's plan	Net liabilities
Amounts at beginning of year	(15,416)	7,594	(7,822)
<i>Items classified as loss or profit</i>			
Cost of services	(44)	—	(44)
Cost of interest	(806)	348	(458)
<i>Items classified in other comprehensive income</i>			
Actuarial remeasurement (losses)	(3,911)	(270)	(4,181)
Benefit payments	1,168	(1,168)	—
Payment of contributions	—	254	254
Amounts at end of year	(19,009)	6,758	(12,251)

The fair value of asset's plan as of every year end per category, is as follows:

	As of December 31, 2023	As of December 31, 2022
US government bonds	5,438	5,703
Cash and cash equivalents	154	1,055
Total	5,592	6,758

Below are the estimated payments of benefits expected for the next 10 (ten) years. The amounts in the chart show non discounted cash flows; thus, they do not reconcile with the obligations booked as of year-end:

	As of December 31, 2023	As of December 31, 2022
Less than 1 year	974	1,562
1 to 2 years	974	1,538
2 to 3 years	963	1,542

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	As of December 31, 2023	As of December 31, 2022
3 to 4 years	946	1,526
4 to 5 years	925	1,506
6 to 10 years	4,242	7,113

Below are the significant actuarial estimates used:

	As of December 31, 2023	As of December 31, 2022
Discount rate	5%	5%
Asset rate of return	5%	5%
Salary rise	1%	1%

The following sensitivity analysis shows the effect of a variation in the discount rate and salaries increase on the obligation amount.

- (i) Should the discount rate be 1% higher (lower), the defined benefit obligation would decrease by 888 (increase by 1,034) as of December 31, 2023.
- (ii) Should the expected salary rise increase (decrease) by 1%, the defined benefit obligation would go up by 9 (go down by 9) as of December 31, 2023.
- (iii) Should the discount rate be 1% higher (lower), the defined benefit obligation would decrease by 1,560 (increase by 1,828) as of December 31, 2022.
- (iv) Should the expected salary rise increase (decrease) by 1%, the defined benefit obligation would go up by 82 (go down by 79) as of December 31, 2022.

This sensitivity analysis was determined based on reasonably possible changes in the related assumptions as of every reporting year-end based on a change in an assumption with the rest held constant. This is unlikely to occur in actual facts and the changes in some assumptions may be related. Therefore, the analysis may not be representative of the actual change in the defined benefit obligation.

Moreover, upon filing the previous sensitivity analysis, the present value of the defined benefit obligation was calculated using the projected unit credit method as of every reporting year-end, which is the same as the method applied to calculate the defined benefit obligation liability recognized in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change with respect to the previous year.

Note 24. Salaries and payroll taxes

	As of December 31, 2023	As of December 31, 2022
<u>Current</u>		
Provision for bonuses and incentives	12,657	17,599
Salaries and social security contributions	4,898	7,521
Total current salaries and payroll taxes	17,555	25,120

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Note 25. Other taxes and royalties

	As of December 31, 2023	As of December 31, 2022
Current		
Royalties and others	33,862	12,642
Tax withholdings	1,603	7,205
Other	1,084	465
Total current other taxes and royalties	36,549	20,312

Note 26. Trade and other payables

	As of December 31, 2023	As of December 31, 2022
Current		
Accounts payable:		
Suppliers	204,696	196,484
Total current accounts payables	204,696	196,484
Other accounts payables:		
Payables to partners of joint operations	197	23,880
Extraordinary fee for Gas IV Plan	162	488
Payables to third parties ⁽¹⁾	—	161
Total other current accounts payables	359	24,529
Total current trade and other payables	205,055	221,013

(1) Related to acquisition of 50% operating working interest in the unconventional concessions of Aguada Federal and Bandurria Norte mentioned in Note 29.2.5.

Other than mentioned above, due to the short-term nature of current trade and other payables, their carrying amount is deemed to be the same as its fair value. The carrying amount of noncurrent trade and other payables does not differ considerably from its fair value.

Note 27. Related parties' transactions and balances

Note 2.3 provides information on the Company's structure. As of December 31, 2023 and 2022, the Company carries no balances with related parties.

Key management personnel remuneration

Below are the amounts recognized in the consolidated statements of profit or loss and other comprehensive income related to Company key personnel:

	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
Share-based payment transactions	18,618	13,119	8,875
Short-term benefits	13,959	12,990	11,626
Total compensation paid to key personnel	32,577	26,109	20,501

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Note 28. Commitments and contingencies

For a description of the Company's commitments and contingencies related to its oil and gas properties (Note 29.4).

28.1 Duplicar Plus Project - Oldelval

On December 21, 2022, the Company, through its subsidiary Vista Argentina, was awarded a crude oil transportation capacity of 5,010 m³/day under the project to extend the current line from Allen to Puerto Rosales implemented by Oldelval (transportation concession holder) for 50,000 m³/day. Thus, the Company undertook to make an upfront investment of 118,000 between 2023 and 2025; to be recovered from the service monthly fee.

As of December 31, 2023, the Company made disbursements related to this commitment for a total amount of 34,660 recognized in "Trade and other receivables" under "Midstream prepaid expenses" (Note 17 and 33).

28.2 Project to expand the Puerto Rosales maritime terminal and pumping station

On January 27, 2023, the Company was awarded a storage and dispatch capacity of 35,666 m³ and 5,944 m³/day, respectively, under the project to expand the Puerto Rosales marine terminal and pumping station in which Oiltanking Ebytem S.A. ("Oiltanking") launched tenders for 300,000 m³ and 50,000 m³/day of storage and dispatching capacity, respectively.

The Company undertook to make an upfront investment of 28,400 between 2023 and 2025, which will be later recovered from the monthly service fee as from 2026.

As of December 31, 2023, the Company has made no disbursements related to this commitment. (Note 33).

28.3 "Vaca Muerta Norte" Pipeline Agreement

On May 16, 2023, through its subsidiary Vista Argentina, the Company entered into an agreement with YPF S.A. ("YPF"), Equinor Argentina B.V. Sucursal Argentina ("Equinor") and Shell Argentina S.A. ("Shell") (jointly the "Parties"), whereby YPF, in its capacity as the hydrocarbon transportation concession owner of the pipeline (the "Pipeline") located in the Province of Neuquén from "La Amarga Chica" area to "Puesto Hernández" area (the "Transportation Concession"), assigns to the remainder parties an undivided interest of the rights and obligations over the Transportation Concession amounting to: (i) 3.5% (three point five percent) in favour of Equinor; (ii) 13.3% (thirteen point three percent) to Shell, and (iii) 8% (eight percent) to Vista Argentina (the "Assignment").

The Transportation Concession will be used to transport the production of all oil and gas areas in which the Parties have, now or hereafter, a Pipeline interest.

In addition, the Parties signed (i) an agency agreement whereby Equinor, Shell and Vista Argentina entrusted YPF with the acts and tasks required to build the Pipeline and set the costs and expenses to be contributed by each concession holder in proportion to their interests, and; (ii) an agreement for the joint construction of the Pipeline, which establishes the terms and conditions to operate, maintain and use the Pipeline transportation capacity and the Transportation Concession.

Moreover, this Assignment is pending approval by the Executive Power of the Province of Neuquén.

As of December 31, 2023, Vista Argentina paid 20,089 related to this agreement.

28.4 Asociación de Superficiarios de la Patagonia ("ASSUPA" by Spanish acronym)

On July 1, 2004, Vista Argentina was notified of a claim filed against it. In August 2003, ASSUPA filed a lawsuit against 18 (eighteen) companies operating exploitation concessions and exploration permits in the Neuquén basin.

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ASSUPA claims remediation for the environmental damages supposedly caused by hydrocarbon exploitation activities, the creation of an environment restoration fund, and the implementation of measures to prevent future environmental damages. The plaintiff called the meeting of the Argentine government, the Argentine Federal Council for the Environment (“COFEMA” by Spanish acronym), the Provinces of Buenos Aires, La Pampa, Neuquén, Río Negro and Mendoza, and the National Ombudsman. The plaintiff requested, as a precautionary measure, that the accused parties refrain from conducting activities that harm the environment. Both the subpoena of the National Ombudsman and the preliminary request were rejected by the Argentine Supreme Court of Justice (“CSJN” by its Spanish acronym). Vista Argentina responded the claim by requesting its dismissal and opposing to the plaintiff’s request.

On December 30, 2014, the CSNJ issued two interlocutory orders. The order related to the Company supported the claim of the Provinces of Neuquén and La Pampa and declared that all environmental damages related to local and provincial situations were outside the scope of its original jurisdiction and that only “interjurisdictional situations” (such as the Río Colorado basin) would fall under its jurisdiction. The CSNJ also rejected the precautionary measures and other related proceedings. Vista Argentina, considering the legal counsel’s opinion, concluded that it is unlikely that a cash outflow be required to settle this obligation.

As of the date of issuance of these consolidated financial statements, before the case is opened for trial, the parties are answering the notices served regarding the prior exceptions and challenges against the evidence filed, which are pending resolution.

Note 29. Operations in hydrocarbon consortiums

29.1 General considerations

Hydrocarbon areas are operated by granting exploration permits or exploitation concessions by the federal or provincial government based on the free availability of hydrocarbons produced.

29.2 Oil and gas areas and interests in joint operations

As of December 31, 2023, 2022 and 2021, the Company, through its subsidiaries, is the owner and part of the joint operations and consortia for oil and gas exploration and production, as shown below:

29.2.1 Bajada del Palo Oeste and Bajada del Palo Este areas

On December 21, 2018, through Decree No. 2,357/18, the Province of Neuquén approved the division and conversion of the operating concession in Bajada del Palo; in two unconventional hydrocarbon operating concessions (“CENCH” by Spanish acronym) so-called Bajada del Palo Este and Bajada del Palo Oeste for 35 (thirty-five) years, including the payment of 12% royalties for the new production of unconventional formations. This decree replaces the conventional operating concession initially granted and determines the term of the concessions until December 21, 2053.

In turn, Vista Argentina paid the following items to the Province of Neuquén: (i) an exploitation bonus for 1,168; (ii) an infrastructure bonus for about 2,796; and (iii) 3,935 as corporate social responsibility. Vista Argentina also paid 1,102 as stamp tax and committed to a major reserve development and exploration plan in the area.

The Company entered into certain agreements with Trafigura over the Bajada del Palo Oeste area, as described below. However, the Company maintains the operation in Bajada del Palo Oeste and owns 100% in CENCH.

29.2.1.1 Farmout agreement I

On June 28, 2021, Vista Argentina entered into a farmout agreement with Trafigura (“farmout agreement I”), whereby it undertook to develop, initially, 5 (five) pads made up of 4 (four) wells each in Bajada del Palo Oeste area. Moreover, Trafigura may hold interests in up to 2 (two) additional pads under the same terms and conditions.

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By virtue of the farmout agreement, a joint venture was established and Trafigura was entitled to contractual rights for 20% of hydrocarbon output in the pads under the agreement and bear 20% of investment costs, as well as royalties, direct taxes, and remainder operating and midstream costs.

As part of the farmout agreement, Trafigura agreed to pay to Vista Argentina 25,000 as follows: (i) a 5,000 down payment; and (ii) 4 (four) payments of 5,000 for each pad, which should be paid upon commencement of hydrocarbon production in each pad included in the farmout agreement I, which should be validated by Trafigura.

As of December 31, 2023, all committed pads were put into production under such agreement.

29.2.1.2 Farmout agreement II

On October 11, 2022, Vista Argentina entered into a farmout agreement II with Trafigura, whereby it undertook to develop 3 (three) pads in Bajada del Palo Oeste area. Trafigura was entitled to contractual rights for 25% of hydrocarbon output in the pads under the agreement and bear 25% of investment costs, as well as royalties, direct taxes, and remainder operating and midstream costs.

As part of the farmout agreement II, Trafigura agreed to pay to Vista Argentina 20,400 as follows: (i) 3 (three) payments of 6,800 for each pad, which should be paid upon commencement of hydrocarbon production in each pad included in the farmout agreement II, which should be validated by Trafigura.

As of December 31, 2023, all committed pads were put into production under such agreement.

29.2.2 Coirón Amargo Norte

Originally, the Joint operating agreement (“JOA”) Coirón Amargo owned an area located in the Province of Neuquén made up of an operating concession (“Coirón Amargo Norte”) and an evaluation lot (“Coirón Amargo Sur”) due in 2036 and 2017, respectively.

On July 11, 2016, the partners of UT Coirón Amargo signed agreements to assign their interests whereby the area was divided in 3 (three) independent lots: Coirón Amargo Norte (“CAN”), Coirón Amargo Suroeste (“CASO”) which was assigned to Shell on April 1, 2021, and Coirón Amargo Sur Este (“CASE”).

CAN was made up of APCO Oil & Gas S.A.U. (“APCO SAU”, currently Vista Argentina), Madalena Energy Argentina S.R.L. (“Madalena”) and Gas y Petróleo del Neuquén S.A. (“G&P”) with 55%, 35% and 10%, respectively. Vista Argentina is the operator as from the date. The operating concession expires in 2036.

According to the Operating Committee’ minutes of December 28, 2017, the carry agreement was signed; thus, the contributions made and to be made will be recognized as higher assets or expenses, as the case may be, in terms of the amounts actually disbursed by them, regardless of contractual equity interests.

As from that date and until June 2020, Vista Argentina recognized its 61.11% interest in this joint operation, which is made up of its 55% contractual equity interest plus the 6.11% incremental portion acquired from G&P.

On July 7, 2020, due to the default in payment by partner Madalena and in agreement with Coirón Amargo Norte JOA, Vista Argentina, together with its partner G&P decided to remove Madalena from the agreement by subscribing addendum VIII to the venture agreement for the exploration and exploitation of CAN.

Ministry of Energy and Natural Resources Resolution No. 71/20 approved addendum VIII to the venture agreement and Decree No. 1,292/2020 of November 6, 2020, ratified such approval retroactively. Consequently, the Company, through its subsidiary Vista Argentina, increased its interest in the aforementioned JOA from 55% to 84.62% for no consideration.

As from that date, and maintaining the abovementioned carry system, the Company recognizes all its interests in this joint operation in its consolidated financial statements.

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29.2.3 Águila Mora

On August 22, 2018, APCO SAU signed an assignment agreement (the “Águila Mora swap agreement”) whereby:

(i) Vista Argentina assigned to O&G Development Ltd S.A (actually “Shell Argentina S.A. o “Shell”) a 35% nonoperated working interest in CASO’s oil & gas properties;

(ii) O&G assigned to Vista Argentina a 90% operated working interest in Águila Mora’s oil and gas properties, plus a contribution up to 10,000 to refurbish its existing water infrastructure to benefit Shell and Vista Argentina operations.

Águila Mora swap agreement obtained the approvals from the Province of Neuquén on November 22, 2018. Therefore, as from that date, the Company retained a 10% working interest in CASO’s oil and gas properties and acquired a 90% working interest in Águila Mora’s oil and gas properties, becoming the operator according to the swap agreement. This transaction was measured at the fair value of the interest held by the participant assigned to Shell, and no profit or loss was booked as the result of the transaction.

Vista Argentina was notified of Decree No. 2,597/19 granted by the Province of Neuquén whereby G&P was granted the unconventional operating concession of Águila Mora area for 35 (thirty-five) years as from November 29, 2019 (renewable at due date provided that certain conditions are met for successive 10 (ten) year periods), replacing the unconventional exploration permit previously granted, expiring on November 29, 2054.

Vista Argentina maintains for such area a carry agreement for the interest in G&P and includes all its interests in this joint operation in the consolidated financial statements.

29.2.4. Acambuco

The Company has a 1.5% working interest in operating concession Acambuco, located in the Northwest basin, Province of Salta. The operating concession operator is Pan American Energy LLC (Sucursal Argentina) with a 52% working interest. The remainder partners are YPF S.A., Shell, and Northwest Argentina Corporation with an equity of 22.5%, 22.5% and 1.5%, respectively.

The operating concession Acambuco includes two operating plots:

(i) San Pedrito, which was declared to be marketable on February 14, 2001, and expires in 2036; and

(i) Macueta, which was declared to be marketable on February 16, 2005, and expires in 2040.

29.2.5 Aguada Federal and Bandurria Norte

On September 16, 2021, the Company, through its subsidiary Vista Holding I, acquired 100% of the shares directly and indirectly held in AFBN.

AFBN owns 50% of the nonoperated interest in the nonoperated concession of Aguada Federal and Bandurria Norte granted by the Province of Neuquén that expires in 2050. As of the date of acquisition was operated by Wintershall, the owner of the remainder 50%.

Under the transaction terms, Vista made no advance payments, but assumed the cost of carry for nominal value of 77,000 related to 50% of all investments to develop the acquired areas, which were related to Wintershall’s interests and that expire on December 31, 2023. AFBN carried about 6,203 cash on hand and cash in banks as of the date of this transaction.

Pursuant to Company accounting policies including in Note 3.1.3, this transaction was recognized as an asset acquisition, recording an oil and gas property for 69,693, mainly related to unconventional assets. These assets were booked at the cost of liabilities assumed under the carry agreement.

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Additionally, on January 17, 2022, the Company, through its subsidiary Vista Argentina, acquired the remainder 50% of the interest operated in Bandurria Norte and Aguada Federal concessions from Wintershall; the Company became the area operator with con the 100% interest.

Under the transaction terms, the Company paid a total amount of 140,000, of which 90,000 was paid on the date of the transaction, and the remaining 50,000, in 8 (eight) equal quarterly instalments starting on April 2022. During the years ended December 31, 2023 and 2022, Vista paid 25,000 and 115,000, respectively.

As result of this transaction, Vista recognized an addition of 68,743 in “Property, plant and equipment” (see Note 13), and the transaction effectively cancels the carry consideration of 77,000 the Company had assumed on September 16, 2021.

On September 14, 2022, the Province of Neuquén issued Presidential Decrees No. 1,851/22 and No. 1,852/22 approving the assignment by Wintershall to Vista Argentina of the assets located in the Bandurria Norte and Aguada Federal areas, respectively.

29.2.6 Coirón Amargo Sur Oeste

The partners of this joint operation were initially APCO SAU, O&G Development Ltd. S.A. (“O&G”, currently Shell Argentina S.A. or “Shell”) and G&P with 45%, 45% and 10%, respectively.

On August 22, 2018, Vista Argentina assigned to O&G a 35% nonoperated interest in CASO.

On September 25, 2018, through Decree No. 1,578/18, CASO evaluation plot became a CENCH for 35 (thirty-five) years, maturing in 2053.

Through Decree No. 1,027/2021 of June 24, 2021, the Province of Neuquén approved the amendment of the venture agreement whereby Vista Argentina assigned its 10% working interest in the joint agreement over CASO area to Shell with retroactive effects as of April 1, 2021.

As of December 31, 2021, the Company received 15,000; and recognized a gain of 9,788 in “Other operating income” under “Gain from assets disposal” (Note 10.1); and a disposal of 11,784 in “Property, plant and equipment” (Note 13).

As December 31, 2023, 2022 and 2021, Vista Argentina has no interests whatsoever in CASO area.

29.2.7 Oil and gas properties in Mexico

On August 23, 2021, the Company through its subsidiary Vista Holding II completed assets transfer to Jaguar and Pantera, as follow: (i) the acquisition of a 50% working interest in CS-01 (operated) area in addition to its 50% working interest, and (ii) the sale of its 50% working interest in TM-01 and A-10 (non-operating) area. This transaction was agreed based on the cumulative costs incurred in each area.

As of December 31, 2021, as a result of this transaction the Company agreed to offset its accounts receivable from and payable to Jaguar and Pantera by 5,501; and recognized a disposal of 5,126 in “Property, plant and equipment”; and a net addition of 673 in “Other intangible assets” (Notes 13 and 14). These transactions did not generate cash flows.

The Company also paid consideration of 850 for the year ended December 31, 2021, and it recognized a gain of 198 in “Other operating income” under “Gain from assets disposal” mainly arising from reimbursements of operational expenses (Note 10.1).

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29.2.8 Sur Río Deseado Este

On March 21, 2021, the 25 (twenty-five) year term of Sur Río Deseado Este concession in the Golfo San Jorge basin, Province of Santa Cruz, in which Vista Argentina had a 16.94% interest, expired. The operator was Alianza Petrolera Argentina S.A. (“Alianza”) with a 79.05% interest, and SECRA S.A. had the remaining 4% interest. Moreover, Vista Argentina had a 44% interest in an exploration agreement in a portion of Sur Río Deseado concession; the operator of such agreement is Quintana E&P Argentina S.R.L.

As of the date of these consolidated financial statements, Alianza is going through the administrative formalities to complete the process to restore the area to the Province of Santa Cruz. The expenses required by such process should be assumed by the partners according to their interests in the area. Therefore, as of the date of issuance of these consolidated financial statements, Vista Argentina has no interest whatsoever in the operating concessions of Sur Río Deseado Este; and the results of assets and liabilities disposal it recognized in “Other operating income” under “Gain from assets disposal” for a total amount of 13 (Note 10.1).

29.3 Summarized financial information on the operated and nonoperated joint operations

Below is the summarized financial information on the operated and nonoperated joint operations involving the Company, which assets, liabilities, revenue and expenses are not fully consolidated in the Company’s consolidated financial statements.

The summarized financial information disclosed below represents the amounts under IFRS of the related interests.

	<u>As of December 31,</u> 2023	<u>As of December 31,</u> 2022
Assets		
Noncurrent assets	344,411	252,073
Current assets	878	13,702
Liabilities		
Noncurrent liabilities	1,801	1,256
Current liabilities	11,860	55,106

	<u>Year ended</u> December 31, 2023	<u>Year ended</u> December 31, 2022	<u>Year ended</u> December 31, 2021
Revenue from contracts with customers	—	—	3,200
Operating costs	(1,687)	(943)	(4,406)
Depreciation, depletion and amortization	(78,860)	(43,139)	(3,626)
General and administrative expenses	(846)	(568)	(1,242)
Exploration expenses	—	—	(446)
Other operating income and expenses	—	2	(8,076)
Impairment of long-lived assets	(1,679)	—	—
Financial results, net	1,561	2,484	(586)
Total	(81,511)	(42,164)	(15,182)

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29.4 Investment commitment

As of December 31, 2023, the Company has the following main commitments pending execution:

A- Argentina

- (i) In the area of Bajada del Palo Este, drill and complete 1 (one) horizontal well, but the assumed investment amount was met;
- (ii) in the Entre Lomas area (Province of Río Negro), drill and complete 2 (two) development wells at an estimated cost of 4,400;
- (iii) in the Entre Lomas area (Province of Río Negro), intervene 5 (five) wells with workover and abandon 2 (two) wells at an estimated cost of 3,000; and
- (iv) in the 25 de Mayo-Medanito S.E. and Jagüel de los Machos areas (Province of Río Negro), intervene 6 (six) wells with workovers and abandon 19 (nineteen) wells at an estimated cost of 7,600.

Points (ii) to (iv) are subject to the conventional asset assignment agreement mentioned in Note 1.2.1, which establishes that investment commitments will be fully assumed by Aconcagua, as the area operator.

B- Mexico

The Company has no commitments as of the date of the consolidated financial statements.

29.5 Well exploration costs

There are no balances or activity for costs of exploration wells for the years ended December 31, 2023, 2022 and 2021.

Note 30. Tax regulations

A- Argentina

30.1 Income tax

General

On June 16, 2021, the Argentine government issued Law No. 27,630, which introduces changes in corporate income tax rate effective for fiscal years beginning January 1, 2021. It establishes the application of gradual rates according to the level of net accumulated taxable profit.

For the years ended December 31, 2023, 2022 and 2021, the applicable income tax rate for the Company, through its subsidiaries, is 35%.

On August 16, 2022, the AFIP issued General Resolution No. 5,248/2022 whereby it established one-time payment towards income tax. For taxpayers whose tax assessed as of December 31, 2021, was equal to or higher than ARS 100,000,000 and which calculation base for the advance payments for the following tax period exceeded 0 (zero), the one-time payment towards income tax will amount to 25% of such calculation base. Such amount was paid in 3 (three) equal and consecutive installments equivalents to 8,300 and computed as payment towards income tax for the year ended as of December 31, 2022.

On July 20, 2023, the AFIP issued General Resolution No. 5,391/2023, which establishes a one-time payment towards current income tax. For taxpayers whose taxable income as of December 31, 2022, before computing prior-year net operating loss is equal to or higher than ARS 600,000,000, and who have not assessed income tax for that same period, this one-time payment towards income tax amounts to 15% of such taxable income. This amount is payable in 3 (three) equal and consecutive instalments as from August 2023 and will be computed towards income tax assessed for the year ended December 31, 2023.

As of December 31, 2023, the Company, through its subsidiary AFBN S.R.L., made payments towards income tax for 979.

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On December 4, 2023, the AFIP issued General Resolution No. 5,453/2023, which establishes a one-time payment towards current income tax, for taxpayers who extract hydrocarbons, manufacture oil refinery products, and generate thermal power whose taxable income as of December 31, 2022, before computing prior-year net operating loss, is equal to or higher than ARS 600,000,000, and who have not assessed income tax for that same period, this one-time payment towards income tax amounts to 15% of such taxable income. This amount is payable in 3 (three) equal and consecutive instalments as from December 2023 and will be computed towards income tax assessed for the year ended December 31, 2023. As of December 31, 2023, the Company, through its subsidiary Vista Argentina, made payments towards income tax for 3,031.

In reference to dividends, in December 2019, Law No. 27,541 on “Social Solidarity and Production Reactivation in the Context of a Public Emergency”, enacted through Presidential Decree No. 58/2019 suspended the increase in the established a rate by Law No. 27,430 set of 7% rates for the years beginning on or after January 1, 2021, currently in place.

Tax Inflation Adjustment

Law No. 27,468, issued in the year 2018, established that a third of the positive or negative adjustment for inflation applicable to the 3 (three) first fiscal years beginning January 1, 2019, be distributed to the year in which the adjustment was determined and the remaining 2 (two) thirds to the two subsequent tax periods.

However, the Law No. 27,541, issued in the year 2019, amended this distribution and established that a sixth of the positive or negative adjustment for the first and second year beginning January 1, 2019, be charged to the year in which the adjustment is determined and the remainder 5 (five) sixths, in equal parts, to the 5 (five) subsequent tax periods, whereas for years beginning January 1, 2021, 100% of the adjustment may be imputed in the year in which it is determined.

On December 1, 2022, was published in the Official Bulletin Law No. 27,701, set forth the option to defer the tax adjustment for inflation for the first 2 (two) fiscal years beginning as from January 1, 2022. Thus, a third of such adjustment may be distributed to the fiscal year in which the adjustment is assessed and the remaining 2 (two) thirds, in equal parts, to the two subsequent fiscal years.

This alternative only applies to the companies’ promoting investments in property, plant and equipment for an amount equal to or higher than ARS 30,000,000 during each of the two fiscal periods subsequent to the computation of the first third. Failing to comply with this requirement will result in the forfeiture of the benefit.

For the years ended December 31, 2023 and 2022, the Company, through its subsidiary Vista Argentina, applied the option mentioned above.

30.2 Tax for an inclusive and solidary Argentina (“PAIS Tax”)

Law No. 27,541 issued in the year 2019, introduced a tax that is levied on the acquisition of foreign currency for 5 (five) tax years at a 30% rate.

This tax may not be used as payment towards any other tax and is levied on the following cases: (i) purchase of bills and foreign currency for hoarding purposes; (ii) change in currency to pay the acquisitions of assets or services and contracts for works made abroad irrespective of the method of payment used; (iii) acquisition of services abroad purchased from travel and tourism agencies in Argentina; or (iv) acquisition of passenger transportation services to be used abroad.

On July 24, 2023, through Decree No. 377/2023, the PEN set forth that PAIS tax shall also be applied to the acquisition of foreign currency for the payments of imports of goods and services, at a 7.5% rate for imports of goods and freight, and at a 25% for imports of services. This tax extension does not apply to imports of goods related to power generation.

On December 13, 2023, through Decree No. 29/2023, the PEN increased the rates under PAIS tax applicable to the acquisition of foreign currency for the payment of imports of goods and freight to 17.50%.

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B- Mexico

30.3 Income tax

On October 31, 2019, the Mexican government approved the tax reform. 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.
- (iii) 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 restructurings, transmission of NOLs, transfer of depreciated assets that may also be depreciated by the acquirer, the use of NOLs about to become statute-barred and abuse in the application of tax treaties with foreign residents, among others.
- (iv) the considered an organized crime with the related criminal penalties.

The aforementioned reform is effective for fiscal years beginning on or after January 1, 2020.

The Company's Management concluded that this reform had no major effects on the consolidated financial information as of December 31, 2023, and 2022.

Note 31. Share-based payments

On March 22, 2018, the Company's shareholders authorized the implementation of the LTIP to retain key employees empowered the Board of Directors to manage this plan; will be manages the plan, through an administrative trust. In consequence, 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:

31.1 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 (five) or 10 (ten) years as from grant date. The plan establishes that the value of the shares to be granted will be determined using Black & Scholes model.

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The following table shows the number of stock options granted, cancelled and the weighted average exercise price (“WAEP”) for the year:

	Year ended December 31, 2023		Year ended December 31, 2022		Year ended December 31, 2021	
	Number of rights to buy	WAEP	Number of rights to buy	WAEP	Number of rights to buy	WAEP
At beginning of year	10,540,228	5.15	9,124,109	4.85	5,668,825	6.07
Granted during the year	513,379	17.83	1,416,119	7.05	3,455,284	2.85
Cancelled during the year ⁽¹⁾	(1,188,362)	3.68	—	—	—	—
At end of year	9,865,245	5.98	10,540,228	5.15	9,124,109	4.85

(1) Related to stock options annulled or cancelled for the year, which do not necessarily coincide with the options exercised.

The plan established that the value of the options to be granted will be determined using the Black & Scholes Model.

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

	As of December 31, 2023	As of December 31, 2022	As of December 31, 2021
Dividend yield (%)	0.0%	0.0%	0.0%
Expected volatility (%)	31.4%	33.5%	34.0%
Risk-free interest rate (%)	3.9%	1.9%	1.4%
Expected life of share options (years)	10	10	10
Weighted average exercise price (USD)	17.83	7.05	2.85
Model used	Black & Scholes	Black & Scholes	Black & Scholes

The remainder life of stock options is based on historical data and current expectations and is not necessarily an indication of the potential exercise patterns. Expected volatility shows the assumption that historical volatility in a period similar to the life of options is an indication of future trends, that may not be necessarily the actual result.

The weighted average fair value of options granted during the year ended December 31, 2023, 2022 and 2021 stood as 8.99, 3.26, and 1.2, respectively.

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

For the years ended December 31, 2023, 2022 and 2021, compensation expense related with such plan are booked in the consolidated statements of profit or loss and other comprehensive income stood at 4,553, 3,673, and 4,377, respectively.

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31.2 Restricted stock

The restricted stock 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.

The following table shows the number of restricted stock granted, cancelled and WAEP for the year:

	Year ended December 31, 2023		Year ended December 31, 2022		Year ended December 31, 2021	
	Number of Series A shares	WAEP	Number of Series A shares	WAEP	Number of Series A shares	WAEP
At beginning of year	6,669,790	4.89	5,762,338	4.53	3,769,299	5.41
Granted during the year	519,025	17.83	940,215	7.05	1,993,039	2.85
Cancelled during the year ⁽¹⁾	(555,451)	2.13	(32,763)	2.95	—	—
At end of year	6,633,364	6.18	6,669,790	4.89	5,762,338	4.53

(1) Related to restricted stock annulled or cancelled for the year, which do not necessarily coincide with the restricted stock vested.

For the years ended December 31, 2023, 2022 and 2021, compensation expense related with such plan are booked in the consolidated statements of profit or loss and other comprehensive income stood at 8,839, 6,372, and 6,215, respectively.

According to IFRS 2, restricted stock plan is 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.

31.3 Performance restricted stock

The performance restricted stock 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 for the year:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Number of Series A shares	WAEP	Number of Series A shares	WAEP
At beginning of year	3,705,757	7.05	—	—
Granted during the year	1,417,589	17.83	3,705,757	7.05
At end of year	5,123,346	10.03	3,705,757	7.05

For the years ended December 31, 2023 and 2022, compensation expense related with such plan are booked in the consolidated statements of profit or loss and other comprehensive income stood at 9,741 and 6,531, respectively.

According to IFRS 2, performance restricted stock is 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.

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Note 32. Supplementary information on oil and gas activities (unaudited)

The following information on crude oil and natural gas activities was prepared according to the method established in ASC 932 “Extractive Activities – Oil & gas”, amended by ASU 2010 - 03 “Oil and Gas Reserve Estimation and Disclosure,” published by the Financial Accounting Standard Board (“FASB”) in January 2010 to align current estimation and disclosure requirements with the requirements in the final rules and interpretations issued by the Security and Exchange Commission (“SEC”), published on December 31, 2008. This information includes the Company’s crude oil and natural gas production activities in Argentina and Mexico.

Costs incurred

The following table shows capitalized costs and expenses incurred in the years ended December 31, 2023, 2022 and 2021. The acquisition of properties includes the costs incurred to acquire proved or unproved oil and gas properties. Exploration costs include the costs required to retain undeveloped properties, seismic acquisition costs, seismic data interpretation, geologic modelling, costs of drilling exploration wells and drilled well testing. Development costs include drilling costs and equipment for development wells, the construction of facilities for hydrocarbon extraction, transport, treatment and storage, and all the costs needed to maintain facilities for existing developed reserves.

	Year ended December 31, 2023		Year ended December 31, 2022		Year ended December 31, 2021	
	Argentina	Mexico	Argentina	Mexico	Argentina	Mexico
Acquisition of properties						
Proved	—	—	(68,743)	—	—	—
Unproved	—	—	—	—	(69,693)	—
Total acquisition of properties	—	—	(68,743)	—	(69,693)	—
Exploration				(624)		(561)
Development ⁽¹⁾	(615,481)	(17,283)	(426,991)	(4,368)	(280,686)	(13,475)
Total costs incurred	(615,481)	(17,283)	(495,734)	(4,992)	(350,379)	(14,036)

⁽¹⁾ Including the re-estimation of well plugging and abandonment.

VISTA incurred no costs in entities recognized under the equity method during the aforementioned periods.

Capitalized cost

The following table shows capitalized costs during the years ended December 31, 2023, 2022, and 2021, for proved and unproved crude oil and natural gas reserves, and accumulated depreciation:

	Year ended December 31, 2023		Year ended December 31, 2022		Year ended December 31, 2021	
	Argentina	Mexico	Argentina	Mexico	Argentina	Mexico
Proved properties ⁽¹⁾						
Machinery, facilities, software licenses and other	79,566	928	71,839	723	37,519	476
Oil & gas properties and wells ⁽²⁾	2,521,781	36,146	2,108,966	40,381	1,614,708	34,698
Works in progress	121,808	1,207	148,964	4,984	84,978	6,267
Gross capitalized costs	2,723,155	38,281	2,329,769	46,088	1,737,205	41,441
Cumulative depreciation	(842,024)	(4,006)	(773,424)	(2,972)	(549,885)	(281)
Total net capitalized costs	1,881,131	34,275	1,556,345	43,116	1,187,320	41,160

⁽¹⁾ It includes the re-estimation of well plugging and abandonment.

⁽²⁾ As of December 31, 2023, including impairment of long lived-assets of 1,679 in Argentina and 22,906 in Mexico (Note 3.2.2).

VISTA incurred no costs in entities recognized under the equity method during the aforementioned periods.

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Results of operations

The following breakdown of results of operations summarizes income and expenses directly related to Crude oil and Natural gas production for the years ended December 31, 2023, 2022 and 2021. Income tax for these periods was calculated using statutory tax rates.

	<u>Year ended December 31, 2023</u>	<u>Year ended December 31, 2022</u>	<u>Year ended December 31, 2021</u>
Revenue from contracts with customers	1,168,774	1,187,660	665,310
Total revenue	1,168,774	1,187,660	665,310
Production costs excluding depreciation			
Operating and other costs	(96,743)	(133,885)	(108,028)
Royalties and others	(176,813)	(188,677)	(99,364)
Other non-cash costs related to the transfer of conventional assets	(27,539)	—	—
Total production costs	(301,095)	(322,562)	(207,392)
Depreciation, depletion and amortization	(276,430)	(234,862)	(191,313)
Exploration expenses	—	(624)	(561)
Discount for well plugging and abandonment liabilities	(2,387)	(2,444)	(2,546)
Impairment of long-lived assets	(24,585)	—	14,044
Operating profit (loss) before income tax	564,277	627,168	277,542
Income tax	(169,283)	(188,150)	(83,263)
Crude oil & natural gas operating profit (loss)	394,994	439,018	194,279

VISTA incurred no costs in entities recognized under the equity method during the aforementioned periods.

Estimated crude oil and natural gas reserves

Proved reserves as of December 31, 2023 and 2022, are net reserves attributable to Vista certified by DeGolyer and MacNaughton for the assets located in Argentina, and Mexico.

Proved crude oil and natural gas reserves are the quantities of crude oil and natural gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible, from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time. In some cases, substantial investments may be required in related wells and facilities to recover proved reserves.

The Company considers that its remaining estimated volumes of Crude oil and Natural gas proved recoverable reserves are fair and that these estimates were prepared according to SEC regulations and ASC 932, as amended. Consequently, Crude oil prices used in determining proved reserves were the average price during the 12 (twelve) months prior to the end date of December 31, 2023, and 2022, respectively, determined as an unweighted average of the first day of the month for each month within these periods. Moreover, since there are no Natural gas prices available in the benchmark market in Argentina, VISTA used the average Natural gas prices for the year to determine Natural gas reserves. In addition, for certain Natural gas volumes, Vista will obtain an incentive price subsidized by the Argentine government through “Gas IV Plan”. A weighted average price is estimated for certain areas per subsidized and unsubsidized volume.

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The independent evaluation carried out by DeGolyer and MacNaughton as of December 31, 2023 and 2022 in Argentina and Mexico, covered all the estimated reserves located in the areas operated and not operated by the Company.

In all cases, estimates of reserves have been prepared according to Rule 4-10 of Regulation S-X issued by the SEC, and according to the provisions for disclosing Crude oil and Natural gas reserves under FASB ASC 932. We provided all the information requested during the evaluation processes. In Argentina royalties paid to the provinces have not been deducted from reported proved reserves. Gas includes gas sale and consumption.

The volumes of liquid hydrocarbons represent Crude oil, condensate, gasoline and LPG to be recovered in field separation and plant processing and are reported in million barrels (“MMBbl”) The volumes of Natural gas represent expected gas sales and the use of fuel in the field and are reported in billion cubic feet (“Bcf”) (10⁹) in standard conditions of 14.7 psia and 60°F. Gas volumes arise from the separation and processing in the field, which are reduced by injection, venting and shrinkage, and include the volume of Natural gas consumed in the field for production. Natural gas reserves were converted into liquid equivalent using the conversion factor of 5.615 cubic feet of Natural gas per 1 barrel of liquid equivalent.

The following tables show proved oil reserves, net (including crude oil, condensate oil and LPG) and natural gas reserves, net, as of December 31, 2023, 2022, 2021 and 2020 according to VISTA’s interest percentage in the related concessions:

Proved reserves as of December 31, 2023

Argentina	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas</u>	<u>Natural gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	71.0	85.5	15.2
Proved undeveloped	191.3	173.3	30.9
Total proved reserves	262.3	258.8	46.1
Mexico	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas</u>	<u>Natural gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	1.8	4.5	0.8
Proved undeveloped	5.5	11.4	2.0
Total proved reserves	7.3	15.9	2.8

Proved reserves as of December 31, 2022

Argentina	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas</u>	<u>Natural gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	68.3	99.2	17.7
Proved undeveloped	136.8	139.7	24.8
Total proved reserves	205.1	238.9	42.5
Mexico	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas</u>	<u>Natural gas</u>
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	0.2	0.1	0.0
Proved undeveloped	2.7	5.9	1.1
Total proved reserves	2.9	6.0	1.1

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Proved reserves as of December 31, 2021

Argentina	Crude oil ⁽¹⁾	Natural gas	Natural gas
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	48.2	90.8	16.2
Proved undeveloped	95.1	99.4	17.7
Total proved reserves	143.3	190.2	33.9
Mexico	Crude oil ⁽¹⁾	Natural gas	Natural gas
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	0.3	0.2	0.0
Proved undeveloped	3.0	6.0	1.1
Total proved reserves	3.3	6.2	1.1

Proved reserves as of December 31, 2020

Argentina	Crude oil ⁽¹⁾	Natural gas	Natural gas
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	37.6	86.1	15.3
Proved undeveloped	61.8	73.9	13.1
Total proved reserves	99.4	160.0	28.4
Mexico	Crude oil ⁽¹⁾	Natural gas	Natural gas
Categories of reserves	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved developed	0.2	0.7	0.1
Proved undeveloped	0.0	0.0	0.0
Total proved reserves	0.2	0.7	0.1

(1) It refers to crude oil, condensate, and LNG.

The following table shows the reconciliation of the Company's reserve data between December 31, 2022, and December 31, 2023:

Argentina	Crude oil ⁽¹⁾	Natural gas ⁽⁶⁾	Natural gas
Proved reserves (developed and undeveloped)	(MMBbl)	(Bcf)	(MMBbl equivalent)
Reserves as of December 31, 2022	205.1	238.9	42.5
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	(8.2)	(27.8)	(4.9)
Extensions and discoveries ⁽³⁾	86.5	65.5	11.7
Purchases/sales of onsite proved reserves ⁽⁴⁾	(5.4)	(2.6)	(0.5)
Production for the year ⁽⁵⁾	(15.7)	(15.1)	(2.7)
Reserves as of December 31, 2023 ⁽⁷⁾	262.3	258.8	46.1

(1) It refers to Crude oil, condensate, and LPG.

(2) The changes from prior-estimate revisions of proved developed and undeveloped Crude oil reserves (-8.2 MMBbl) are mainly related to:

(a) in connection with the developed reserve: (i) results of well tests for Aguada Federal (-0.54 MMBbl); (ii) Bajada del Palo Este (-0.71 MMBbl); (iii) Bajada del Palo Oeste (-0.43 MMBbl); (iv) Bajada del Palo Oeste (Farmout Agreement II) (-1.26 MMBbl) especially in wells targeting the organic horizon; (v) CAN

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(-0.31 MMbbl) and the negative revision due to the retroactive adjustment of LPG plant in Entre Lomas Río Negro (-0.88 MMbbl); (vi) positive results in Bajada del Palo Este (+0.38 MMbbl); Bajada del Palo Oeste (+0.33 MMbbl); Bajada del Palo Oeste (Farmout Agreement II) (+0.77 MMbbl); (vii) combined effect of other fields (-0.06 MMbbl); and (viii) due to price changes (-0.4 MMbbl) effect.

(b) in connection with the undeveloped reserve: (i) They are related to an adjustment in Aguada Federal due to the latest well results reducing (-5.82 MMbbl); (ii) the potential combined effect of other fields and rounding (+0.73 MMbbl), which includes the revision of reserves associated with the extension of the economic life of proved developed reserves in conventional Bajada del Palo Oeste, Bajada del Oeste, Bajada del Oeste (Farmout Agreement I), and Bajada del Oeste UTE II (Farmout Agreement II).

The changes from prior-estimate revisions of proved developed and undeveloped Natural gas reserves (-27.8 Bcf) are mainly related to:

(a) in connection with the developed reserve: (i) they are associated with the lower performance and adjustment of the gas/oil ratio (“GOR”) in the wells of Aguada Federal (-4.3 Bcf), Bajada del Palo Este (-2.62 Bcf), Bajada del Palo Oeste (-4.51 Bcf), Bajada del Palo Oeste NOC (-3.61 Bcf), Bajada del Palo Oeste (Farmout Agreement I) (-3.28 Bcf), and Bajada del Palo Oeste (Farmout Agreement II) (-1.44 Bcf); (ii) for price changes, the variation was (-0.41 Bcf); and (iii) the rest due to the effect of other fields (-1.75 Bcf).

(b) in connection with the undeveloped reserve: (i) they are related to an adjustment in Aguada Federal due to the latest well results (-6.58 Bcf); (ii) the potential combined effect of other fields and rounding (+0.70 Bcf), which includes the revision of reserves associated with the extension of the economic life of proved developed reserves in conventional Bajada del Palo Oeste, Bajada del Oeste, Bajada del Oeste (Farmout Agreement I), and Bajada del Oeste (Farmout Agreement II).

(3) The changes in the proved developed and undeveloped reserves due to the extension and discovery of crude oil (+86.5 MMbbl) and natural gas (+65.5 Bcf) are mainly related to:

(a) in connection with the developed reserve: (i) the drilling success in Vaca Muerta formation of Bajada del Oeste with a pad (3 wells) adding (+3.18 MMbbl and +3.19 Bcf); (ii) a pad (4 wells) in Bajada del Palo Oeste (Farmout Agreement II), incorporating (+2.7 MMbbl and +2.45 Bcf); (iii) a pad (4 wells) in Aguada Federal adding (+1.16 MMbbl and +1.44 Bcf), another pad (2 wells) in Águila Mora, adding (+1.51 MMbbl and +1.15 Bcf); and (iv) two wells in Bajada del Palo Este totaling (+3.10 MMbbl and +0.8 Bcf).

Also, there is a neutral effect from the conversion of proved undeveloped reserves to proved developed reserves generated by: (i) the drilling success in Vaca Muerta formation of 2 pads (8 wells) in Bajada del Palo Oeste adding (+7.84 MMbbl and +7.90 Bcf); (ii) the addition of 2 pads (8 wells) in Bajada del Palo Oeste (Farmout Agreement II), incorporating (+6.94 MMbbl and +6.99 Bcf); as well as (iii) the drilling in a well in Entre Lomas Río Negro adding (+0.22 MMbbl and +2.06 Bcf).

(b) in connection with the undeveloped reserve enable by the activity of drilling in Vaca Muerta formation of: (i) 4 pads (15 wells) in Aguada Federal adding (+9.09 MMbbl and +9.09 Bcf), 11 pads (24 wells) in Bajada del Palo Este totaling (+28.91 MMbbl and +12.05 Bcf), 9 pads (33 wells) in Bajada del Palo Oeste, totaling (+36.85 MMbbl and +35.33 Bcf).

(4) The changes in the purchase of crude oil (-5.4 MMbbl) and Natural gas (-2.6 Bcf) are mainly related to the agreement signed with Aconcagua mentioned in Note 1.2.1.

(5) Considering Vista Argentina’s output.

(6) Natural gas internal consumption stood at 15.6% as of December 31, 2023.

(7) Reserves included in this note have been rounded for ease of presentation. For this reason, certain calculations that appear in this note may not sum due to rounding.

Mexico	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas</u>	<u>Natural gas</u>
	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2022	2.9	6.0	1.1
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	4.6	10.0	1.7
Production for the year ⁽³⁾	(0.2)	(0.1)	(0.0)
Reserves as of December 31, 2023 ⁽⁴⁾	7.3	15.9	2.8

(1) It refers to Crude oil, condensate, and LPG.

(2) The changes from prior-estimate revisions of proved developed and undeveloped Crude oil reserves (+4.6 MMbbl) are mainly related to:

(a) in connection with the developed reserve: (i) due to the extension of (+0.2 MMbbl) from the successful drilling of two new Vernet-1051 and 1052 blocks; and (ii) the rounding effect (-0.1 MMbbl).

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(b) in connection with the undeveloped reserve: (i) (+0.5 MMbbl) due to the latest drilling and discovery campaigns in Amate and Encajonado formations; (ii) an increase of (+3.1 MMbbl) because cash-paid royalties for reserves and production volumes are not discounted; and (iii) an increase due to the extension of acreage from the drilling campaign in the same blocks with Vernet-1053 and 1054 wells, resulting in an increase of (+0.9 MMbbl).

The changes from prior-estimate revisions of proved developed and undeveloped Natural gas reserves (10.0 Bcf) are mainly related to:

(a) in connection with the developed reserve: (i) The lower performance and price decrease (-0.4 Bcf); and (ii) due to the extension of (+3.3 Bcf) from the successful drilling of two new Vernet-1051 and 1052 blocks.

(b) in connection with the undeveloped reserve: (i) an increase of (+6.4 Bcf) because cash-paid royalties for reserves and production volumes are not discounted; and (ii) an increase due to the extension of acreage from the drilling campaign in the same blocks with Vernet-1053 and 1054 wells, resulting in an increase of (+0.7 Bcf).

In addition, there is a neutral effect from the conversion of proved undeveloped reserves to proved developed reserves generated by: (i) the successful drilling campaign of Vernet-1001, 1002, 1004, 1005, and 1006 (+1.65 MMbbl and +1.67 Bcf).

(3) Considering Vista Holding II's output.

(4) Reserves included in this note have been rounded for ease of presentation. For this reason, certain calculations that appear in this note may not sum due to rounding.

The following table shows the reconciliation of the Company's reserve data between December 31, 2021, and December 31, 2022:

Argentina	Crude oil ⁽¹⁾	Natural gas ⁽⁶⁾	Natural gas
	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2021	143.3	190.2	33.9
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	9.1	0.9	0.2
Extensions and discoveries ⁽³⁾	65.4	62.0	11.0
Purchases of onsite proved reserves ⁽⁴⁾	2.0	2.0	0.4
Production for the year ⁽⁵⁾	(14.6)	(16.3)	(2.9)
Reserves as of December 31, 2022 ⁽⁷⁾	205.1	238.9	42.5

(1) It refers to Crude oil, condensate, and LPG.

(2) The changes from prior-estimate revisions of proved developed and undeveloped Crude oil reserves (+9.1MMbbl) are mainly related to:

(a) in connection with the developed reserve: (i) the enhanced performance of the 32 (thirty two) production wells targeting Vaca Muerta unconventional in Bajada del Palo Oeste concession (+4.78 MMbbl); (ii) the 28 (twenty eight) wells drilled in 2022 targeting Vaca Muerta unconventional reservoir in Bajada del Palo Oeste concession, which comprises the farmout I agreement mentioned in Note 29.2.1. (+2.54 MMbbl); (iii) a combined negative effect from other plots of land (-0.62 MMbbl); (iv) a price revision for (+0.75 MMbbl).

(b) in connection with the undeveloped reserve: (i) the unconventional Bajada del Palo Oeste concession were revised up, due to a lateral length adjustment, which had no effect on the type well (+0.87 MMbbl); (ii) the Entre Lomas Río Negro concession were also revised up due to the addition of a well in Charco Bayo oilfield targeting Tordillo and Punta Rosada formations (+0.31 MMbbl); (iii) an upward revision was also made in the development plan of Jagüel de los Machos block due to the addition of 2 (two) wells and 2 (two) workovers (+0.12 MMbbl); (iv) minor changes in the activity of 25 de Mayo-Medanito block (+0.05 MMbbl); (v) in Bajada del Palo Oeste concession, a downward revision was made related to the removal of two wells targeting Lotena conventional formation (-0.28 MMbbl); and (vi) a price revision for (+0.58 MMbbl).

The changes from prior-estimate revisions of proved developed and undeveloped Natural gas reserves (+0.9 Bcf) are mainly related to:

(a) in connection with the developed reserve: (i) the enhanced performance GOR adjustment based on the latest trial results of the 32 (thirty two) unconventional production wells in Bajada del Palo Oeste concession (+4.83 Bcf); (ii) reduced performance of conventional wells in Bajada del Palo Oeste concession (-2.52 Bcf); (iii) a minor performance in Natural gas wells in Charco Bayo and Piedras Blancas in ELo Río Negro concession (-4.81 Bcf); (iv) a practically null combined effect in the remainder plots of land (-0.38 Bcf); and (v) a price revisions for (+2.54 Bcf).

(b) in connection with the undeveloped reserve: (i) the unconventional Bajada del Palo Oeste concession were revised up, due to a lateral length adjustment, which had no effect on the type well (+1.00 Bcf); (ii) the Elo Río Negro concession were also revised up due to the addition of a well in

Charco Bayo oilfield targeting Tordillo and Punta Rosada formations (+1.34 Bcf); (iii) an upward revision was also made in the development plan of Jagüel de los Machos block due to the addition of 2 (two) wells and 2 (two) workovers (+0.13 Bcf); (iv) minor changes in the activity of 25 de Mayo-Medanito block (+0.02 Bcf); (v) in Bajada del Palo Oeste concession, a downward revision was made related to the removal of two wells targeting Lotena conventional formation (-2.21 Bcf); and (vi) a price revisions for (+0.96 Bcf).

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(3) The changes in the proved developed and undeveloped reserves due to the extension and discovery of Crude oil (+65.4 MMbbl) and Natural gas (+62.0 Bcf) are mainly related to:

(a) in connection with the developed reserve: (i) the drilling of 16 (sixteen) wells (4 pads) targeting Vaca Muerta formation in Bajada del Palo Oeste concession (+13.44 MMbbl, and +12.30 Bcf); (ii) the drilling of 12 (twelve) wells targeting Vaca Muerta formation in Aguada Federal concession (+7.73 MMbbl, and +8.36 Bcf); (iii) the drilling of 2 (two) wells (1 pad) in Bajada del Palo Este targeting Vaca Muerta (+2.75 MMbbl, and +0.89 Bcf).

(b) in connection with the undeveloped reserve: (i) the drilling of 13 (thirteen) wells (4 pads) targeting Vaca Muerta formation in Bajada del Palo Oeste concession (+14.08 MMbbl, +13.91 Bcf); (ii) the drilling of 2 (two) wells (1 pad) in Bajada del Palo Este (+2.71 MMbbl, and +1.39 Bcf); and (iii) the drilling of 28 (twenty-eight) wells (13 pads) in Aguada Federal (+24.69 MMbbl, and +25.15 Bcf).

(4) The changes in the purchase of Crude oil (+2.00 MMbbl) and Natural gas (+2.00 Bcf) reserves are mainly related to the farmout II agreement signed with Trafigura mentioned in Note 29.2.1.2. As of December 31, 2021, 4 (four) wells were proved undeveloped and the 4 (four) wells were unproved. As of December 31, 2022, the 8 (eight) wells are undeveloped proved.

(5) Considering Vista Argentina's output.

(6) Natural gas internal consumption stood at 11.1% as of December 31, 2022.

(7) Reserves included in this note have been rounded for ease of presentation. For this reason, certain calculations that appear in this note may not sum due to rounding.

Mexico	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas</u>	<u>Natural gas</u>
	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2021	3.3	6.2	1.1
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	(0.3)	(0.1)	(0.0)
Production for the year ⁽³⁾	(0.2)	(0.1)	(0.0)
Reserves as of December 31, 2022 ⁽⁴⁾	2.9	6.0	1.1

(1) It refers to Crude oil, condensate, and LNG.

(2) The revisions of proved developed Crude oil and condensate and Natural gas reserves are related to an enhanced performance of wells (0.05 MMbbl) and the latest GOR trends (-0.04 Bcf). The changes in the proved undeveloped Crude oil, condensate and Natural gas reserves (-0.34 MMbbl, -0.02 Bcf) are related to an adjustment of the type of curve after profit or loss from Vernet-1001 well.

(3) Considering Vista Holding II's output.

(4) Reserves included in this note have been rounded for ease of presentation. For this reason, certain calculations that appear in this note may not sum due to rounding.

The following table shows the reconciliation of the Company's reserves data between December 31, 2020 and December 31, 2021:

Argentina	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas ⁽⁶⁾</u>	<u>Natural gas</u>
	(MMBbl)	(Bcf)	(MMBbl equivalent)
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2020	99.4	160.0	28.4
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	3.8	(5.4)	(0.9)
Extensions and discoveries ⁽³⁾	53.5	53.7	9.6
Purchases of onsite proved reserves ⁽⁴⁾	(2.2)	(1.9)	(0.3)
Production for the year ⁽⁵⁾	(11.2)	(16.2)	(2.9)
Reserves as of December 31, 2021 ⁽⁷⁾	143.3	190.2	33.9

(1) It refers to Crude oil, condensate, and LNG.

(2) The changes due to revisions of prior estimates of total proved Crude oil reserves (+3.8 MMbbl) are mainly related to: (i) an extension of the economic cap applicable to the different concessions (+3.3 MMbbl) due to increased prices of liquid hydrocarbon (from USD 41.97 per barrel to USD 54.99 per barrel of condensate and C5+, and from USD 19.16 per barrel to USD 26.87 per barrel of LPG); (ii) an enhanced performance of Bajada del Palo Oeste unconventional wells (+2.6 MMbbl); partly offset by: (iii) a lower performance of the base production of Bajada del Palo Oeste (-0.6 MMbbl), 25 de Mayo-Medanito (-0.6 MMbbl), ELo Río Negro (-0.5 MMbbl) and Coirón Amargo Norte (-0.4 MMbbl) conventional wells.

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The changes due to revisions of prior estimates of proved Natural gas reserves (-5.4 Bcf) are mainly related to: (i) the revision of the type curve of proved undeveloped reserves in Lotena formation (-4.9 Bcf) after profit (loss) from drilling wells in 2021; (ii) a lower performance of Borde Montuoso conventional wells in Bajada del Palo Oeste (-4.0 Bcf); of Charco Bayo Natural gas wells in ELo Río Negro concession (-2.3 Bcf); (iii) a lower performance of the new dry Natural gas well drilled in 2021 in Bajada del Palo Oeste concession (-1.8 Bcf); (iv) a change in the development plan in Natural gas reservoirs in conventional fields (-1.1 Bcf); partly offset by: (v) an enhanced performance of Bajada del Palo Oeste unconventional wells (+2.9 Bcf); and (vi) an extension of the economic cap applicable to the different concessions (+5.8 Bcf) due to higher commercial Natural gas prices (from USD 2.81 per cubic feet to USD 3.92 per cubic feet).

- (3) The changes in total proved reserves due to the extension and discovery of Crude oil (+53.5 MMbbl) and Natural gas (+53.7 Bcf) are mainly related to: (i) the extension of proved undeveloped acreage thanks to the addition of 11 (eleven) pads (44 wells) classified as proved undeveloped due to the successful drilling in Vaca Muerta unconventional formation in Bajada del Palo Oeste concession (+46.2 MMbbl, +46.5 Bcf); and (ii) the extension of proved developed acreage related to the drilling of 2 (two) unproved pads (8 (eight) wells (related to PAD 35 and PAD 44) in Vaca Muerta unconventional formation in Bajada del Palo Oeste concession under the farmout agreement I with Trafigura (+7.3 MMbbl, +7.2 Bcf).
- (4) The changes due to purchases/sales of Crude oil (-2.2 MMbbl) and Natural gas (-1.9 Bcf) reserves are related to: (i) the sale of the interest (10%) in CASO (-1.4 MMbbl, -1.0 Bcf); (ii) the farmout agreement I mentioned in Note 29.3.2.1 related to PAD 12 (4 wells) in Vaca Muerta unconventional formation in Bajada del Palo Oeste concession (-0.9 MMbbl, -0.9 Bcf); partly offset by (iii) the acquisition of the 50% interest in Aguada Federal concession (+0.1 MMbbl).
- (5) Considering Vista Argentina's output.
- (6) Natural gas consumption stood at 12.9% as of December 31, 2021.
- (7) Reserves included in this note have been rounded for ease of presentation. For this reason, certain calculations that appear in this note may not sum due to rounding.

Mexico	<u>Crude oil ⁽¹⁾</u>	<u>Natural gas</u>	<u>Natural gas</u>
	<u>(MMbbl)</u>	<u>(Bcf)</u>	<u>(MMbbl equivalent)</u>
Proved reserves (developed and undeveloped)			
Reserves as of December 31, 2020	0.2	0.7	0.1
Increase (decrease) attributable to:			
Review of prior estimates ⁽²⁾	1.5	3.0	0.5
Purchases of onsite proved reserves ⁽³⁾	1.7	2.4	0.4
Production for the year ⁽⁴⁾	(0.1)	—	—
Reserves as of December 31, 2021 ⁽⁵⁾	3.3	6.2	1.1

- (1) It refers to Crude oil, condensate, and LNG.
- (2) The revisions of proved developed Crude oil, condensate and Natural gas reserves are related to the development plan approved by the CNH, as well as the drilling and completion of Vernet-1001 wells.
- (3) The changes due to purchases/sales of Crude oil (+1.7 MMbbl) and Natural gas (+2.4 bcf) are mainly related to the transfer of assets in Mexico, whereby Company increased its equity to 100% in CS-01 area (Note 29.3.11).
- (4) Considering Vista Holding II's output.
- (5) Reserves included in this note have been rounded for ease of presentation. For this reason, certain calculations that appear in this note may not sum due to rounding.

Standardized measure of future discounted cash flow (net)

The following table describes estimated future cash flows from the future production of proved developed and undeveloped reserves of Crude oil, condensate, LPG and Natural gas. As established by SEC Modernization of Oil and Gas Reporting rules and ASC 932 of the FASB Accounting Standards Codification ("ASC") relating to Extractive Activities—Oil and Gas (formerly SFAS 69 Disclosures about Oil and Gas Producing Activities), these cash flows were estimated using the twelve-month average of the first day-of-the-month benchmark prices as adjusted for location and quality differentials and using a 10% annual discount factor. Future development and abandonment costs include estimated drilling costs, development and exploitation facilities and abandonment costs. These future development costs were estimated based on VISTA assessments. Future income tax was calculated by applying the statutory tax rates effective in Argentina in each period.

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This standardized measure is not intended to be, and should not be, interpreted as an estimate of the market value of the Company's reserves. The purpose of this information is to provide standardized data to help the users of the financial statements to compare different companies and make certain projections. This information does not include, among others, the effect of future changes in price costs and tax rates, which past experience shows that they are likely to occur, and the effect of the future cash flows of reserves that have not been classified as proved reserves yet, of a discount factor that best represents the value of money over time and of the risks inherent in Crude oil and Natural gas production. These future changes may have a major impact on future net cash flows disclosed below. Therefore, this information does not necessarily show the Company's perception on future discounted cash flow, net, of the hydrocarbon reserve.

	As of December 31, 2023 ⁽¹⁾	As of December 31, 2022 ⁽¹⁾	As of December 31, 2021 ^{(1) (2)}
Future cash flows	18,771	16,118	8,506
Future production costs	(5,573)	(4,634)	(2,638)
Future development and abandonment costs	(3,198)	(2,142)	(1,294)
Future income tax	(3,477)	(3,009)	(1,432)
Discounted future net cash flows	6,523	6,333	3,142
10% annual discount	(3,133)	(3,092)	(1,630)
Standardized measure of discounted future net cash flows	3,390	3,241	1,512

(1) Amounts expressed in millions of US Dollars ("MM USD").

(2) As of December 31, 2021, the standardized measure of future discounted cash flow (net) is related to the estimated value of reserves in Argentina. The table does not include the estimated value of the reserves in Mexico's areas (24MM USD as of December 31, 2021).

Changes in the standardized measure of future discounted cash flow (net)

The following table shows the changes in the standardized measure of future discounted cash flow, net, for the years ended December 31, 2023, 2022 and 2021:

	Year ended December 31, 2023 ⁽¹⁾	Year ended December 31, 2022 ⁽¹⁾	Year ended December 31, 2021 ⁽¹⁾
Standardized measure of future discounted cash flow, net, at beginning of year	3,241	1,512	738
Net changes in selling prices and production costs related to future production ⁽²⁾	(314)	1,170	783
Net changes in estimated future development costs ⁽³⁾	(3,642)	(2,632)	28
Net changes from revisions of workload estimates ⁽⁴⁾	(220)	229	44
Net changes from extensions, discoveries and improvements ⁽⁵⁾	2,240	1,790	1,006
Cumulative discount	3,333	1,585	116
Net changes from on-site purchases and sales of minerals ⁽⁶⁾	(131)	55	(40)
Sales of Crude oil, LNG and Natural gas produced, net of production costs	841	820	(429)
Estimated development costs previously incurred	(669)	(460)	(263)
Net changes in income tax ⁽⁷⁾	(1,289)	(852)	(471)
Other ⁽⁸⁾	—	24	—
Changes in the standardized measure of future discounted cash flow for the year	149	1,729	774
Standardized measure of future discounted cash flow at end of year	3,390	3,241	1,512

- (1) Amounts expressed in MM USD.
- (2) For the year ended December 31, 2023, primarily affected by a decrease in the prices of crude oil, petroleum condensate, natural gas, and LPG in Argentina, which decreased from USD 72.32 per barrel to USD 66.50 per barrel of crude oil, condensate, and C5+, from USD 31.19 per barrel to USD 25.40 per barrel of LPG, and from USD 4.86 per cubic foot to USD 3.55 per cubic foot of sales gas. Also, for the year ended December 31, 2022, primarily affected by a rise in the prices of crude oil, petroleum condensate, natural gas, and LPG in Argentina, which increased from USD 54.99 per barrel to USD 72.32 per barrel of crude oil, condensate, and C5+, from USD 26.87 per barrel to USD 31.19 per barrel of LPG, and from USD 3.92 per cubic foot to USD 4.86 per cubic foot of sales gas.

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- (3) For the years ended December 31, 2023, and 2022, related to cost development revisions of the unconventional area of Bajada del Palo Oeste, Bajada del Palo Este Aguada Federal and Águila Mora.
- (4) For the years ended December 31, 2023, and 2022, mainly affected by the extension in the economic limits of assets due to a decrease in the prices of crude oil, petroleum condensate, natural gas and LPG, detailed in point (2).
- (5) For the year ended December 31, 2023, mainly related to the extension of the proved area due to the addition of 40 wells in proved reserves in Bajada del Palo Oeste area in Vaca Muerta formation with positive results. Also related to the addition of proved reserves from the unconventional Bajada del Palo Este area with 26 additional wells. A total of 19 wells were added in the unconventional Aguada Federal area, and a 2-well pad was converted in Águila Mora from probable reserves to proved developed reserves. Also, for the year ended December 31, 2022, mainly related to the extension of the proved area by adding 32 wells in proved reserves in Bajada del Palo Oeste area in Vaca Muerta formation with positive results. Also related to the addition of proved reserves from the unconventional Bajada del Palo Este area and the development of the Vaca Muerta formation in the unconventional Aguada Federal area. In addition, for the year ended December 31, 2021, mainly related to the extension of the proved area by adding 44 additional proved undeveloped wells resulting from the drilling activity carried out in the Bajada del Palo Oeste area in Vaca Muerta formation with positive results.
- (6) For the year ended December 31, 2023, the agreement with Aconcagua is terminated, granting the operation as from March 1, 2023, with 60% of the crude oil production on the following concessions: 25 de Mayo-Medanito S.E., Charco del Palenque, Entre Lomas Río Negro, Entre Lomas Neuquén, Jagüel de los Machos and Jarilla Quemada. Moreover, for the year ended December 31, 2022, it is related to the Farmout Agreement II that grants 25% of interest in certain Bajada del Palo Oeste wells in Vaca Muerta formation to Trafigura (Note 29.2.1.2).
- (7) For the year ended December 31, 2023, and 2022, the change is due to the increase in income tax caused by higher expected revenue mainly from the extensions and increases in hydrocarbon prices.
- (8) For the year ended December 31, 2022, it includes the estimated value of Mexican reserves.

Note 33. Subsequent events

The Company assessed events subsequent to December 31, 2023, to determine the need of a potential recognition or disclosure in these consolidated financial statements. The Company assessed such events through April 23, 2024, date in which these consolidated financial statements were made available for issue.

- On January 4, 2024, Vista Argentina paid interest for an amount of 112 corresponding to loan agreements signed with Banco Santander International in July 2021 and January 2022.

- On January 19, 2024, Vista Argentina paid interest for a total amount of 958 corresponding to loan agreement signed with ConocoPhillips Company.

- On January 19, 2024, Vista Argentina paid interest for an amount of 72 corresponding to loan agreement signed with Banco Santander International in January 2021.

- On January 25, 2024, Vista Argentina signed a loan Agreement with Banco Macro for a total amount of 35,000; at an annual interest rate of 7%, and expiration date between February 8, 2024, and March 19, 2024. As of the date of these consolidated financial statements, Vista Argentina pre-settled the mentioned agreements for a total amount of 35,229.

- On February 11, 2024, Vista Argentina paid interest for a total amount of 175 corresponding to ON XXI.

- On February 27, 2024, Vista Argentina paid interest for a total amount of 3,053 corresponding to ON XI and ON XII.

- During February, March and April, Vista Argentina made payments to Oldelval for an amount of 19,492 related to Duplicar Plus Project (Note 17 and 28.1).

- During February, March and April, Vista Argentina made payments to Oiltanking for an amount of 7,773 related to project mentioned in Note 28.2.

- On March 1, 2024, Vista Argentina received payments by Aconcagua for an amount of 10,734 related to agreement mentioned in Note 1.2.1.

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

Notes to the consolidated financial statements as of December 31, 2023 and 2022, and for the years ended December 31, 2023, 2022 and 2021

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

- On March 4, 2024, Vista Argentina paid interest for a total amount of 122 corresponding to ON VI y ON XIX.
- On March 5, 2024, Vista Argentina paid interest for a total amount of 151 corresponding to ON XX.
- On March 6, 2024, Vista Argentina paid interest for a total amount of 135 corresponding to ON XV.
- On March 6, 2024, Vista Argentina issued ON XXIII for an amount of 60,000 at a fixed rate 6.5% and expiration date in March 2027.
- On March 18, 2024, Vista Argentina paid interest for a total amount of 651 corresponding to ON XIII.
- On March 18, 2024, Vista Argentina signed a loan agreement with Eurobanco Bank Ltd. for a total amount of 40,000 collateralized with a first priority lien; at an annual interest rate of 11.4%. On April 18, 2024, the loan was canceled for a total amount of 40,380.
- On March 21, 2024, Vista Argentina signed a loan agreement with Banco Provincia for a total amount of 9,950; at an annual interest rate of 59%, and expiration date as of April 30, 2024.
- On April 4, 2024, Vista Argentina paid interest for an amount of 53 corresponding to loan agreements signed with Banco Santander International in July 2021 and January 2022.
- On April 5, 2024, Vista Argentina paid interest for an amount of 58 corresponding to loan agreement signed with Banco Santander International in January 2021.

There are no other events or transactions between the closing date and the date of issuance of these consolidated financial statements, April 23, 2024, that could significantly affect the Company's financial position or profit or loss.

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

BY-LAWS

CHAPTER I

CORPORATE NAME, CORPORATE DOMICILE, CORPORATE PURPOSE, TERM AND NATIONALITY

ARTICLE ONE. The corporate name of the company is **Vista Energy**, and it shall be followed by the words *Sociedad Anónima Bursátil de Capital Variable* or its abbreviation, “*S.A.B. de C.V.*” (the “Company”).

ARTICLE TWO. The corporate domicile of the Company is Mexico City, United Mexican States (“Mexico”). However, the Company may establish agencies, offices, warehouses, branches or facilities within Mexico or abroad, as well as establish conventional domiciles in Mexico or abroad, without implying thereby a change of its corporate domicile.

ARTICLE THREE The corporate purpose of the Company is to:

- a) acquire, by any legal means, any type of assets, stock, partnership interests, equity interests or interests in any kind of commercial or civil companies, associations, partnerships, trusts or any kind of entities within the energy sector, whether such entities are Mexican or foreign, at the time of their inception or at a later time as well as sell, assign, transfer, negotiate, encumber or otherwise dispose of or pledge such assets, stocks, equity interests or interests;
- b) participate as a partner, shareholder or investor in all kinds of businesses or entities, whether commercial or civil, associations, trusts, or of any other nature, whether Mexican or foreign, from their inception or by acquiring shares, equity interests or other kind of interests, regardless of the name they are given, in all kind of incorporated companies, as well as to exercise the corporate and economic rights derived from such participation and to buy, vote, sell, transfer, subscribe, hold, use, encumber, dispose, modify or auction under any title, such shares, equity interests or other kind of interests, as well as participations of all kind in entities subject to applicable law, as it is necessary or convenient;
- c) issue and place shares representing the capital stock of the Company, publicly or privately, having obtained the previous authorization by the competent authorities or institutions when needed and in accordance with the Mexican Securities Market Law, the General Law on Commercial Companies, the Negotiable Instruments and Credit Transactions Law and/or other applicable provisions, as requested, in domestic or foreign securities markets;

- d) issue and place warrants as referred in articles 65, 66 section I, 67 and other applicable of the Securities Market Law, publicly or privately and on shares representing the Company's capital stock or any other kind of securities, having obtained the previous authorization by the competent authorities or institutions when needed and in accordance with the Mexican Securities Market Law, the General Law on Commercial Companies, the Negotiable Instruments and Credit Transactions Law, the general provisions that the National Banking and Securities Commission issued for such purposes and/or other applicable legal provisions, as requested, in national or foreign securities markets;
- e) issue and place negotiable instruments, debt instruments or any other security, be it public or private, having obtained the previous authorization by the competent authorities when needed or institutions and in accordance with the Mexican Securities Market Law, the General Law on Commercial Companies, the Negotiable Instruments and Credit Transactions Law the general provisions that the National Banking and Securities Commission issued for such purposes and/or other applicable legal provisions, as requested, in national or foreign securities markets;
- f) issue any unsubscribed shares, held in treasury, for their subsequent placement in accordance with article 53 of the Mexican Securities Market Law and the applicable legal provisions;
- g) acquire its own shares, in accordance with applicable legislation;
- h) make capital reductions through loss absorption, cash reimbursements for the benefit of shareholders or in any other means permitted by the applicable law;
- i) enter into all kinds of agreements, contracts and documents, including without limitation, credit, broker, purchase and sale, supply, distribution, consignment, agency, commission, mortgage, bailment, barter, lease, sublease, management, services, technical assistance, consulting, commercialization, joint venture or co-investment, association and other agreements, as may be necessary or appropriate, pursuant to the laws of any jurisdiction and regardless of the name they are given,;
- j) grant, manage, acquire, and sell all types of credit rights in favor of any individual or legal entity;
- k) render and receive any kind of services directly or indirectly through third parties, to and with any kind of persons, individuals or legal entities, including governmental agencies within Mexico or abroad, including without limitation, professional services related to activities such as: sales, engineering, repair and/or maintenance, inspection, technical support, management, consultancy, supervision, control, health, security, accounting, finance, training, research, operation, development and courier services;
- l) acquire, sell, lease, rent, sublease, use, enjoy, possess, license and dispose of, under any legal form, all types of real estate, immovable and personal properties, equipment and goods, including as bailor and bailee, and to hold rights over such properties, including all types of machinery, equipment, accessories, offices and other supplies necessary or convenient;

- m) carry out by itself or on behalf of third parties, training, research and development programs of any kind necessary or convenient;
- n) receive and grant any kind of guaranties, personal and/or *in rem*, as a result of any loans or financing granted by the Company and/or as deemed necessary or convenient, as well as grant deposits or any other kind of guaranties;
- o) incur and assume obligations of any nature under the capacity as joint and several obligor (*obligado solidario*);
- p) issue, execute, accept, endorse, certify, acquire, sell, exchange, guarantee and, in general, subscribe and manage all kinds of negotiable instruments, including bonds, notes, commercial papers, debentures, participation certificates, promissory notes, regardless of the name they are given and of the laws to which they are subject, with the authority to obligate itself for the benefit of third parties in connection with negotiable instruments and carry out all kinds of credit transactions and guaranties;
- q) execute any type of derivative transactions of any nature in accordance with applicable law;
- r) open, manage and cancel bank accounts and any other accounts;
- s) acquire, possess, use, register, renew, assign, and dispose of any kind of patents, brands, commercial names, franchises and any and all types of intellectual or industrial property rights;
- t) request, obtain, license, assign, use, exploit and dispose of any type of permit, license, concession, franchise and/or authorizations issued by federal, state or municipal authorities, both Mexican and foreign, and to carry out acts relating thereto;
- u) act as representative agent, intermediary, beneficiary, commission agent, mediator, advisor or in any other capacity in favor of any type of person, individual or legal entity;
- v) in general, execute and carry out, within Mexico or abroad, on its own behalf or on behalf of third parties, with individuals or entities, including any governmental agency, any kind of contracts, agreements or acts, whether principal or accessory, civil or commercial, or of any other nature, as necessary or convenient; and
- w) carry-out any acts required or permitted by applicable legislation.

ARTICLE FOUR. The term of existence of the Company shall be indefinite.

ARTICLE FIVE. The Company is organized under the laws of Mexico. Any foreigner who, either at the incorporation of the Company or at any time thereafter, acquires shares or any interest in the Company, formally undertakes before the Ministry of Foreign Affairs to be considered as a Mexican national with respect to its interests in the Company, as well as the property, rights, concessions, participation or interests held by the Company, and the rights and obligations deriving from the agreements to which the Company is a party, and further undertakes not to invoke the protection of its government with respect to such interest, under the penalty upon the breach of such undertaking, of forfeiting such interest in favor of the Mexican Nation.

CHAPTER II

CAPITAL STOCK AND SHARES

ARTICLE SIX. The capital stock of the Company is variable. The fixed portion of the capital stock of the Company not subject to the right of withdrawal is the amount of Ps. 3,000.00, represented by 2 Series “C” ordinary, nominative shares with no expression of their par value. The variable portion of the capital stock is unlimited and will be represented by:

Series “A” Shares, which will be ordinary, nominative, with no expression of their par value, and granting equal economic and corporate rights, as well as equal obligations to their holders. The Series “A” Shares may be subscribed and paid for by Mexican or foreign individuals or corporations alike, as well as by any other foreign entities, whether they have or not legal personality.

Ordinary Shareholders Meetings may approve the issuance of (i) any other series or classes of shares, including those conferring special or limited rights to their holders (including without limitation, shares without voting rights, with limitations to corporate rights or with restricted vote) or imposing additional obligations on them; and/or (ii) securities with respect to such shares.

The entirety of the shares in which the capital stock is divided can be freely subscribed.

Each series or class of shares grants the same rights and obligations regarding the rest of the shares of the same class or series, in the terms set forth herein and/or as determined by the General Ordinary Shareholders’ Meeting that approves the issuance of shares of the applicable series or class.

Non-voting shares shall not count for determining the necessary quorum to call to order the General Shareholders’ Meeting. Limited or restricted voting shares will count only in determining the necessary quorum to call to order shareholders’ meetings in which their vote is needed or the special meetings.

Resolutions adopted at any General Shareholders' Meeting in which the issuance of any series or classes of shares and/or securities relating to such shares are approved, shall set forth the rights, limitations, restrictions, and all other characteristics corresponding to them.

ARTICLE SEVEN. The Company may issue unsubscribed shares, which shall be kept in the Company's treasury to be delivered as they are subscribed and paid, including as a result of the conversion of securities convertible to shares, or the conversion of a series of shares for another specific series, upon previous resolution by the General Shareholders' Meeting.

Likewise, the Company may issue unsubscribed shares for their placement among the public in general, in accordance with the terms and as long all conditions foreseen for such purposes in article 53 of the Securities Market Law are fulfilled, including the obtainment of the authorization from the National Banking and Securities Commission for public offering.

The preferred subscription right referred in article 132 of the General Law on Commercial Companies, is not applicable in the event of capital increases made (i) in terms of article 53 of the Securities Market Law or any other provision that substitutes it; (ii) in terms of an issuance of securities that are convertible into Company's shares; (iii) in terms of a conversion of a series of shares to another specific series upon previous resolution by the General Shareholders' Meeting; (iv) as a result of the merger of the Company, whether as subsisting or disappearing company; or (v) as a consequence of the placement of repurchased shares in terms of applicable law.

ARTICLE EIGHT. The Company may acquire shares representing its capital stock or negotiable instruments or other instruments which represent such shares, without applying the prohibition referred to on the first paragraph of article 134 of the General Law on Commercial Companies, as long as: (i) the acquisition of its own shares is made through a domestic stock exchange, (ii) the acquisition and, in such an event, sale through an exchange, is made at market price, except for public offerings authorized by the National Banking and Securities Commission, (iii) the acquisition of its own shares is collected from shareholders equity, in which case the acquired shares may be held by the Company without need of a capital decrease, or, collected from its capital stock, in which case they shall be converted into unsubscribed shares to be held in treasury by the Company, without the need of a resolution by the General Shareholders' Meeting. In every case, the amount of subscribed capital shall be announced when the authorized capital represented by issued but unsubscribed shares is made public, (iv) the General Shareholders' Meeting expressly resolves on, for each tax year, the maximum amount of funds that may be used for the acquisition of its own shares, or negotiable instruments or other securities representing such shares, with the sole limitation that the total

amount of funds destined for such purposes shall not exceed the sum of the Company's total net profits, including withheld profits from previous years; (v) the Company is up to date on compliance with its payment obligations derived from debt instruments registered before the National Securities Registry, and (vi) the acquisition and sale of the Company's shares, or the negotiable instruments representing them, under no circumstance shall give way to the noncompliance of maintaining the listing requirements of the stock exchanges in which they trade.

The Board of Directors is authorized to name the persons responsible for the acquisition and placement of its own shares.

As long as the shares, or negotiable instruments representing them, belong to the Company, such securities may not be represented nor voted in Shareholders' Meetings, nor the corporate and economic rights they entail exercised in any way.

The acquisition and sale of shares provided herein, the reports regarding such transactions shall be filled before the General Ordinary Shareholders' Meeting, the disclosure provisions regarding financial information, as well as the manner and terms in which such transactions are disclosed to the National Banking and Securities Commission, to the relevant stock exchange and the public in general, are subject to the terms set forth in the Securities Market Law and the general provisions issued by the National Banking and Securities Commission.

ARTICLE NINE. In the event of a situation which may imply a change of Control (as defined below), the following provisions shall be considered:

For purposes herein, the following terms will have the following meanings:

“Shares” means any and all shares which represent the capital stock of the Company, of any Class, Series or denomination, or any instrument, security, right (separable or not, represented or not by any instrument, or resulting from contractual provisions or not from any other instrument), or instrument issued or created based on, referenced to, or whose underlying value is such shares, including ordinary shareholding certificates, deposit certificates or negotiable instruments on such shares, independently from the applicable legislation or the market in which they are placed or in which they were executed or granted, or any rights granted on such shares or convertible in, or exchangeable for, such shares, including instruments and financial derivative transactions, options, warrants and convertible obligations or any similar or equivalent right or instrument, or any complete or partial right with respect or relating to shares representing the capital stock of the Company.

“Voting Agreement” has the meaning set forth herein.

“Affiliate” means (i) regarding Persons that are not individuals, all Persons that directly or indirectly through one or more agents, who Control, are Controlled or are otherwise under the common Control of the first Person, and (ii) regarding any individual, means any past, present or future spouse and any direct or indirect ancestor or descendant, including parents, grandparents, children, grandchildren and siblings, as well as any trust or equivalent agreement executed with the purpose of benefiting any of such individuals.

“Competitor” means any Person dedicated, directly or indirectly, through any mean or Person, vehicle or agreement, predominantly to the Company’s business, provided that the Board of Directors of the Company will be entitled to agree, case by case, to exceptions to the definition of Competitor, through resolutions adopted in terms of these By-Laws.

“Consortium” means the group of Entities, independently from the jurisdiction under which they are incorporated or existing, bound between them by one or more Person (individual) that, conforming or not a Group of Persons, have control of the former.

“Control”, “to Control” or “Controlled” (including the terms “Controlling” and “under common Control”) means regarding any Person, through a Person or Group of Persons, of any nature, regardless of the name they are given (including a Consortium or Business Group) and independently from the jurisdiction under which they are incorporated or existing, (i) the authority to impose, directly or indirectly, by any means, resolutions or decisions, or vetoing or blocking such resolutions or decisions, in any direction, in the General Shareholders’ or Partners’ Meeting, or equivalent colligate bodies, or naming or removing the majority of the directors, managers, executive officers or their equivalent, from such Person; (ii) maintain the ownership of any type of Shares or rights related to them which allow, directly or indirectly, to exercise he vote on more than 50% of the Shares, of any nature, with voting rights of such a Person, and/or (iii) the authority to conduct, determine, influence, veto or impede, directly or indirectly, the policies and/or decisions of the Board of Directors or of the management, the strategy, the activities, the transactions or the main policies of such a Person, be it through the ownership of securities, by written or verbal agreement or contract, or by any other mean, regardless of whether such control is apparent or implicit.

“Group of Persons” means the Persons, including Consortiums or Business Groups, that have, written or verbal, apparent or implicit, direct or indirect (at any level), agreements, of any nature, to make decisions in the same direction or act in the same manner. It is presumed, unless otherwise proved, that there is a “Group of Persons” when:

(i) individuals have cognation, affinity or civil kinship up to the fourth degree, spouses, concubines; and

(ii) the Entities, regardless of the jurisdiction under which they are incorporated, that are a part of the same Consortium or Business Group and the person or group of persons that has Control over such Entities.

“Business Group” means the group of Entities, regardless of the jurisdiction under which they are incorporated or existing, organized under direct or indirect capital stock ownership structures, bound by an agreement, or in any other manner, in which one Entity, of any type, maintains Control of such Entities.

“Significant Influence” means the ownership of rights, of any kind and regardless of the name they are given, that allow, directly or indirectly, by any means, including through a Consortium, Group of Persons or Business Group, exercising voting rights on at least 20% of the capital stock of the Entity.

“20% Ownership” means the ownership or holding, individually or jointly, directly or indirectly, through any Person of at least 20% of the capital stock or its equivalent in an Entity or of any right which such Person or Persons grants the authority to vote on 20% or more of the capital stock of an Entity.

“30% Ownership” means the ownership or holding, individually or jointly, directly or indirectly, through any Person, of 30% or more of the capital stock or its equivalent in an Entity or of any right which such Person or Persons grants the authority to vote or exercise similar rights on 30% or more of the capital stock of an Entity.

“Person” means any individual, Entity or any of its Subsidiaries or Affiliates, of any nature, however they are named, whether they are or aren’t legally existing, and under the legislation of any jurisdiction, or any Consortium, Group of Persons or Business Group which acts or pretends to act in a joint, concentrated or coordinated manner for the purposes herein.

“Entity” means any entity, partnership, limited liability company, company, association, co-investment, joint venture, trust, non-incorporated or legally incapacitated organization or governmental authority or any other economic or commercial association incorporated under any jurisdiction.

“Related Persons” means the Persons that, in regard to the Company, are under any of the following assumptions:

- (i) the Persons that have the Control or Significant Influence in the Entity that, in such an event, is a part of the Business Group or Consortium to which the Company belongs, as well as the relevant directors, managers or executive officers of the Persons which are a part of such Consortium or Business Group;

- (ii) the Persons that have Authority of Command regarding a Person that is a part of a Consortium or Business Group to which, in such an event, the Company belongs;
- (iii) the spouse, concubine and the individuals that have cognation, affinity or civil kinship up to the fourth degree, with individuals that are under the assumptions set forth in subsections (i) and (ii) above, as well as the partners of, or joint co-owners with, the individuals mentioned in such subsections with which business relations are held,
- (iv) the Entities that are a part of the Consortium or Business Group to which, in such an event, the Company belongs; and
- (v) the Entities over which the persons referred to in subsection (i) to (iii) above, exercise Control or Significant influence.

“Authority of Command” means the *de facto* capacity of decisively influencing the agreements taken by the Shareholders’ Meeting or the meetings of the Board of Directors or in the management, direction and execution of the Entity’s or Entities’ business that, in such an event, is a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls. It is presumed that a person has authority of command in an Entity, except when proved otherwise, in the following assumptions:

- (a) the shareholders or partner that have Control of an Entity or of the Entities that are a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls;
- (b) the individuals which have links with the Entity or the Entities that are a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls, though lifetime, honorary or any other position with analogous or similar titles;
- (c) the Persons that have transmitted the Control over an Entity or Entities that are a part of the Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls, under any title or gratuitously or at a sub-market or sub-accounting value, in favor of individuals with which it has cognation, affinity or civil kinship up to the fourth degree, the spouse or concubine; and
- (d) those who instruct directors or relevant executive officers of the Entity or the Entities that are a part of the Business Group or Consortium to which such an Entity belongs or in which it has Significant Influence or exercises Control, in the making of decision or in the execution of transactions in an Entity that is a part of a Business Group or Consortium to which such an Entity belongs or over which it has Significant Influence or which it Controls.

“Subsidiary” means regarding any Person, any entity or any other organization in which a Person owns the majority of the shares which represent the capital stock or equity interests or any other kind of interests with voting rights, or the voting Control of such an entity and/or organization, be it directly or indirectly, or regarding a Person who has the right to name the majority of the directors (or equivalent management body) or its manager.

Securities Acquisition Authorization by the Board of Directors.

Every direct or indirect acquisition, of Shares, or attempt of acquisition of Shares, of any nature and regardless of the name it is given, under any title or legal structure, with the intention of carrying-out, be it in one or several simultaneous or successive transactions or acts of any legal capacity, with no time limitation between them, be it through a or not, in Mexico or abroad, including structured transactions such as mergers, corporate restructures, spin-offs, consolidations, allocations or guaranties executions or other similar transactions or legal acts (any such operation, an “Acquisition”), by one or more Persons, Related Persons, Group of Persons, Business Group or Consortium, requires for its validity the previous, written and favorable resolution by the Board of Directors, each time that the number of Shares that is to be acquired, when added to the Shares owned previously within the Company, if such is the case, results in the acquiring party holding a percentage of the capital stock equivalent or equal to 10%. Once such percentage is reached any subsequent Acquisition of Shares by any such Person, Related Persons, Business Group or Consortium, through which they acquire additional Shares of the Company which represent 2% or more, shall be notified to the Company’s Board of Directors in the Company’s corporate domicile (through the Chairman of the Board with a copy to the Secretary who is not a member of the Board of Directors of the Company). For the avoidance of doubts, no additional authorization is required to carry-out such acquisitions or to execute a Voting Agreement until the ownership percentage in the capital stock is equal or greater than a 20% Ownership.

Previous favorable opinion is also requested from the Board of Directors, in writing, for the execution of written or oral agreements, regardless of their name or title or classification, as a consequence of which voting association, block voting, or binding or joint vote mechanisms or covenants are formed or adopted or certain Shares are combined or shared in any other manner, which implies a change in Control in the Company or an 20% Ownership in the Company (each, a “Voting Agreement” and jointly, the “Voting Agreements”), except for temporary Voting Agreements that are executed in connection with a general shareholders’ meeting, with the purpose of appointing minority members of the Board of Directors.

For such purposes, the Person who individually, or jointly with Related Persons, or, the Group of Persons, Business Group or Consortium which intends to carry-out any Acquisition or executing any Voting Agreement, shall comply with the following:

1. The interested party or parties shall file a written authorization request to the consideration of the Board of Directors. Such request shall be directed and delivered, undoubtedly, to the Chairman of the Board of Directors, with a copy to the Secretary who is not a member of such Board, in the Company's domicile. The aforementioned request shall be delivered under oath and shall contain the following information:

- (i) the number and class or series of Shares of the applicable Person or Persons and/or any Related Persons thereof, or, the Group of Persons, Business Group or Consortium (A) be it an owner or co-owner, directly or through any Person or Related Person, and/or (B) regarding the Shares over which a Voting Agreement has been executed;
- (ii) the number and class or series of Shares that it intends to acquire, through the Acquisition, whether directly or indirectly, by any means, or that is the subject of a Voting Agreement, plus the minimum price payable per Share intended to be acquired through the Acquisition;
- (iii) (A) the percentage which the Shares mentioned in subsection (i) above represents of the total of Shares issued by the Company, and (B) the percentage that the sum of the Shares referred to in subsections (i) and (ii) above represent from the total amount of Shares issued by the Company, provided that for such purposes they may consider the total number of shares reported by the Company to the stock exchange in which they are listed;
- (iv) the identity and nationality of the Person or Persons, Group of Persons, Consortium or Business Group that intends to carry-out the Acquisition or execute a Voting Agreement, provided that if any of them is an Entity, the identity and nationality of each of the partners, shareholders, founders, beneficiaries or any equivalent thereto that in the end has, direct or indirect Control of such Entity, shall be specified;
- (v) the reasons and objectives due to which they intend to carry-out an Acquisition or execute a Voting Agreement, particularly mentioning if they intend to acquire, directly or indirectly, (A) additional shares to those referred in the authorization request; (B) a 20% Ownership; (C) Control of the Entity; or (D) Significant Influence in the Company, as well as the intended role with respect to the policies and management of the Company, and any amendment they would like to propose with respect to the policies and management of the Company;
- (vi) if they have direct or indirect ownership (and the amount of such ownership) in the capital stock or in the management and operation of a Competitor or any Related Person to a Competitor, or if they have any economic relationship with a Competitor or with any Related Person to a Competitor, or if any of their Related Persons is a Competitor;
- (vii) if they have the authority to acquire Shares or execute a Voting Agreement, in accordance with what is provided herein and in the applicable legislation, in such an event, if they are in the process of obtaining any consent or authorization, from any person, and the terms and deadlines in which they expect to obtain them;

- (viii) the origin of the funds they intend to use to pay the price of the Shares requested; provided that in funds obtained from financing, the requesting party shall specify the identity and nationality of the Person providing such funds and if such Person is a Competitor or a Related Person to a Competitor, and the documentation that evidences corresponding the financing agreement and the terms and conditions of such financing. The Board of Directors may request from the Person that sends such a request, if considered necessary to guarantee the payment of the corresponding acquisition price and before granting authorization in accordance with the above, additional evidence regarding the financing agreement (including evidence that there are no conditions under such an agreement) or, the formation or granting of a (A) bail, (B) guarantee trust, (C) irrevocable letter of credit, (D) deposit, or (E) any other type of guarantee, up to the equivalent amount of 100% of the price of the Shares that are to be acquired or that are the subject matter of the corresponding transaction or agreement, naming the shareholders, directly or through the Company, as beneficiaries, with the purposes of securing the compensation of the losses and lost profits that the Company or its shareholders may suffer as a consequence of the incorrect information presented or of the request, or for any action or omission of the petitioner, directly or indirectly, or as a consequence of the impossibility to complete the relevant transaction, for any cause, related or not to the financing;
- (ix) the identity and nationality of the financial institution that would act as broker, in the event that the corresponding Acquisition is through public offering;
- (x) in such an event, if it is a public offering, copy of the offering memorandum or similar document, that has the intention of being used for the acquisition of the Shares or pertaining to the corresponding transaction or agreement, complete as of such date, and a representation stating if such has been authorized by the competent authorities (including the National Banking and Securities Commission); and
- (xi) a domicile in Mexico City, Mexico, to receive notices regarding the filled request.

In the event that the Board of Directors resolves, due to the impossibility of knowing certain information upon receiving the corresponding request, that such information may not yet be disclosed or for other reasons, the Board of Directors may, at its entire discretion, waive the compliance of one or more of the aforementioned requirements

2. Within the 15 business days following the date upon which the request referred to in paragraph 1 above has been received, the Chairman or non-member Secretary shall call to a Meeting of the Board of Directors to consider discuss and resolve the matter of the requested authorization. Calls to meetings of the Board of Directors shall be made in writing and sent in accordance with the provisions set forth herein.

3. The Board of Directors may request from the Person intending to carry-out the Acquisition or execute the corresponding Voting Agreement, additional documentation and clarifications as it sees fit to adequately analyze the request, to agree upon the authorization request it has been filed, provided that any request of such nature on behalf of the Board of Directors shall be made during the subsequent 20 calendar days following the receipt of the request, and provided that such request will not be considered as final and complete until the Person who intends to carry-out the Acquisition or execute the Voting Agreements, files all the additional information and make all the clarifications requested by the Board of Directors.

The Board of Directors shall resolve any authorization request it receives in the terms herein within a 90 calendar day term following the delivery of the request or on the date in which such request is finalized as stated in the paragraph above.

The Board of Directors shall issue a resolution approving or rejecting the request; provided that in case the Board of Directors does not issue its resolution within the aforementioned 90-day period, the request shall be deemed as rejected. In any case, the Board of Directors will act in accordance with the guidelines set forth in the second paragraph of the "General Provisions" stated below and shall justify their decision in writing.

4. To consider a meeting of the Board of Directors duly called to order, by first or subsequent call, to deal with any matter regarding an authorization request or agreement referred herein, the assistance of at least 66% of its incumbent members or their alternates is required. The resolutions taken will be valid when taken by 66% of the members of the Board of Directors.

5. In the event that the Board of Directors authorizes the requested Share Acquisition or the execution of a proposed Voting Agreement, and such acquisition, transaction or agreement implies or results in (i) the acquisition of a 30% Ownership or more without resulting in a change of Control, in addition to any authorization request provided in this Article, the Person or Group of Persons intending to carry out the Acquisition or celebrate the Voting Agreement, shall carry out a tender offer for the percentage of the Company's capital stock equivalent to the proportional amount of outstanding Shares intended to be purchased or for 10%, whichever is greater, previous to the acquisition of the Shares or the execution of the respective Voting Agreement subject to authorization, under the conditions authorized, in its case, by the Board of Directors; or (ii) a change of Control, additionally to any request of authorization set forth herein, the Person or Group of Persons desiring to carry out the Acquisition or execute the Voting Agreement, prior to the Acquisition or execution of the Voting Agreement for which they are requesting authorization, shall make a tender offer for 100% of the outstanding Shares, in accordance with the terms approved by the Board of Directors.

The tender offer referred in the paragraph above shall be completed within 90 days following the date on which the authorization was granted by the Board of Directors, provided that such term may be extended by an additional 60 calendar days in the understanding that any relevant governmental authorizations required for such purposes are still pending.

The price to be paid for each of the Shares will be the same, regardless of their class or series.

In the event that the Board of Directors receives, at or before the Acquisition has concluded of the execution of a Voting Agreement is finalized, an offer from a third party, stated in a request to carry-out an Acquisition of at least the same amount of Shares, in better terms for the owners and shareholders of the Company (including type of compensation and price), the Board of directors will have the authority to consider and, in such an event, authorize such a second request, suspending the authorization previously granted, and submitting to the consideration of such a Board of Directors both requests, in order for the Board of Directors to approve the request it considers convenient, provided, that any approval shall have no effects on the obligation of carrying out a tender offer pursuant to Article Nine herein and the applicable law.

6. Share Acquisitions that do not imply (A) the acquisition of a 20% Ownership, or (B) a change of Control, may be registered in the Stock Registry Book of the Company, once duly authorized by the Board of Directors and once such transactions have concluded. Share Acquisitions or Voting Agreements that imply (A) the acquisition of a 20% Ownership, or (B) a change of Control, may be registered in the Stock Registry Book of the Company until the moment upon which the tender offer referred to herein has been concluded. Consequently, in this case it will not be possible to exercise the rights arising from the Shares until such tender offer is concluded.

7. The Board of Directors may deny its authorization for a requested acquisition or for the execution of a proposed Voting Agreement, in which case it will inform in writing, the basis and reasons for such denial, The requesting party will have the right to request and hold a meeting with the Board of Directors, or with an ad-hoc committee appointed by the Board of Directors, to explain, extend or clarify the terms of its request, as well as manifest its position through a written document filed before the Board of Directors.

General Provisions

For the purposes herein, it is to be understood that Shares belong to the same Person, when such Shares are (i) owned by any Related Person, or (ii) owned by any Entity, provided that such Entity is owned by the aforementioned Person. Likewise, it will be deemed as the same Person for the purposes herein, the Person or Group of Persons that jointly or coordinately or concentrated with others acquire shares regardless the legal acts that originated such transaction, whether simultaneous or successive. The Board of Directors, considering the definitions contemplated herein, will resolve if one or more Persons that intend to acquire Shares or execute Voting Agreements shall be considered as the same Person for the purposes set forth herein. In such determination that in fact or in law is held by the Board of Directors may be considered.

In the assessments made to authorization requests referred herein, the Board of Directors shall take into consideration the following factors and any other as deemed pertinent, acting in good faith and in the best interest of the Company and its shareholders and in compliance with their duties of loyalty and diligence in terms of the Mexican Securities Market Law and these By-

Laws: (i) the price offered by the potential buyer and the type of compensation planned as part of such offer; (ii) any other relevant terms or conditions included in such offer such as the viability of the offer and the origin of the funds to be used for the Acquisition; (iii) the credibility and moral solvency and reputation of the potential buyer; (iv) the effect of the proposed Acquisition or the proposed Voting Agreement in the business of the Company, including its financial and operational position as well as its business prospects; (v) potential conflicts of interest (including those derived from the Person making the request is a Competitor, or an affiliate of a Competitor, as described in the paragraphs above) in the event that the Acquisition or Voting Agreement is not on 100% of the Shares; (vi) the reasons stated by the potential buyer to carry-out the Acquisition or execute the Voting Agreement; and (vii) the quality, precision and truthfulness of the information provided in the potential buyer's request.

If the Acquisition of Shares or the execution of a Voting Agreement is to take place, without complying with the requirement of obtaining authorization from the Board of Directors, the Shares regarding such Acquisition or in connection with such Voting Agreement will not grant any rights to vote in any Shareholders' Meeting of the Company, at buyer's, group of buyers' or parties' to the relevant contract, agreement or covenant liability. The Shares of such Acquisition or Voting Agreement that have yet to be approved by the Board of Directors shall not be registered in the Company's Stock Registry Book, and the entries made beforehand shall be cancelled, and the Company shall not acknowledge or give any value to the records or listings referred to in article 290 of the Securities Market Law, or any other provision which might substitute it from time to time and other applicable provisions, and shall not be considered as proof of ownership of Shares or grant assistance rights for the Shareholders' Meetings, or no legitimacy for the exercise of any legal action, including those of procedural nature.

The authorizations granted by the Board of Directors as referred herein, will have no effect if the information and documentation on which the authorization was based and granted is not or ceases to be true, complete and/or legal.

In the event of any failure to comply on what is set forth herein, the Board of Directors may adopt, among others, the following measures (i) the reversion of the undertaken transactions, with mutual restitution to the parties thereto, or (ii) the sale of the Shares of such Acquisition, to an interested third party approved by the Board of Directors at the minimum reference price resolved by the Board of Directors.

What is provided herein will not be applicable to (i) Share Acquisitions made through legacy or inheritance, or to affiliates or vehicles wholly controlled by the Person carrying out the transfer, (ii) Share Acquisition or the execution of a Voting Agreement by the Company, or by a trust formed by the Company, (iii) [*is repealed*], or (iv) the transfer into a control trust or similar entity which the shareholders at any moment in the future may form at the time of an initial public offering of the Company's Shares in Mexico.

The provisions herein will apply in addition to the statutes and general rules regarding the acquisition of securities in the markets in which the Shares, or other securities issued referred to such shares, or rights derived therefrom are listed. In the event that this provision counters, in part or in whole, any laws or general provisions, then the law or the general provisions pertaining to acquisition of securities shall prevail.

This Article will be registered in the Public Registry of Commerce of the Company's domicile and shall be transcribed in the share certificates representing the Company's capital stock, in order to be valid against third parties.

The provisions contained herein may only be amended or removed from the By-Laws, through a favorable resolution of at least 95% of the Company's Shares at the time.

ARTICLE TEN. *[Is repealed]*

ARTICLE ELEVEN. The capital stock increases shall be made pursuant to resolutions adopted by the General Shareholders' Meeting.

The increases of capital stock in its fixed portion shall be approved by resolutions adopted in Extraordinary Shareholders Meetings, with a corresponding amendment to these By-Laws, while the increases of capital stock in its variable portion shall be approved by resolution adopted in Ordinary Shareholders Meetings, which shall be formalized before a notary public, without it being necessary that the relevant public deed is recorded before the Public Registry of Commerce of the Company's corporate domicile.

In said Meetings, as appropriate, any agreements will be taken in order to set forth the terms and conditions in which said increase shall be made, including the exclusion of preemptive subscription rights in connection with the issuance of shares that are the object of the increase.

Notwithstanding the foregoing, the General Shareholders' Meeting may delegate to the Board of Directors the authority to increase the capital stock and to determine the terms of the share subscription object of the increase, including the exclusion of the preemptive subscription right in connection with the issuance of shares that are the object of the delegation.

Additionally, capital increases arising from the capitalization of stockholders' equity accounts may be carried out, pursuant to article 116 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and any other applicable provisions, through payment in cash or in kind, capitalization of liabilities or by any other means allowed by the applicable law. In the increases by means of capitalization of stockholders' equity accounts, all shares shall have the right to the proportional part that corresponds to them accordingly, without it being necessary to issue new shares representing the increase.

Capital increases, except for those arising from the acquisition by the Company of its own securities, shall be recorded in the Capital Variation Registry Book, which the Company shall open and maintain pursuant to article 219 of the General Law on Commercial Companies, or any other provision that replaces it from time to time, and other applicable provisions.

Unless the General Shareholders' Meeting or the Board of Directors resolve the exclusion of the preemptive subscription rights in connection with the issuance of shares that are the object of the increase or unless for the assumptions listed in the last paragraph of Article Seventh of these Bylaws, shareholders shall have in proportion to the number of shares they hold when the relevant increase is resolved, the preemptive right to subscribe the new shares issued or put into circulation to represent the relevant increase. The foregoing, provided that such preemptive right shall be exercised within 15 calendar days, following the date on which the relevant increase has been published in the electronic system of the Ministry of Economy.

Once the period referred to in the immediately preceding paragraph has expired, and there are still shares pending to be subscribed, these may be offered for their respective subscription and payment, (i) at the price and under the terms and conditions under which they were offered to the shareholders, as resolved by the Board of Directors, or (ii) in any other terms determined by the Board of Directors, to the extent they are not more favorable than those under which the shares were offered to the shareholders.

If in any case, the shares are not subscribed, they may be kept by the Company in its treasury or, otherwise, they may be cancelled, in both cases a prior capital decrease shall be resolved by a Shareholder' Meeting to the extent necessary.

ARTICLE TWELVE. The capital stock of the Company shall be reduced upon resolutions by the Ordinary or Extraordinary Shareholders' Meeting, in accordance with the provisions set forth in this Article, except for (i) the separation of shareholders referred to in article 206 of the General Law on Commercial Companies or any other provision that replace it from time to time, and other applicable legal provisions; and (ii) the acquisition of its own shares by the Company in accordance with the By-Laws and the Securities Market Law and other applicable legal provisions.

In any case, reductions of the capital stock of the Company may only be effected by means of cash reimbursements to the shareholders, in accordance with article 9 of the General Law on Commercial Companies, precisely in the terms resolved by the General Shareholders' Meeting.

Reductions in the fixed portion of the capital stock of the Company shall be made upon resolutions adopted by the Extraordinary Shareholders' Meeting, amending for such purposes the By-Laws of the Company and formalizing the relevant minute before a notary public. On the other hand, reductions in the variable portion of the capital stock shall be made upon resolutions adopted by the Ordinary Shareholders' Meeting, which shall be formalized before a notary public, without it being necessary to record the relevant public deed before the Public Registry of Commerce of the Company's corporate domicile; provided that when the shareholders exercise their separation right or when the decreases are a result of the acquisition by the Company of shares representing its own capital stock, no resolution from the Shareholders' Meeting will be needed.

Reductions of the capital stock may be resolved to absorb losses in the event that any shareholder exercises its right of separation in terms of article 206 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, as well as a result of the reacquisition by the Company of shares representing its own capital stock pursuant to these By-Laws, or in any other case allowed under the applicable law.

Capital increases to compensate losses will be carried out proportionally among all shares representing the capital stock, without need to cancel shares as they have no expressed par value.

Shareholders who are holders of securities that are a part of the variable portion of the capital stock, may not exercise their right of withdrawal referred to in article 220 of the General Law on Commercial Companies, or any other provision that replaces it from time to time, pursuant to article 50 of the Securities Market Law or any other provision replacing it from time to time, and other applicable legal provisions.

All capital reductions shall be duly registered in the Capital Variations Registry Book pursuant to article 219 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, except for reductions resulting from the acquisition of shares carried-out by the Company.

ARTICLE THIRTEEN. The Company may carry out the redemption of shares with distributable profits without need to reduce the capital stock, provided that, in addition to complying with the provisions of article 136 of the General Law on Commercial Companies or any other provision replacing them from time to time, and other applicable legal provisions, it complies with the following:

(i) If the redemption is intended to redeem all the shareholders, such redemption shall be made in such a way that once the relevant redemption is carried out, the shareholders shall continue to have the same proportion of shares they had before the relevant redemption took place.

(ii) If the redemption is intended to redeem shares that are listed in a stock exchange, such redemption will be made through the acquisition of its own shares on such said stock exchange in accordance with the terms and conditions resolved by the corresponding Shareholders' Meeting, which may delegate to the Board of Directors or special deputies the authority to determine the system, prices, terms and other conditions for that end. Once adopted, the relevant resolutions shall be published in the electronic system handled by the Ministry of Economy.

(iii) The redeemed shares and the certificates representing them shall be cancelled, with the corresponding capital decrease.

ARTICLE FOURTEEN. In the event that the Company decides to cancel the registration of its shares before the National Securities Registry, by a resolution adopted in an Extraordinary Shareholders' Meeting, with a favorable vote of at least 95% of the shareholders representing the capital stock of the Company, or by resolution of the National Banking and Securities Commission, prior to such cancellation, the Company shall carry out a tender offer within a maximum period of 180 calendar days counted as of the moment in which the demand or authorization from the National Banking and Securities Commission, as the case may be, becomes effective, in accordance with article 108 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions. That offer shall be directed solely to those Persons not belonging to the group of shareholders that exercise Control over the Company.

Shareholders exercising control (as defined in the Securities Market Law) will be collaterally liable before the Company for the compliance of the provisions of this Article, in case of a cancellation demand from the National Banking and Securities Commission.

In order to comply with the provisions of article 108 of the Mexican Securities Market Law, and pursuant to its article 101, the Board of Directors of the Company shall prepare, no later than the 10th business day after the beginning of the tender offer, hearing the Audit and Corporate Practices Committee, and shall disclose to the investing public, its opinion with respect to the price of the tender offer and the conflict of interests that, as the case may be, each of the members of the Board of Directors has in connection with the offering. Such opinion may be accompanied with another one issued by an independent expert. Likewise, the members of the Board of Directors and the Chief Executive Officer of the Company shall disclose to the public, along with the aforementioned opinion, the decision they will take with respect to the shares or securities referred to shares they own.

ARTICLE FIFTEEN. The provisional certificates and the stock certificates of the Company shall comply with the provisions contained in article 125 of the General Law on Commercial Companies or any other provision replacing it from time to time and other applicable provisions, and shall contain the full text of Articles Five and Nine hereof, and shall be signed by 2 (two) members of the Board of Directors.

In addition, the stock certificates representing the shares may or may not differentiate between the shares representing the minimum fixed portion and those shares representing the variable portion of the capital stock of the Company.

In case of stock certificates deposited in an institution for the securities depository, the Company may, prior approval of the institution for the securities depository, deliver multiple certificates or a single certificate that represent the shares subject to the issuance and deposit, and the institution itself shall prepare the entries necessary to determine the rights of the respective depositors.

In the event mentioned in the immediately preceding paragraph, the certificates representing them will be issued with the mention of being deposited in the institution for the securities deposit in question, without the need to express in the document the name, the address, nor the nationality of the holder.

The Company may issue certificates without adhered coupons. In this case, the records issued by the corresponding institution for the deposit of securities shall serve as such accessory coupons for all legal purposes, in terms of the Securities Market Law.

The certificates may be issued electronically in the form of a data message with advanced electronic signature in accordance with the provisions of the Commercial Code and in accordance with the general provisions issued by the Mexican Central Bank, including, among others, the certificates that may be issued using electronic means, as well as the specific and security characteristics that they shall meet for such purposes. Certificates issued in print media may be electronically substituted in the terms of this paragraph in accordance with the general provisions issued by the Mexican Central Bank.

ARTICLE SIXTEEN. The Company shall keep a Stock Registry Book, in accordance with what is set forth in articles 128 and 129 of the General Law on Commercial Companies, or any other provision replacing them from time to time, as well as article 290 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions. The Shareholders' Meeting or the Board of Directors of the Company shall resolve as registrar agent, the Secretary of the Company, an institution authorized to deposit securities, a Mexican credit institution or any other person.

The Company shall consider as legitimate holder of the shares representing the capital stock of the Company, the person whose name is registered in the Stock Registry Book.

In the event that the shares representing the capital stock of the Company are placed in a securities market, the indication of said circumstance and of the institution for the deposit of securities in which the certificate or certificates representing them will be sufficient for its registration in such book, and, in such case, the Company will recognize as shareholders those who prove such character with the certificates issued by the relevant institution for the securities deposit, supplemented by the relevant list of holders of shares formulated by those who appear as depositors in the records, in accordance to Article 290 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.

The Stock Registry Book shall be closed from the date on which the certificates are issued pursuant to Article 290 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions, until the next business day following the respective Meeting. During such periods no registration will be made in the said book.

CHAPTER III

SHAREHOLDERS' MEETINGS

ARTICLE SEVENTEEN. The General Shareholders' Meeting is the supreme body and authority of the Company. General Shareholders' Meetings may be Ordinary or Extraordinary, as well as Special Shareholders' Meetings; and shall be held in the corporate domicile, except for cases of *force majeure* or acts of God.

The Shareholders' Meeting may be held through the use of electronic, optical or any other technology, as if they were in person Shareholders' Meetings, being able to grant the participation of part or all of the attendees in person or through electronic, optical or any other technology means, both having the same validity. It shall not be understood that a Shareholders' Meeting is held outside the corporate domicile by the mere fact of using electronic, optical or any other technology.

General Extraordinary Shareholders' Meetings shall be held to approve any of the matters referred to in article 182 of the General Law on Commercial Companies, articles 48, 53 and 108 of the Securities Market Law, or any other provisions replacing them from time to time, and other applicable provisions, as well as those mentioned in Articles Nine and Nineteen of these By-Laws. All other meetings shall be General Ordinary Shareholders' Meetings, including those meetings which deal with increases and reductions to the variable portion of the capital stock.

The Special Shareholders' Meetings shall be those installed to handle any matter that may affect the rights granted to the holders of a series of shares of the Company, and shall be subject to the applicable provisions that were established for the Extraordinary Shareholders' Meetings in these By-Laws, in connection with installation and voting quorum and minutes formalization.

ARTICLE EIGHTEEN. An Ordinary Shareholders' Meeting shall be held at least once each year within the first 4 months following the end of the fiscal year in order to approve the matters listed in the relevant Agenda, the matters referred to in article 181 of the General Law on Commercial Companies, or any other provision replacing it from time to time, as well as the following:

- (i) Discuss, approve or modify the reports of the Chairmen of the Audit Committee and of the Corporate Practices Committee.
- (ii) Discuss, approve or modify the report of the Chief Executive Officer, pursuant to articles 28, Section IV, and 44, Section XI, of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.
- (iii) Discuss, approve or modify the report of the Board of Directors in terms of subparagraph b) of article 172 of the General Law on Commercial Companies, or any other provision replacing it from time to time.
- (iv) Review the opinion of the Board of Directors regarding the content of the Chief Executive Officer's report.
- (v) Decide on the application of profits, if any.
- (vi) Appoint the members of the Board of Directors, the Secretary and Deputy Secretary and the members of the committees, as well as their respective substitutes, as the case may be, and appoint or remove the Chairmen of the Audit Committee and the Corporate Practices Committee.
- (vii) Qualify the Directors who have the nature of independent.
- (viii) As the case may be, designate the maximum amount of corporate funds that may be used for the repurchase of securities issued by the Company.
- (ix) Approve the transactions that the Company intends to carry out in the course of a fiscal year, when such transactions, or a series of transactions considered together on an aggregate basis based on certain shared characteristics (as determined by the Securities Market Law) represent an amount that is 20% or more of the consolidated assets of the Company, determined on the basis of the value of our consolidated assets at the end of the immediately preceding quarter; provided that in such Meetings, the shareholders holding shares with voting rights, including limited or restricted, may vote.

(x) Any other matter that should be handled by the Ordinary General Shareholders' Meeting in accordance with the applicable law or which is not specifically reserved to an Extraordinary General Meeting.

ARTICLE NINETEEN. The Extraordinary General Meetings shall handle any of the matters referred to in article 182 of the General Law on Commercial Companies, or any other provision replacing it from time to time. In addition, they will handle any of the matters listed below:

- (i) Provide in the By-Laws measures aimed to prevent the acquisition of securities that grant Control of the company.
- (ii) Capital increase under the terms of article 53 of the Securities Market Law, or any other provision replacing it from time to time.
- (iii) Cancellation of the registration of the shares representing the capital of the Company, or the certificates representing them in the National Securities Registry.
- (iv) Amend the Company's By-Laws.
- (v) Cancellation by the Company of shares representing the capital stock with distributable profits and issuance of dividend certificates or limited-voting, preferential or any other kind of shares different from ordinary shares.
- (vi) Other matters for which the applicable law or the By-Laws expressly require a special quorum.

ARTICLE TWENTY. The Shareholders' Meetings may be called by the Board of Directors, the Chairman or the Secretary nonmember of the Board of Directors, by any of the Audit Committee or Corporate Practices Committee. The holders of shares with voting rights, for each 10% holding of the capital stock individually or collectively represented, may request to the Chairman of the Board of Directors or to the relevant Committee, without meeting the percentage set forth in article 184 of the General Law on Commercial Companies, the execution of a Meeting.

In addition, the holder of a share may request a meeting is carried out when one of the assumptions set forth in article 185 of the General Law on Commercial Companies is complied, or any other provision replacing it from time to time, and other applicable provisions. If a call is not made within the 15 days following the request date, a Civil or District Court Judge of the Company's domicile, will make such a call at the request of any interested shareholder, who must prove the ownership of their shares for such purposes.

The calls for the Shareholders' Meetings shall be published in the electronic system established by the Ministry of Economy for such purposes and may be published in one of the newspapers of largest circulation in the corporate domicile of the Company, within at least 15 calendar days, in advance of the date on which the relevant Meeting is intended to take place, in terms of article 186 of the General Law on Commercial Companies or any other provision replacing it from time to time, and other applicable provisions.

From the date of the call, to the date on which the relevant Meeting is held, the Company will make available to the shareholders, in its offices, immediately and free of charge, all the information it deems necessary for the Meeting, including the forms referred to in the section III of article 49 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.

The Shareholders' Meetings may be held without prior call in the event that all the shares representing the capital stock with voting rights or the relevant series of shares (in the event of a Special Meeting) are present or represented at the time of the voting.

Notwithstanding the foregoing and in accordance with the second paragraph of article 178 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, the shareholders may take unanimously resolutions outside of a Meeting, which will have the same validity and effectiveness as if they had been taken in a Shareholders' Meeting, as long as the resolutions are in writing.

ARTICLE TWENTY ONE. The shareholders may be represented at the Shareholders' Meetings by an attorney-in-fact that has a power-of-attorney granted pursuant to the forms referred to in section III of article 49 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions, or pursuant to a power of attorney granted pursuant to applicable law.

To be admitted to the Shareholders' Meetings, the shareholders shall be duly registered in the Stock Registry Book managed by the Company in accordance with article 128 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions, or as the case may be, present the certificates issued by Institution for the Securities Deposit (*S.D. Indeval Institución para el Depósito de Valores, S.A. de C.V.*), or any other institution that acts as depository of securities in terms of the set forth in the Securities Market Law.

To assist to a Special or General Shareholders' Meeting of the Company, the relevant shareholder must prove to the Secretary nonmember of the Board of Directors of the Company, that such a shareholder is not under the assumptions that require approval by the Board of Directors of the Company set forth in article Ninth herein.

ARTICLE TWENTY TWO. The Ordinary and Extraordinary General Shareholders' Meetings shall be chaired by the Chairman of the Board of Directors and in his absence, by the person appointed by the Meeting, by the majority votes of the shares present.

The Secretary nonmember of the Board of Directors or the Deputy Secretary shall act as Secretary of the Shareholders' Meetings and in his/her absence, the person appointed by the Shareholders' Assembly by the majority votes of the shares present.

The Chairman of the Meeting shall appoint 1 or more inspectors from the shareholders, shareholders' representatives or invitees attending to the relevant Meeting, who shall determine the existence or absence of a quorum, and shall count the votes cast when the Chairman of the Meeting requests it.

The relevant Meeting's Minutes shall be prepared by the Secretary, and shall be signed by the Chairman and the Secretary of the Meeting, as well as by the individuals who acted as inspectors. Any records regarding such meetings that were not able to transact matters because of a lack of quorum shall also be signed by the Chairman, the Secretary and the inspectors of the relevant meeting.

ARTICLE TWENTY THREE. The Ordinary Shareholders' Meetings shall be considered as legally convened, upon first call, if at least 50% of the ordinary shares representing the outstanding capital stock of the Company, and their resolutions will be valid when they have been approved by simple majority of the represented shares present at such Meeting, that have voting rights. In case of second or further calls, the General Ordinary Shareholders' Meetings shall be legally convened, regardless of the number of shares present or represented at such a Meeting, and the resolutions shall be approved by simple majority of the shares with voting power present or represented at such a Meeting.

The Extraordinary General Shareholders' Meetings shall be considered as legally convened upon first call, if at least 75% of the shares representing the outstanding capital stock of the Company are present or represented at such Meeting. In case of second or further calls, the Extraordinary General Shareholders' Meetings shall be legally convened if more than 50% of the shares representing the outstanding capital stock of the Company are present or represented at such Meeting.

The resolutions taken by an Extraordinary General Meeting, irrespective of whether they are legally convened upon first, second or subsequent call, will be valid if they are adopted by at least half of shares representing the outstanding capital stock of the Company, except for the case provided in (i) article nineteen, paragraph (iii), of these By-Laws, case in which the affirmative vote of 95% of shares representing the outstanding capital stock of the Company present or represented at such Meeting, will be required, and (ii) Article Nineteen, paragraph (iv), of these By-Laws, case in which the affirmative vote of 65% of shares representing the outstanding capital stock of the Company present or represented at such Meeting, will be required.

ARTICLE TWENTY FOUR. The Shareholders' Meetings minutes and the resolutions adopted unanimously by the shareholders in lieu of a Meeting, as applicable, shall be transcribed in the Shareholders' Meetings Minutes' Book. Files containing copies of the minutes from each Meeting or unanimous resolutions along with attendance lists, proxies, calls copies, if any, and documents submitted to discussion, such as Board of Directors reports, financial statements of the Company and other relevant documents shall be formed and kept.

In the event on which the transcription of any minute of a Meeting or the resolutions adopted unanimously by the shareholders outside of a Meeting cannot be registered in the Meetings' Minutes' Registry Book, such minutes or resolutions shall be formalized before a notary public in Mexico.

The Shareholders' Meetings' minutes, as well as the records regarding such Meetings that were not able to be executed for lack of quorum, shall be signed by the Chairman and Secretary of such Meeting.

ARTICLE TWENTY FIVE. The Company shall grant the following minority rights:

(a) Pursuant the provisions set forth in section III of the article 50 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions, the holders of the shares with voting rights (even limited or restricted) represented in an Ordinary or Extraordinary General Meeting, for every 10% of the capital stock they hold either individual or jointly, may request to be postponed for 1 time only, for 3 calendar days and without a new call needed, the voting in any matter on which they consider are not sufficiently informed, notwithstanding the percentage provided in the article 199 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions.

(b) The holders of the shares with voting rights (even limited or restricted) that individually or jointly represent the 20% or more of the capital stock, may judicially oppose to the resolutions adopted in the General Meetings regarding the ones on which they have voting right, notwithstanding the percentage referred to in article 201 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions.

(c) The shareholders that, individually or jointly, are holders of the shares with voting rights (even limited or restricted or without voting right) that represent the 5% or more of the capital stock, shall execute directly the action of liability against any Directors, Chief Executive Officer or any other relevant officer for failing to comply the diligence and loyalty duties, in favor of the Company or the legal entity that this one manages or in the one that has a significant influence.

(d) The shareholders that, individually or jointly, hold shares with voting rights (even limited or restricted or without voting right) for each 10% or more of the capital stock represented, shall appoint and/or remove from office through a General Shareholders Meeting, a member of the Board of Directors. Such member may only be removed from office if all the members of the Board of Directors are removed, in which case the members who were removed shall not be appointed again during the 12 months following from the date of such removal.

CHAPTER IV

MANAGEMENT AND SURVEILLANCE

ARTICLE TWENTY SIX. The management of the Company shall be in charge of a Board of Directors. The Board of Directors shall be formed by a maximum of 21 members, pursuant the relevant resolution adopted by the Shareholders' Meeting, of which at least the 25% shall be independent, pursuant the terms set forth by the articles 24 and 26 of the Securities Market Law, or any other provision replacing it from time to time and other applicable provisions.

For each Director a respective alternate may be appointed, provided, however, that the alternate Directors of the independent Directors shall have the same capacity.

Independent Directors shall mean any of such persons selected by their experience, capacity and professional reputation who comply with the requirements set forth in the article 26 of the Securities Market Law or by any other provision replacing it from time to time and any other provision provided by the National Banking and Securities Commission.

It will correspond to the Ordinary General Shareholders' Meeting to qualify the independence of the Directors. The National Banking and Securities Commission, prior to a hearing right of the Company and the relevant Director concerned, may reject the independence qualification of any Director, when there are existing elements that prove the lack of independence, within a term of 30 business days from the notice made by the Company.

ARTICLE TWENTY SEVEN. The members of the Board of Directors, may be or may not be shareholders of the Company, shall remain in duties until removed and the persons appointed to substitute them take possession of their charges, provided that at all time they shall have legal capacity to perform their duties and shall not be prevented from exercising commerce. Provisions contained in second paragraph of article 24 of the Securities Market Law shall be complied at all times.

The Board of Directors may appoint provisional Directors, without input from a Shareholders' Meeting, in the case of the death or disability of a director or expiration of his or her term. A General Shareholders' Meeting shall ratify such appointments or appoint the new Directors in the Meeting following such event.

The aforesaid, provided, however that the members of the Board of Directors may only be removed by approval of the Ordinary General Shareholders' Meeting.

ARTICLE TWENTY EIGHT. The members of the Board of Directors of the Company shall be appointed by the majority vote by the shareholders of the Company in an Ordinary General Shareholders Meeting.

Notwithstanding the foregoing, the minority rights referred to herein, shall be respected, including, without limitation, the right granted under paragraph d) of article twenty five of these By-Laws.

ARTICLE TWENTY NINE. Each year, the Shareholders' Meeting or otherwise the Board of Directors, shall choose within its members the Chairman of the Board of Directors. Unless provided otherwise, the Chairman of the Board of Directors shall execute and carry out the resolutions adopted by the Shareholders' Meeting and the Board of Directors without needing any special resolution.

Likewise the Ordinary General Shareholders Meeting or the Board of Directors, as applicable, shall appoint a Secretary and a Deputy Secretary nonmembers of the Board of Directors but shall be subject to the obligations and duties provided in the applicable law.

Temporary or definitive absences in the Board of Directors shall be covered by the relevant alternates. The Chairman of the Board of Directors shall have the quality vote in the event of a tie.

The Chairman of the Board of Directors may be of any nationality, will chair the meetings of the Board of Directors and, in his absence, such meetings will be chaired by one of the Directors appointed by a majority vote of the other attending Directors.

ARTICLE THIRTY. The Board of Directors' Meeting shall be called by the Chairman of the Board of Directors, of the Auditors Committee, of the Corporate Practices Committee, by the Secretary not member of the Board of Directors or by the 25% of the directors by means of written notice, including but not limited to, fax or email, to all the members of the Board of Directors with at least 10 calendar days prior to the date set for execution of the Meeting. In the event that all the Directors are present, the call will not be necessary.

The external auditor may be called in order to assist to any Meeting of the Board of Directors with the right to speak but without a voting right, provided, however, that such auditor will never be present when matters which may imply a conflict of interest of that may comprise his independency are discussed.

The Board of Directors' Meeting shall be held, at least 4 times during each financial year, in the domicile of the Company, nevertheless, they may be held in a different domicile or abroad if a majority of the directors approves it, or also by telephone, video conference or any other means that allows the effective and simultaneous participation of its members.

ARTICLE THIRTY ONE. The minutes of the Board of Directors' Meetings shall be transcribed into the Board of Directors' Meetings' Book and shall be signed by all the persons that assisted or, if it is expressly authorized by agreement in the relevant meeting, just by the Chairman of the Board of Directors of the Company and the Secretary nonmember of the Board of Directors of the Company. From each Meeting of the Board of Directors a file shall be formed by the means of which copies of the minutes of the unanimous resolutions by the Board of Directors, copy of the calls, when applicable, as well as all the relevant documents regarding such Meeting shall be kept.

ARTICLE THIRTY TWO. In order for a Board of Directors' Meeting to be legally convened, the majority of its members shall be present. The Board of Directors shall adopt its resolutions by the majority vote of its Directors.

Resolutions taken outside of the Board of Directors' Meeting by the unanimous vote of the Directors, shall be valid and legally adopted if such resolutions are confirmed by writing and signed by all the members of the Board of Directors. The document in which the written confirmation is evidenced shall be sent to the Secretary of the Company, who will transcribe the relevant resolutions in the corresponding minutes book, and shall indicate that such resolutions were adopted pursuant to these By-Laws.

ARTICLE THIRTY THREE. The Board of Directors shall have the representation of the Company and therefore shall have all the authorities provided in the general powers of attorney for lawsuits and collections, for acts of administration and for acts of ownership, with all the general and special faculties that require a special clause in accordance with the law, in accordance with the terms set forth in the article 2554 of the Civil Code for the Federal District and the correlative provisions of the Civil Codes for each one of the states of Mexico and the Federal Civil Code; therefore, shall represent the Company before all types of administrative and judicial authorities, federal, state or municipal, before the Arbitration and Conciliation Board (*Junta de Conciliación y Arbitraje*) and other labor authorities and arbitrators. The aforementioned powers, include but are not limited to, authorities to:

- (a) perform all transactions and execute, amend and terminate agreements inherent to the corporate purposes of the Company;

- (b) open, manage and cancel bank accounts, including but not limited to, the authority to appoint signatories who may draw funds from such account;
- (c) constitute and withdraw all types of deposits;
- (d) appoint and remove the Chief Executive Officer and its consideration, as well as the policies for the appointment and consideration of the rest of relevant officers;
- (e) grant and revoke general and special powers of attorney;
- (f) open and close branches, agencies and dependencies;
- (g) execute all the resolutions adopted by the Shareholders' Meeting;
- (h) represent the Company in the event that the Company may have an interest or social participation in other companies or entities, as well as to buy or subscribe shares or partnership interests therein, at the time of its incorporation or at any further time;
- (i) file all types of claims and resources, and even "*amparo*" proceedings, to comprise, comprise in arbitrations, to coordinate or absolve positions, assign or encumber assets, recuse and receive payments, to discuss, negotiate, execute and review collective or individual labor agreements;
- (j) initiate criminal claims and complaints in order to grant pardon and assist the Public Prosecutor;
- (k) accept on behalf of the Company mandates of legal entities or persons either national or foreign;
- (l) authorize the Company or its subsidiaries to constitute real and personal guarantees, as well as any fiduciary involvement in order to secure liabilities of the Company and become a joint obligor, guarantor, *aval*, and in general as an obligor to the compliance of third parties liabilities and establish the necessary guarantees in order to secure such compliance;
- (m) approve information and communication policies for the shareholders and the market, among others;
- (n) call for Ordinary and Extraordinary General and Special Meetings and to execute their resolutions;
- (o) create committees as deemed appropriate and appoint the members of the Board of Directors who shall form such committees (except for the appointment and ratification of the persons who perform as Chairman of the Auditing Committee and Corporate Practices Committee, who shall be appointed by the Shareholders Meeting);

- (p) establish the strategies in order to fulfill the purposes of the Company;
- (q) take care of the matters referred-to in article 28 of the Mexican Securities Market Law or any other provision that replaces it from time to time;
- (r) resolve about any capital stock increase, determine the subscription terms of the shares object of the increase, including the exclusion of the preemptive subscription right in connection with the issuance of shares that are the object of the delegation, as such authority may be delegated by the General Shareholders' Meeting under the terms of these Bylaws and article 55 of the Securities Market Law, or any other provision that replace it from time to time.
- (s) approve the terms and conditions for the public offering and transfer of treasury shares of the Company issued pursuant to Article 53 of the Securities Market Law;
- (t) appoint the person or persons in charge of carrying out the acquisition or placement of shares authorized by the Shareholders' Meeting, pursuant to article 56 of the Mexican Securities Market Law, as well as the terms and conditions of such acquisitions and placements, within the limits set forth by the Mexican Securities Market Law and the Shareholders' Meeting, and inform the Shareholders' Meeting of the result, in any fiscal year, of the exercise of such authorities;
- (u) appoint provisional Directors, pursuant to the provisions of the Mexican Securities Market Law
- (v) approve the terms and conditions of the judicial agreement through which it is intended to finish any liability action for breach of the diligence or loyalty duties of any Director;
- (w) general power of attorney for lawsuits and collections and acts of administration for labor matters, without limitation, to be exercised jointly or separately, with all the general powers and the special powers that require a special clause in accordance with the Law, in terms of the first two paragraphs of Articles 2,554 and 2,574 of the Federal Civil Code and the correlative provisions thereof of the Civil Codes of the various states of the Mexican Republic and of the Federal District, to start and withdraw from all kinds of legal actions, including the "amparo" or "amparo adhesivo" proceedings, file and withdraw criminal complaints, become assistant of the Public Prosecutor (*Ministerio Público*) and to grant pardons in favor of the victim. In accordance with Article 2,587 of the Federal Civil Code and the correlative provisions of the Civil Codes of each one of the States of the United Mexican States and the Federal District, that include but are not limited to withdraw from proceedings, to compromise, submit to arbitration, prepare and answer interrogatories, challenge jurisdictions, and make or receive payments and waivers. The powers granted herein may be exercised before all kinds of individuals or entities, or administrative, judicial or labor authorities, of a federal, state or municipal nature.

In addition, it is hereby granted a power of attorney for lawsuits and collections and for acts of administration for labor matters for the purposes of articles 11, 692 sections I, II and III, related to the articles 786 and 876 of the Federal Labor Law, that include, but are not limited to represent and evidence the Company's capacity in trial and in the conciliation audiences, claims and defenses and in the disclosure audiences, admission and execution of evidence during the procedures, including the presentation of witness evidence in terms of article 787 and 787 of the Federal Labor Law, with authorities to carry out any kind of labor actions, formulate and answer interrogatories, file counterclaims, accept claims and filing of testimonials, to indicate domiciles to receive all kinds of notifications related to the above in terms and for the effects of articles 875, 876 section I and IV, 877, 878, 879 and 880 of the Federal Labor Law, as well as to attend to evidence presentation audiences, in terms of articles 873 and 874 of the Federal Labor Law.

In general, to act as the employer's representative and exercise the powers of attorney granted hereby, for each and all matters involving labor authorities or social services referred to in the Federal Labor Law; likewise, the Board of Directors may appear before the Labor Boards (*Juntas de Conciliación y Juntas de Conciliación y Arbitraje*), either of local or federal jurisdiction. The Board of Directors shall represent the employer for the purposes provided in articles 11, 46 and 47 of the Federal Labor Law and shall be considered as legal representatives of the Company. The Board of Directors shall have the authorities to execute all kinds of agreements and carry out all kinds of actions, including the right to withdraw any evidence or stage of proceeding, to act as representative of the Company in their capacity as managers, in respect to and for all kinds of trials or labor proceedings before any kind of authority, including Labor Inspections (*Inspecciones Laborales*) carried out by any federal or local labor authority.

Also, it is hereby granted a special power of attorney as broad as required by Law, limited to labor issues to prepare, sign and file all kind of writs, including but not limiting to tax returns, notifications and/or any kind of documents related to tax payments, including payroll tax, contributions, overloads, fines and rights payments, as well as to perform and carry out the procedures and filings derived therefrom, and in general, to carry out any kind of activities related to labor issues on behalf of the Company before any kind of labor, tax and/or social security authorities, whether federal, state or municipal, including but not limiting to the Ministry of Labor and Social Security, the Ministry of Finance and Public Credit, the Tax Administration System, the Federal Treasury, the Mexican Social Security Institute, the National Fund Institute of Housing for Employees and the System of Savings for Retirement.

The Board of Directors shall have the necessary authorities to delegate and substitute, either totally or partially, this power of attorney, in favor of the persons designated for such purposes, reserving at all times, their authorities to exercise in general this power of attorney. The Board of Directors shall be authorized to revoke, either totally or partially, the delegated powers of attorney, pursuant to the authorities granted in this section.

- (x) To grant, revoke and cancel general and special powers of attorney within the scope of its authority, granting their substitution and delegation authority, except for those authorities which exercise is limited to the Board of Directors pursuant to the applicable law or these By-Laws, always keeping the exercise of its authority; and
- (y) enter into any and all necessary or convenient legal acts in order to fulfill the purposes of the Company.

The Board of Directors, when applicable, shall additionally have pursuant to the terms set forth in the article 9 of the General Law on Negotiable Instruments and Credit Transactions, a general power-of-attorney to issue, accept and endorse negotiable instruments, as well as to protest them and a general power-of-attorney to open and cancel bank accounts.

ARTICLE THIRTY FOUR. The Secretary nonmember of the Board of Directors shall sign and authorize certified copies or excerpts of the Shareholders' Meetings' Minutes, Board of Directors' Meetings, Capital Variations and Stock Registry Books.

ARTICLE THIRTY FIVE. The General Shareholders' Meeting or the Board of Directors may create the committees they deem necessary for their operation.

In addition, the Board of Directors will have the Auditing Committee and the Corporate Practices Committee in accordance to the Securities Market Law, which are exclusively formed by independent Directors and a minimum of 3 members appointed by the Board of Directors, pursuant the terms set forth in the article 25 of the Securities Market Law, or any other provision replacing it from time to time and other applicable provisions.

The Auditing Committee and the Corporate Practices Committee and the other appointed pursuant this article, shall meet in the form and dates or frequency established by each of such Committees in the first or last meeting held during each year (in the latter case regarding the calendar of meeting to be held during the following year), without the need to call for the members for each meeting when such meetings have been previously scheduled in accordance with the meeting calendar approved by the Committee for such purposes. Provided, however, that in order for the Committees' meetings to be legally convened, a majority of the members shall be present and the resolutions shall be approved by the majority vote of the members of the relevant Committee.

In addition, each Committee shall meet when decided by the Chairman of such Committee, the Secretary non-member of the Board of Directors or any of its members, prior notice with at least 3 business days in advance to all the members of the Committee and the required alternates. The external auditor of the Company may be invited to the meetings of the Committees, as invitee with voice but not vote. Committee meetings may be held by telephone or video conference, or by any other means that allows the effective and simultaneous participation of its members.

Decisions may be made outside of meetings of the Committees by unanimous written consent of all Committee members signed by all of the members. Likewise, the Committees may meet at any moment, without prior call, in case all of their members are present.

None of the Committees may delegate all of its authorities to any person, but may appoint deputies to implement their resolutions. The chairman of each Committee will be entitled to individually implement such resolutions without needing express authorization. Each Committee created pursuant to this article, shall inform the Board of Directors on an annual basis about the activities it performs or when its considers that facts or actions material for the Company have occurred. A minute shall be prepared of each meeting of a Committee, which shall be transcribed in a special book. The minute shall evidence the attendance of the members of the Committee and the resolutions adopted, and they shall be signed by the individuals present and the President and Secretary.

For all that is not provided herein or in the Securities Market Law, the Committees shall operate pursuant the functioning rules of the Board of Directors.

The Committees shall give notice at least once a year to the Board of Directors regarding the activities they have carried out.

ARTICLE THIRTY SIX. In accordance to the Securities Market Law, Directors, members of the Audit Committee and of the Corporate Practices Committee and the other persons mentioned in the third paragraph of article thirty seven hereto will have, among others, the following responsibilities:

(i) Duty of diligence: shall act according to the duty of diligence established in article 30 and on of the Securities Market Law and shall request the information they deem appropriate of the Company's officers.

(ii) Duty of loyalty: They shall act according to the duty of loyalty contemplated in article 34 and on of the Securities Market Law, or any other provision that replaces it from time to time, and other applicable provisions.

Regarding the provisions contained in the immediately preceding paragraph, as well as in article 35, section VII, and other applicable of the Mexican Securities Market Law, “business opportunities” shall only mean those opportunities submitted to the relevant person (who is obliged by the duty of loyalty referred-to in the immediately preceding paragraph) exclusively in her/his capacity as Director of the Company, Chief Executive Officer or relevant officer of the Company. The above in the understanding that the directors, the Chief Executive Officer and the other relevant officer of the Company must at all times, comply with the duties imposed by the Mexican Securities Market Law and will not have any benefits or liability waivers to free them from their obligations in accordance with the second paragraph of article 37 of such law.

Failure to comply with the Duty of Diligence or the Duty of Loyalty shall make them jointly liable with other Directors who have also failed to comply, for the damages caused to the Company in the cases in which they have acted in bad faith, willfully or illegally.

At all times, provisions contained in second and third paragraphs of article 34 of the Mexican Securities Market Law shall be complied.

(iii) Liability Action: The liability resulting from the violation of the duty of diligence or the duty of loyalty shall be exclusively in favor of the Company, as the case may be, and may be exercised by the Company or the shareholders who, individually or jointly, hold shares (including limited votes, restricted or non-voting), representing 5% or more of the capital stock.

The foregoing, on the understanding that the members of the Board of Directors or the Committees shall not incur in default when they act in good faith or any responsibility exclusion mentioned in article 40 of the Securities Market Law arises, or any other provision replacing it from time to time, and other applicable provisions.

ARTICLE THIRTY SEVEN. The Shareholders’ Meeting, the Board of Directors, as the case may be, may appoint a Chief Executive Officer, who shall be in charge of the management and execution of the Company’s businesses, in accordance with article 44 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions.

In order to fulfill its functions, it shall have the broadest authorities to represent the Company in acts of administration, lawsuits and collections, including special powers that according to the law require a special clause, as well as any other power granted by the Board of Directors. In case of acts of ownership, it shall comply with the provisions of article 28, section VIII, of the Securities Market Law or any other provision replacing it from time to time, and other applicable provisions.

In order to carry out its functions and activities, as well as for the due fulfillment of its obligations, the Chief Executive Officer may appoint and remove the relevant officers, managers, sub managers, agents and employees of the Company and determine, limit or revoke their faculties, liabilities and compensations, and be assisted by the relevant officers appointed for that purpose and any employee of the Company, provided that both the Chief Executive Officer and such officers shall be subject to the liability established in article 29 of the Securities Market Law, or any other provision replacing it from time to time, and other applicable provisions. Likewise, liability exclusions and limitations referred-to in articles 33 and 40 of the Mexican Securities Market Law, or any other provisions that replace them from time to time, shall be applicable.

In addition, the Chief Executive Officer and other key officers shall be liable in the cases referred-to in second paragraph of article 46 of the Mexican Securities Market Law or any other provision that replaces it from time to time.

The Chief Executive Officer is also required to submit to the audit and corporate practices committees proposals for systems of internal control.

ARTICLE THIRTY EIGHT. The surveillance of the management, conduct and execution of the business of the Company shall be vested in the Board of Directors through the Audit Committee and the Corporate Practices Committee, as well as the entity performing the external audit.

Pursuant to article 41 of the Securities Market Law, or any other provision replacing it from time to time, the Company shall not be subject to the provisions of articles 91, section V, 164 to 171, 172 last paragraph, 173 and 176 of the General Law on Commercial Companies or any other provision replacing them from time to time.

The Chairman of the Audit Committee and the Chairman of the Corporate Practices Committee shall be bound to provide an annual report according to article 43 of the Securities Market Law, or any other provision replacing it from time to time.

(a) Corporate Practices Committee. Such Committee shall have a minimum of 3 members, which shall be independent and shall be appointed by the Shareholders' Meeting or the Board of Directors as proposed by the Chairman of the Board of Directors, except for the Chairman, who will be appointed and/or removed from office exclusively by the General Shareholders' Meeting, and shall have the characteristics referred to in article 43, section I, of the Securities Market Law or any other provision replacing it from time to time, and other applicable provisions.

The Corporate Practices Committee shall have the functions referred to in article 42, section I, of the Securities Market Law, or any other provision replacing it from time to time, and the general provisions that, for such effect, the National Banking and Securities Commission dictates, as well as other applicable provisions. These functions include, but are not limited to issuing an opinion to the Board of Directors about the Corporate Practices Committee's duties, requesting opinions from independent experts in connection with corporate matters that must be submitted for approval of the Board of Directors or with respect to which a conflict of interest exists, calling shareholders' meetings and adding issues to their agendas and supporting the Board of Directors in the preparation of reports.

(b) Audit Committee. It shall have a minimum of 3 members, who shall be independent and shall be appointed by the Shareholder's Meeting or the Board of Directors as proposed by the Chairman of the Board of Directors, except for the Chairman who shall be appointed and/or removed from office exclusively by the General Shareholders' Meeting and will have the characteristics referred to in article 43, section II, of the Securities Market Law.

The Audit Committee shall have the functions referred to in article 42, section II, of the Securities Market Law, or any other provision replacing it from time to time, and the general provisions that, for such effect, dictate the National Banking and Securities Commission, as well as other applicable provisions. These functions include, but are not limited to giving an opinion to the Board of Directors about matters entrusted to the Audit Committee, advise on the engagement of external auditors, discussing the financial statements of the Company with the persons responsible for preparing them, informing the Board of Directors about the state of affairs concerning the internal control and audit systems of the Company, preparing an opinion about accounting criteria and policies and, in general, overseeing the corporate conduct of la Company.

In addition, the Company shall retain an external auditor in order to comply with the provisions of the Securities Market Law.

ARTICLE THIRTY NINE. The members of the Board of Directors and the Committees shall not guarantee the performance of their duties.

ARTICLE FORTY. The company shall indemnify and hold harmless the members, alternates and officers of the Board of Directors, the Audit Committee, the Corporate Practices Committee, any other Committees created by the Company, the Secretary and the Deputy Secretary non-members of the Board of Directors, and the Chief Executive Officer and other relevant officers, in relation to the performance of their duties, such as any claim, demand,

proceeding or investigation initiated in Mexico or in any of the countries in which the Company's shares are registered or listed, other securities issued on the basis of such shares or other fixed or variable income securities issued by the Company itself, or in any jurisdiction where the Company or the companies it controls operate, in which such persons may be parties as members of such bodies, owners or alternates, and officials, including the payment of any damages or losses that have been caused and the amounts necessary to arrive, if deemed appropriate, to a transaction, as well as the total fees and expenses of lawyers (reasonably and documented) and other advisors to be retained to ensure the interests of such persons in the aforementioned cases, on the understanding that the Board of Directors shall be the body empowered to resolve, in the aforementioned cases, whether it considers convenient to retain the services of lawyers and other different advisors to those who are advising the Company in the relevant case. This indemnity shall not apply if such claims, demands, proceedings or investigations result from gross negligence, willful misconduct, bad faith or illegally pursuant to the applicable law of the indemnified party concerned. Furthermore, the Company may purchase, in favor of the members of the Board of Directors, the Audit Committee, the Corporate Practices Committee and any other committees formed by the Company, of the Chief Executive Officer or any other relevant officer, the insurance, bond or guarantee which covers the amount of the indemnity for the damages caused by his/her performance within the Company or entities controlled by the Company or in which the Company has significant influence, except in the event of acts of malice or bad faith, or illicit acts in accordance with the Mexican Securities Market Law or other applicable law.

CHAPTER V

FISCAL YEAR, FINANCIAL INFORMATION, AND PROFITS AND LOSSES

ARTICLE FORTY ONE. Unless otherwise provided under applicable law, the fiscal year shall have a duration of 12 calendar months, commencing on January 1st of each year and ending on December 31st of the same year; with the exception of the fiscal year in which the Company is incorporated, which will start on the date of its incorporation and end on December 31st of the corresponding year or in case the Company is liquidated or merged, in which case the fiscal year will end in advance.

ARTICLE FORTY TWO. Within 4 months following the closing date of each fiscal year, the Chief Executive Officer and the Board of Directors shall prepare a report including the financial information and any other information that is necessary in accordance with the applicable legal provisions, within its attributions pursuant to the provisions of the Securities Market Law and such report will be presented by the Board of Directors to the General Shareholder's Meeting

The financial information will be reviewed and commented upon, by the Audit Committee and the Corporate Practices Committee, prior to its presentation to the General Shareholder's Meeting.

ARTICLE FORTY THREE. Each year the shareholders by means of the Ordinary General Shareholders' Meeting will separate from the net profits the percentage indicated by the Shareholders' Meeting, which shall not be less than 5%, to form the legal reserve fund, until such fund is equivalent to, at least, one-fifth of the stock capital.

Such fund will be recreated in the same manner when it is diminished for any reason.

In addition, it shall separate the amounts, when appropriate, to create or increase other capital reserves, whether general or special, and separate the amount that the Shareholders' Meeting determines for the acquisition of the Company's own shares in accordance with applicable law and what is provided herein.

The remaining amount shall be applied as determined by the Shareholders' Meeting.

The rest of the net profits will be applied, at the discretion of the shareholders, in the Ordinary General Shareholders' Meeting.

The losses, if any, will be absorbed in the first instance by the reserves and depleted, by the stock capital.

CHAPTER VI

DISSOLUTION AND LIQUIDATION

ARTICLE FORTY FOUR. The company shall be dissolved upon occurrence of any of the events described in article 229 of the General Law on Commercial Companies, or any other provision replacing it from time to time, and other applicable provisions. The dissolution of the Company shall cause the cancellation of the registration of the shares representing the capital of the Company, or the certificates representing them in the National Securities Registry.

ARTICLE FORTY FIVE. Once the Company has been dissolved, it shall be placed in liquidation, which would be in charge of one or more liquidators, who in such case shall act together as agreed by the Shareholders' Meeting. The Shareholders' Meeting will also set the deadline for the exercise of their position(s) as well as the remuneration that will correspond to them.

The liquidator(s) will proceed with the liquidation and the distribution of the remaining, if any, in proportion to the shares held by the shareholders, in accordance to the provisions in the General Law on Commercial Companies.

CHAPTER VII

GENERAL PROVISIONS

ARTICLE FORTY SIX. In all matters not specifically provided herein, the provisions of the General Law on Commercial Companies, the Securities Market Law and general provisions issued by the National Banking and Securities Commission will be applied.

ARTICLE FORTY SEVEN. For the interpretation and compliance of these By-Laws, the shareholders expressly submit to the competent courts of Mexico City, waiving to any other jurisdiction that may correspond to them by virtue of their present or future domiciles or for any other reason.

List of Subsidiaries of Vista Energy, S.A.B de C.V.

Subsidiary	Jurisdiction of incorporation	Name under which the subsidiary does business
Vista Energy Argentina S.A.U.	Argentina	Vista Argentina
Vista Energy Holding I, S.A. de C.V.	Mexico	Vista Holding I
Vista Energy Holding II, S.A. de C.V.	Mexico	Vista Holding II
Aleph Midstream S.A.	Argentina	Aleph Midstream
Aluvional S.A.	Argentina	Aluvional
AFBN S.R.L.	Argentina	AFBN

CERTIFICATION

I, Miguel Galuccio, certify that:

1. I have reviewed this annual report on Form 20-F of Vista Energy, S.A.B. de C.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 23, 2024

By: /s/ Miguel Galuccio

Name: Miguel Galuccio

Title: Chief Executive Officer

CERTIFICATION

I, Pablo Manuel Vera Pinto, certify that:

1. I have reviewed this annual report on Form 20-F of Vista Energy, S.A.B. de C.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the company as of, and for, the periods presented in this report;
4. The company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the company and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the company's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the company's internal control over financial reporting; and

5. The company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the company's auditors and the audit committee of the company's board of directors (or persons performing the equivalent functions):
- a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal control over financial reporting.

Date: April 23, 2024

By: /s/ Pablo Manuel Vera Pinto

Name: Pablo Manuel Vera Pinto

Title: Chief Financial Officer

Certification by CEO and CFO pursuant to Section 1350, as adapted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002

The certification set forth below is being furnished to the Securities and Exchange Commission, in connection with Vista Energy, S.A.B. de C.V.'s Annual Report on Form 20-F for the year ended December 31, 2023 (the "Annual Report") solely for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code as adapted pursuant to Section 906 of the Sarbanes – Oxley Act of 2002.

Miguel Galuccio, the Chief Executive Officer and Pablo Manuel Vera Pinto, the Chief Financial Officer of Vista Energy, S.A.B. de C.V. each certifies that, to the best of their knowledge:

1. the Annual Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Annual Report fairly presents, in all material respects, the financial condition and results of operations of Vista Energy, S.A.B. de C.V.

Date: April 23, 2024

By: /s/ Miguel Galuccio

Name: Miguel Galuccio

Title: Chief Executive Officer

By: /s/ Pablo Manuel Vera Pinto

Name: Pablo Manuel Vera Pinto

Title: Chief Financial Officer

DeGolyer and MacNaughton

5001 Spring Valley Road
Suite 800 East
Dallas, Texas 75244

April 23, 2024

Vista Energy S.A.B. de C. V.
Calle Volcán 150, Floor 5
Colonia Lomas de Chapultepec, Alcaldía Miguel Hidalgo
Mexico City, 11000
Mexico

Ladies and Gentlemen:

We hereby consent to the references to DeGolyer and MacNaughton as set forth under the headings “Presentation of Information–Presentation of Oil and Gas Information,” “Item 4. Information on the Company,” and “Item 19. Exhibits” in the Annual Report on Form 20-F of Vista Energy S.A.B. de C. V. (Vista) for the year ended December 31, 2023 (the Annual Report). We further consent to the inclusion of our reports of third party dated February 7, 2024 (our Report), as Exhibit No. 99.1 in the Annual Report. Our Report contain our opinions regarding our estimates, as of December 31, 2023, of the net proved oil, condensate, natural gas liquids, and gas reserves of certain properties in Argentina and Mexico in which Vista has represented it holds an interest.

We confirm that we have read the Annual Report and have no reason to believe that there are any misrepresentations in the information contained therein that are derived from our Report or that are within our knowledge as a result of the services performed by us in connection with the preparation of our Report.

Very truly yours,

/s/ DeGolyer and MacNaughton

DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No 333-269585) of Vista Energy, S.A.B. de C.V. of our reports dated April 23, 2024, with respect to the consolidated financial statements of Vista Energy, S.A.B. de C.V. and the effectiveness of internal control over financial reporting of Vista Energy, S.A.B. de C.V., included in this Annual Report (Form 20-F) of Vista Energy, S.A.B. de C.V. for the year ended December 31, 2023.

/s/ Pistrelli, Henry Martin y Asociados S.R.L.

Pistrelli, Henry Martin y Asociados S.R.L.
Member of Ernst & Young Global Limited

City of Buenos Aires, Argentina

April 23, 2024

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the Registration Statement (Form S-8 No. 333-269585) of Vista Energy, S.A.B. de C.V. of our report dated April 24, 2023 (except for note 2.6 as to which date is April 23, 2024), with respect to the consolidated financial statements of Vista Energy, S.A.B. de C.V., included in this Annual Report (Form 20-F) of Vista Energy, S.A.B. de C.V. for the year ended December 31, 2023.

/s/ Mancera, S.C.

Mancera, S.C.

Member of Ernst & Young Global Limited

México, Mexico City

April 23, 2024

Exhibit 15.4

April 23, 2024
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549

Ladies and Gentlemen:

We have read item 16.F – “Change in Registrant’s Certifying Accountant” of the annual report on Form 20-F for the year ended December 31, 2023 of Vista Energy, S.A.B. de C.V. We agree with the statements contained therein in relation to Mancera, S.C. We have no basis to agree or disagree with other statements of the registrant contained therein.

Very truly yours,

/s/ Mancera, S.C.

Mancera, S.C.

Member of Ernst & Young Global Limited

**VISTA ENERGY POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION**

1. Purpose. The purpose of this Policy is to describe the circumstances in which Executive Officers will be required to repay or return Erroneously Awarded Compensation to the Company in accordance with the Clawback Rules. Each Executive Officer shall be required to sign and return to the Company the Acknowledgement and Acceptance Form attached hereto as Exhibit A pursuant to which such Executive Officer will acknowledge that he or she is bound by the terms of this Policy; provided, however, that this Policy shall apply to, and be enforceable against, any Executive Officer and his or her successors (as specified in Section 11 of this Policy) regardless of whether or not such Executive Officer properly signs and returns to the Company such Acknowledgement and Acceptance Form and regardless of whether or not such Executive Officer is aware of his or her status as such.

2. Administration. Except as specifically set forth herein, this Policy shall be administered by the Administrator. Any determinations made by the Administrator shall be final and binding on all affected individuals and need not be uniform with respect to each individual covered by this Policy. Subject to any limitation under applicable law, the Administrator may authorize and empower any officer or employee of the Company to take any and all actions necessary or appropriate to carry out the purpose and intent of this Policy (other than with respect to any recovery under this Policy involving such officer or employee).

3. Definitions. For purposes of this Policy, the following capitalized terms shall have the meanings set forth below.

(a) “**Accounting Restatement**” shall mean an accounting restatement: (i) due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (a “Big R” restatement); or (ii) that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a “little r” restatement).

(b) “**Administrator**” shall mean the Committee or any other committee or person designated by the Board to administer the Policy, and in the absence of such designation, the Board.

(c) “**Board**” shall mean the Board of Directors of the Company.

(d) “**Clawback Eligible Incentive Compensation**” shall mean, with respect to each individual who served as an Executive Officer at any time during the applicable performance period for any Incentive-based Compensation (whether or not such individual is serving as an Executive Officer at the time the Erroneously Awarded Compensation is required to be repaid to the Company), all Incentive-based Compensation Received by such individual: (i) on or after the Effective Date; (ii) after beginning service as an Executive Officer; (iii) while the Company has a class of securities listed on the Listing Exchange; and (iv) during the applicable Clawback Period.

(e) “**Clawback Period**” shall mean, with respect to any Accounting Restatement, the three completed fiscal years of the Company immediately preceding the Restatement Date and any transition period (that results from a change in the Company’s fiscal year) of less than nine months within or immediately following those three completed fiscal years.

(f) “**Clawback Rules**” shall mean Section 10D of the Exchange Act and any applicable rules or standards adopted by the SEC thereunder (including Rule 10D-1 under the Exchange Act) or the Listing Exchange pursuant to Rule 10D-1 under the Exchange Act (including Section 303A.14 of the New York Stock Exchange Listed Company Manual), in each case as may be in effect from time to time.

(g) “**Committee**” shall mean the Compensation Committee of the Board.

(h) “**Company**” shall mean Vista Energy S.A.B. de C.V. (and as the Administrator determines is applicable, together with each of its direct and indirect subsidiaries).

(i) “**Effective Date**” shall mean October 2, 2023.

(j) “**Erroneously Awarded Compensation**” shall mean, with respect to each Executive Officer in connection with an Accounting Restatement, the amount of Clawback Eligible Incentive Compensation that exceeds the amount of Clawback Eligible Incentive Compensation that otherwise would have been Received had it been determined based on the restated amounts, computed without regard to any taxes paid.

(k) “**Executive Officer**” shall mean any individual who is or was an executive officer as determined by the Administrator in accordance with the definition of “executive officer” as set forth in the Clawback Rules and any other senior executive, employee or other personnel of the Company who may from time to time be deemed subject to the Policy by the Administrator. For the avoidance of doubt, the Administrator shall have full discretion to determine which individuals in the Company shall be considered an “Executive Officer” for purposes of this Policy. A list of Executive Officers for purposes of this policy is set forth in Exhibit B, which may be revised from time to time at the sole discretion of the Administrator.

(l) “**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(m) “**Financial Reporting Measures**” shall mean measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return shall for purposes of this Policy be considered Financial Reporting Measures. For the avoidance of doubt, a Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the SEC.

(n) “**Incentive-based Compensation**” shall mean any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

(o) “**Impracticable**” shall mean, in accordance with the good faith determination of the Committee, or if the Committee does not consist of independent directors, a majority of the independent directors serving on the Board, that either: (i) the direct expenses paid to a third party to assist in enforcing the Policy against an Executive Officer would exceed the amount to be

recovered, after the Company has made a reasonable attempt to recover the applicable Erroneously Awarded Compensation, documented such reasonable attempt(s) and provided such documentation to the Listing Exchange; (ii) recovery would violate the Company's home country law where that law was adopted prior to November 28, 2022, provided that, before concluding that it would be Impracticable to recover any amount of Erroneously Awarded Compensation based on violation of home country law, the Company has obtained an opinion of independent counsel, acceptable to the Listing Exchange, that recovery would result in such a violation and a copy of the opinion is provided to the Listing Exchange; or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

(p) "**Listing Exchange**" shall mean the New York Stock Exchange or such other U.S. national securities exchange or national securities association on which the Company's securities are listed.

(q) "**Method of Recovery**" shall include, but is not limited to: (i) requiring reimbursement of Erroneously Awarded Compensation; (ii) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards; and/or (iii) taking any other remedial and recovery action permitted by applicable law, as determined by the Administrator.

(r) "**Policy**" shall mean this Policy for the Recovery of Erroneously Awarded Compensation, as the same may be amended and/or restated from time to time.

(s) "**Received**" shall, with respect to any Incentive-based Compensation, mean deemed receipt and Incentive-based Compensation shall be deemed received in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-based Compensation award is attained, even if the payment or grant of the Incentive-based Compensation occurs after the end of that period. For the avoidance of doubt, Incentive-Based Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the Financial Reporting Measure is achieved, even if the Incentive-Based Compensation continues to be subject to the service-based vesting condition.

(t) "**Restatement Date**" shall mean the earlier to occur of: (i) the date the Board, a committee of the Board or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare an Accounting Restatement.

(u) "**SEC**" shall mean the U.S. Securities and Exchange Commission.

4. Repayment of Erroneously Awarded Compensation.

(a) In the event the Company is required to prepare an Accounting Restatement, the Administrator shall reasonably promptly (in accordance with the applicable Clawback Rules) determine the amount of any Erroneously Awarded Compensation for each Executive Officer in connection with such Accounting Restatement and shall reasonably promptly thereafter provide

each Executive Officer with written notice containing the amount of Erroneously Awarded Compensation and a demand for repayment or return, as applicable. For Clawback Eligible Incentive Compensation based on stock price or total shareholder return where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in the applicable Accounting Restatement, the amount shall be determined by the Administrator based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Clawback Eligible Incentive Compensation was Received (in which case, the Company shall maintain documentation of such determination of that reasonable estimate and provide such documentation to the Listing Exchange). The Administrator is authorized to engage, on behalf of the Company, any third-party advisors it deems advisable in order to perform any calculations contemplated by this Policy. For the avoidance of doubt, recovery under this Policy with respect to an Executive Officer shall not require the finding of any misconduct by such Executive Officer or such Executive Officer being found responsible for the accounting error leading to an Accounting Restatement.

(b) In the event that any repayment of Erroneously Awarded Compensation is owed to the Company, the Administrator shall recover reasonably promptly the Erroneously Awarded Compensation through any Method of Recovery it deems reasonable and appropriate in its discretion based on all applicable facts and circumstances and taking into account the time value of money and the cost to shareholders of delaying recovery. For the avoidance of doubt, except to the extent permitted pursuant to the Clawback Rules, in no event may the Company accept an amount that is less than the amount of Erroneously Awarded Compensation in satisfaction of an Executive Officer's obligations hereunder. Notwithstanding anything herein to the contrary, the Company shall not be required to take the actions contemplated in this Section 4(b) if recovery would be Impracticable. In implementing the actions contemplated in this Section 4(b), the Administrator will act in accordance with the listing standards and requirements of the Listing Exchange and with the applicable Clawback Rules.

5. Reporting and Disclosure. The Company shall file all disclosures with respect to this Policy in accordance with the requirements of U.S. federal securities laws, including any disclosure required by applicable SEC rules.

6. Indemnification Prohibition. The Company shall not be permitted to indemnify any Executive Officer against the loss of any Erroneously Awarded Compensation that is repaid, returned or recovered pursuant to the terms of this Policy and/or pursuant to the Clawback Rules, including any payment or reimbursement for the cost of third-party insurance purchased by any Executive Officer to cover any such loss under this Policy and/or pursuant to the Clawback Rules. Further, the Company shall not enter into any agreement that exempts any Incentive-based Compensation from the application of this Policy or that waives the Company's right to recovery of any Erroneously Awarded Compensation and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date). Any such purported indemnification (whether oral or in writing) shall be null and void.

7. Interpretation. The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of the Clawback Rules. The terms of this Policy shall also be construed and enforced in such a manner as to comply with applicable law, including the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any other law or regulation that the Administrator determines is applicable. In the event any provision of this Policy is determined to be unenforceable or invalid under applicable law, such provision shall be applied to the maximum extent permitted by applicable law and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to any limitations required by applicable law.

8. Effective Date. This Policy shall be effective as of the Effective Date.

9. Amendment; Termination. The Administrator may modify or amend this Policy, in whole or in part, from time to time in its discretion and shall amend any or all of the provisions of this Policy as it deems necessary, including as and when it determines that it is legally required by the Clawback Rules, or any federal securities law, SEC rule or Listing Exchange rule. The Administrator may terminate this Policy at any time. Notwithstanding anything in this Section 9 to the contrary, no amendment or termination of this Policy shall be effective if such amendment or termination would (after taking into account any actions taken by the Company contemporaneously with such amendment or termination) cause the Company to violate the Clawback Rules, or any federal securities law, SEC rule or Listing Exchange rule. Furthermore, unless otherwise determined by the Administrator or as otherwise amended, this Policy shall automatically be deemed amended in a manner necessary to comply with any change in the Clawback Rules.

10. Other Recoupment Rights; No Additional Payments. The Administrator intends that this Policy will be applied to the fullest extent permitted by applicable law. The Administrator may require that any employment agreement, equity award agreement, or any other agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require an Executive Officer to agree to abide by the terms of this Policy. Executive Officers shall be deemed to have accepted continuing employment on terms that include compliance with the Policy, to the extent of its otherwise applicable provisions, and to be contractually bound by its enforcement provisions. Executive Officers who cease employment or service with the Company shall continue to be bound by the terms of the Policy with respect to Clawback Eligible Incentive Compensation. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company under applicable law, regulation or rule or pursuant to the terms of any similar policy in any employment agreement, cash-based bonus plan, equity award agreement or similar agreement and any other legal remedies available to the Company. To the extent that an Executive Officer has already reimbursed the Company for any Erroneously Awarded Compensation Received under any duplicative recovery obligations established by the Company or applicable law, it shall be appropriate for any such reimbursed amount to be credited to the amount of Erroneously Awarded Compensation that is subject to recovery under this Policy, as determined by the Administrator in its sole discretion. Nothing in this Policy precludes the Company from implementing any additional clawback or recoupment policies with respect to Executive Officers or any other service provider of the Company. Application of this Policy does not preclude the Company from taking any other action to enforce any Executive Officer's obligations to the Company, including termination of employment or institution of civil or criminal proceedings or any other remedies that may be available to the Company with respect to any Executive Officer.

11. Successors. This Policy shall be binding and enforceable against all Executive Officers and their beneficiaries, estates, heirs, executors, administrators or other legal representatives to the extent required by the Clawback Rules or as otherwise determined by the Administrator.

* * *

Exhibit A

**VISTA ENERGY POLICY FOR THE
RECOVERY OF ERRONEOUSLY AWARDED COMPENSATION
ACKNOWLEDGEMENT AND ACCEPTANCE FORM**

Capitalized terms used but not otherwise defined in this Acknowledgement and Acceptance Form shall have the meanings ascribed to such terms in the Vista Energy Policy for the Recovery of Erroneously Awarded Compensation (the "**Policy**"). By signing below, the undersigned executive officer (the "**Executive Officer**") acknowledges and confirms that the Executive Officer has received and reviewed a copy of the Policy and, in addition, the Executive Officer acknowledges and agrees as follows:

(a) the Executive Officer is and will continue to be subject to the Policy and that the Policy will apply both during and after the Executive Officer's employment with the Company or its affiliates; and;

(b) the Executive Officer shall abide by the terms of the Policy, including, without limitation, by returning any Erroneously Awarded Compensation to the Company to the extent required by, and in a manner permitted by, the Policy.

Signature

Print Name

Date

Exhibit B

LIST OF EXECUTIVE OFFICERS

- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Operating Officer (COO)
- Chief Investors Officers (CIO)
- Matías Weissel (Operations Manager)
- Georgina Lufano (Accounting Manager)
- Francisco Giraudó (Country Manager)

DEGOLYER AND MACNAUGHTON
5001 SPRING VALLEY ROAD
SUITE 800 EAST
DALLAS, TEXAS 75244

February 7, 2024

Vista Energy S.A.B. de C. V.
Calle Volcán 150, Piso 5
Colonia Lomas de Chapultepec, Alcaldía Miguel Hidalgo
Mexico City, 1100
Mexico

Ladies and Gentlemen:

Pursuant to your request, this report of third party presents an independent evaluation, as of December 31, 2023, of the extent of the estimated net proved oil, condensate, natural gas liquids (NGL), and gas reserves of certain properties in Argentina and Mexico in which Vista Energy S.A.B. de C. V. (Vista) has represented it holds an interest. This evaluation was completed on February 7, 2024. Vista has represented that these properties account for 100 percent on a net equivalent barrel basis of Vista's net proved reserves as of December 31, 2023. The net proved reserves estimates have been prepared in accordance with the reserves definitions of Rules 4-10(a) (1)-(32) of Regulation S-X of the United States Securities and Exchange Commission (SEC). This report was prepared in accordance with guidelines specified in Item 1202 (a)(8) of Regulation S-K and is to be used for inclusion in certain SEC filings by Vista.

Reserves estimates included herein are expressed as net reserves. Gross reserves are defined as the total estimated petroleum remaining to be produced from these properties after December 31, 2023. Net reserves are defined as that portion of the gross reserves attributable to the interests held by Vista after deducting all interests held by others. Vista has advised that its government royalty obligations are paid in cash; therefore, net reserves have not been reduced in consideration of these royalty obligations.

Estimates of reserves should be regarded only as estimates that may change as further production history and additional information become available. Not only are such estimates based on that information which is currently available, but such estimates are also subject to the uncertainties inherent in the application of judgmental factors in interpreting such information.

Information used in the preparation of this report was obtained from Vista. In the preparation of this report we have relied, without independent verification, upon information furnished by Vista with respect to the property interests being evaluated, production from such properties, current costs of operation and development, current prices for production, agreements relating to current and future operations and sale of production, and various other information and data that were accepted as represented. A field examination was not considered necessary for the purposes of this report.

Definition of Reserves

Petroleum reserves estimated in this report are classified as proved. Only proved reserves have been evaluated for this report. Reserves classifications used in this report are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC. Reserves are judged to be economically producible in future years from known reservoirs under existing economic and operating conditions and assuming continuation of current regulatory practices using conventional production methods and equipment. In the analyses of production-decline curves, reserves were estimated only to the limit of economic rates of production under existing economic and operating conditions using prices and costs consistent with the effective date of this report, including consideration of changes in existing prices provided only by contractual arrangements but not including escalations based upon future conditions. The petroleum reserves are classified as follows:

Proved oil and gas reserves – Proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible—from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations—prior to the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain, regardless of whether deterministic or probabilistic methods are used for the estimation. The project to extract the hydrocarbons must have commenced or the operator must be reasonably certain that it will commence the project within a reasonable time.

(i) The area of the reservoir considered as proved includes:

(A) The area identified by drilling and limited by fluid contacts, if any, and (B) Adjacent undrilled portions of the reservoir that can, with reasonable certainty, be judged to be continuous with it and to contain economically producible oil or gas on the basis of available geoscience and engineering data.

(ii) In the absence of data on fluid contacts, proved quantities in a reservoir are limited by the lowest known hydrocarbons (LKH) as seen in a well penetration unless geoscience, engineering, or performance data and reliable technology establishes a lower contact with reasonable certainty.

(iii) Where direct observation from well penetrations has defined a highest known oil (HKO) elevation and the potential exists for an associated gas cap, proved oil reserves may be assigned in the structurally higher portions of the reservoir only if geoscience, engineering, or performance data and reliable technology establish the higher contact with reasonable certainty.

(iv) Reserves which can be produced economically through application of improved recovery techniques (including, but not limited to, fluid injection) are included in the proved classification when:

(A) Successful testing by a pilot project in an area of the reservoir with properties no more favorable than in the reservoir as a whole, the operation of an installed program in the reservoir or an analogous reservoir, or other evidence using reliable technology establishes the reasonable certainty of the engineering analysis on which the project or program was based; and (B) The project has been approved for development by all necessary parties and entities, including governmental entities.

(v) Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price shall be the average price during the 12-month period prior to the ending date of the period covered by the report, determined as an unweighted arithmetic average of the first-day-of-the-month price for each month within such period, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions.

Developed oil and gas reserves – Developed oil and gas reserves are reserves of any category that can be expected to be recovered:

- (i) Through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and
- (ii) Through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

Undeveloped oil and gas reserves – Undeveloped oil and gas reserves are reserves of any category that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

- (i) Reserves on undrilled acreage shall be limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.
- (ii) Undrilled locations can be classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time.
- (iii) Under no circumstances shall estimates for undeveloped reserves be attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir, as defined in [section 210.4–10 (a) Definitions], or by other evidence using reliable technology establishing reasonable certainty.

Methodology and Procedures

Estimates of reserves were prepared by the use of appropriate geologic, petroleum engineering, and evaluation principles and techniques that are in accordance with the reserves definitions of Rules 4–10(a) (1)–(32) of Regulation S–X of the SEC and with practices generally recognized by the petroleum industry as presented in the publication of the Society of Petroleum Engineers entitled “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information (revised June 2019) Approved by the SPE Board on 25 June 2019” and in Monograph 3 and Monograph 4 published by the Society of Petroleum Evaluation Engineers. The method or combination of methods used in the analysis of each reservoir was tempered by experience with similar reservoirs, stage of development, quality and completeness of basic data, and production history.

Based on the current stage of field development, production performance, the development plans provided by Vista, and analyses of areas offsetting existing wells with test or production data, reserves were classified as proved.

The undeveloped reserves estimates were based on opportunities identified in the plan of development provided by Vista.

Vista has represented that its senior management is committed to the development plan provided by Vista and that Vista has the financial capability to execute the development plan, including the drilling and completion of wells and the installation of equipment and facilities.

For depletion-type reservoirs or those whose performance disclosed a reliable decline in producing-rate trends or other diagnostic characteristics, reserves were estimated by the application of appropriate decline curves or other performance relationships. In the analyses of production-decline curves, reserves were estimated only to the limits of economic production as defined under the Definition of Reserves heading of this report or the expiration of the concession, as appropriate.

In certain cases, reserves were estimated by incorporating elements of analogy with similar wells or reservoirs for which more complete data were available.

In the evaluation of undeveloped reserves, type-well analysis was performed using well data from wells drilled through December 31, 2023, and analogous reservoirs for which more complete historical performance data were available.

For the evaluation of unconventional reservoirs, a performance-based methodology integrating the appropriate geology and petroleum engineering data was utilized for this report. Performance-based methodology primarily includes (1) production diagnostics, (2) decline-curve analysis, and (3) model-based analysis (if necessary, based on availability of data). Production diagnostics include data quality control, identification of flow regimes, and characteristic well performance behavior. These analyses were performed for all well groupings (or type-curve areas).

Characteristic rate-decline profiles from diagnostic interpretation were translated to modified hyperbolic rate profiles, including one or multiple b-exponent values followed by an exponential decline. Based on the availability of data, model-based analysis may be integrated to evaluate long-term decline behavior, the effect of dynamic reservoir and fracture parameters on well performance, and complex situations sourced by the nature of unconventional reservoirs.

Data provided by Vista from wells drilled through December 31, 2023, and made available for this evaluation were used to prepare the reserves estimates herein. These reserves estimates were based on consideration of monthly production data available for certain properties only through September 2023. Estimated cumulative production, as of December 31, 2023, was deducted from the estimated gross ultimate recovery to estimate gross reserves. This required that production be estimated for 3 months.

Oil and condensate reserves estimated herein are to be recovered by normal field separation. NGL reserves estimated herein include pentanes and heavier fractions (C_{5+}) and liquefied petroleum gas (LPG), which consists primarily of propane and butane fractions, and are the result of low-temperature plant processing. Oil, condensate, C_{5+} , and LPG reserves included herein are expressed in thousands of barrels (10^3 bbbl). In these estimates, 1 barrel equals 42 United States gallons. For reporting purposes, oil and condensate reserves have been estimated separately and are presented herein as a summed quantity.

Gas quantities estimated herein are expressed as marketable gas and sales gas. Marketable gas is defined as the total gas produced from the reservoir after reduction for shrinkage resulting from field separation; processing, including removal of the nonhydrocarbon gas to meet pipeline specifications; and flare and other losses but not from fuel usage. Sales gas is defined as the total gas to be produced from the reservoirs, measured at the point of delivery, after reduction for fuel usage, flare, and shrinkage resulting from field separation and processing. Gas reserves estimated herein are reported as marketable gas and sales gas. Gas quantities are expressed at a temperature base of 60 degrees Fahrenheit (°F) and at a pressure base of 14.696 pounds per square inch absolute (psia). Gas quantities included in this report are expressed in millions of cubic feet (10⁶ft³).

Gas quantities are identified by the type of reservoir from which the gas will be produced. Nonassociated gas is gas at initial reservoir conditions with no oil present in the reservoir. Associated gas is both gas-cap gas and solution gas. Gas-cap gas is gas at initial reservoir conditions and is in communication with an underlying oil zone. Solution gas is gas dissolved in oil at initial reservoir conditions. Gas quantities estimated herein include both associated and nonassociated gas.

Primary Economic Assumptions

This report has been prepared using initial prices, expenses, and costs provided by Vista in United States dollars (U.S.\$). Future prices were estimated using guidelines established by the SEC and the Financial Accounting Standards Board (FASB). The following economic assumptions were used for estimating the reserves reported herein:

Oil, Condensate, C₅₊, and LPG Prices

Vista has represented that the oil, condensate, C₅₊, and LPG prices were based on a reference price, calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period, unless prices are defined by contractual agreements. Vista supplied differentials to a Brent reference price of U.S.\$82.84 per barrel and the prices were held constant thereafter. For the properties in Argentina, the volume-weighted average adjusted product prices attributable to the estimated proved reserves were U.S.\$66.50 per barrel of oil, condensate, and C₅₊ and U.S.\$25.40 per barrel for LPG. For the properties in Mexico, the volume-weighted average adjusted product price attributable to the estimated proved reserves was U.S.\$68.73 per barrel of oil. These prices were not escalated for inflation.

Gas Prices

Vista has represented that the gas prices for the properties evaluated herein are defined by contractual agreements based on specific market conditions. For the properties in Argentina, for certain volumes of gas Vista is paid an incentive gas price that is subsidized by the Argentine government through 2028. The incentive volume-weighted average gas sales prices are U.S.\$3.42 per thousand cubic feet (10^3ft^3) of gas for 2024, U.S.\$3.50 per 10^3ft^3 of gas for 2025, U.S.\$3.75 per 10^3ft^3 of gas for 2026, U.S.\$3.87 per 10^3ft^3 of gas for 2027, and U.S.\$3.94 per 10^3ft^3 of gas for 2028. The volume-weighted average adjusted product price attributable to the estimated proved reserves for 2029 forward is U.S.\$3.10 per 10^3ft^3 of gas. The volume-weighted average adjusted product price attributable to the estimated proved reserves for the properties located in Mexico was U.S.\$2.01 10^3ft^3 of gas.

Operating Expenses, Capital Costs, and Abandonment Costs

Estimates of operating expenses and future capital expenditures, provided by Vista and based on existing economic conditions, were held constant for the lives of the properties. In certain cases, future expenditures, either higher or lower than current expenditures, may have been used because of anticipated changes in operating conditions, but no general escalation that might result from inflation was applied. Abandonment costs, which are those costs associated with the removal of equipment, plugging of wells, and reclamation and restoration associated with the abandonment, were provided by Vista for all properties and were not adjusted for inflation. Operating expenses, capital costs, and abandonment costs were considered, as appropriate, in determining the economic viability of the undeveloped reserves estimated herein.

In our opinion, the information relating to estimated proved reserves of oil, condensate, C_{5+} , LPG, and gas contained in this report has been prepared in accordance with Paragraphs 932-235-50-4, 932-235-50-6, 932-235-50-7, and 932-235-50-9 of the Accounting Standards Update 932-235-50, *Extractive Industries – Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures* (January 2010) of the FASB and Rules 4-10(a)(1)–(32) of Regulation S-X and Rules 302(b), 1201, 1202(a) (1), (2), (3), (4), (8), and 1203(a) of Regulation S-K of the SEC; provided, however, that estimates of proved developed and proved undeveloped reserves are not presented at the beginning of the year.

To the extent the above-enumerated rules, regulations, and statements require determinations of an accounting or legal nature, we, as engineers, are necessarily unable to express an opinion as to whether the above-described information is in accordance therewith or sufficient therefor.

Summary of Conclusions

DeGolyer and MacNaughton has performed an independent evaluation of the extent of the estimated net proved oil, condensate, NGL, and gas reserves of certain properties in which Vista has represented it holds an interest. The estimated net proved reserves, as of December 31, 2023, of the properties evaluated herein were based on the definition of proved reserves of the SEC and are summarized as follows, expressed in thousands of barrels (10³bbl) and millions of cubic feet (10⁶ft³):

	Estimated by DeGolyer and MacNaughton Net Proved Reserves as of December 31, 2023				
	Oil and Condensate (10 ³ bbl)	Marketable Gas (10 ⁶ ft ³)	Sales Gas (10 ⁶ ft ³)	C5+ (10 ³ bbl)	LPG (10 ³ bbl)
	Argentina				
Proved Developed	70,370	85,518	74,846	131	449
Proved Undeveloped	190,795	173,299	161,403	112	433
Total Proved	261,165	258,817	236,249	243	882
Mexico					
Proved Developed	1,767	4,451	4,451	0	0
Proved Undeveloped	5,494	11,405	11,405	0	0
Total Proved	7,261	15,856	15,856	0	0
Grand Total					
Proved Developed	72,137	89,969	79,297	131	449
Proved Undeveloped	196,289	184,704	172,808	112	433
Total Proved	268,427	274,673	252,105	243	882

While the oil and gas industry may be subject to regulatory changes from time to time that could affect an industry participant's ability to recover its reserves, we are not aware of any such governmental actions which would restrict the recovery of the December 31, 2023, estimated reserves.

DeGolyer and MacNaughton is an independent petroleum engineering consulting firm that has been providing petroleum consulting services throughout the world since 1936. DeGolyer and MacNaughton does not have any financial interest, including stock ownership, in Vista. Our fees were not contingent on the results of our evaluation. This report has been prepared at the request of Vista. DeGolyer and MacNaughton has used all assumptions, data, procedures, and methods that it considers necessary and appropriate to prepare this report.

Submitted,

\s\ DeGolyer and MacNaughton
DeGOLYER and MacNAUGHTON
Texas Registered Engineering Firm F-716

\s\ Federico Dordoni
Federico Dordoni, P.E.
Executive Vice President
DeGolyer and MacNaughton

[SEAL]

CERTIFICATE of QUALIFICATION

I, Federico Dordoni, Petroleum Engineer with DeGolyer and MacNaughton, 5001 Spring Valley Road, Suite 800 East, Dallas, Texas 75244, U.S.A., hereby certify:

1. That I am an Executive Vice President with DeGolyer and MacNaughton, which firm did prepare the report of third party addressed to Vista dated February 7, 2024, and that I, as Executive Vice President, was responsible for the preparation of this report of third party.
2. That I attended Buenos Aires Institute of Technology (ITBA) University, and that I graduated with a degree in Petroleum Engineering in the year 2004; that I am a Registered Professional Engineer in the State of Texas; that I am a member of the Society of Petroleum Engineers and the Society of Petroleum Evaluation Engineers; and that I have in excess of 19 years of experience in oil and gas reservoir studies and reserves evaluations.

[SEAL]

\s\ Federico Dordoni
Federico Dordoni, P.E.
Executive Vice President
DeGolyer and MacNaughton