



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

Unaudited interim condensed consolidated financial statements as of June 30, 2022 and December 31, 2021 and for the six-month periods ended June 30, 2022 and 2021

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

Unaudited interim condensed consolidated statements of profit or loss and other comprehensive income for the six-month periods ended June 30, 2022 and 2021

(Amounts expressed in thousands of US Dollars)

	Notes	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Revenue from contracts with customers	4	502,213	281,178	294,293	165,277
Cost of sales:					
Operating costs	5.1	(62,568)	(49,608)	(31,729)	(26,468)
Crude oil stock fluctuation	5.2	(651)	(1,340)	(3,306)	1,760
Depreciation, depletion and amortization	12/13/14	(104,804)	(95,746)	(57,982)	(51,016)
Royalties		(66,256)	(36,626)	(37,079)	(21,740)
Gross profit		267,934	97,858	164,197	67,813
Selling expenses	6	(27,010)	(18,402)	(14,444)	(10,990)
General and administrative expenses	7	(28,351)	(19,921)	(15,888)	(11,070)
Exploration expenses	8	(392)	(284)	(187)	(125)
Other operating income	9.1	13,720	6,514	10,955	5,865
Other operating expenses	9.2	(2,042)	(1,343)	(782)	(294)
Operating profit		223,859	64,422	143,851	51,199
Interest income	10.1	90	8	74	4
Interest expense	10.2	(15,597)	(29,157)	(7,365)	(12,399)
Other financial (expense) income	10.3	(14,374)	5,751	14,575	(6,396)
Financial (expense) income, net		(29,881)	(23,398)	7,284	(18,791)
Profit before income tax		193,978	41,024	151,135	32,408
Current income tax (expense)	15	(78,192)	(17,972)	(51,633)	(16,224)
Deferred income tax benefit (expense)	15	1,584	(12,689)	2,334	(10,679)
Income tax (expense)		(76,608)	(30,661)	(49,299)	(26,903)
Profit for the period, net		117,370	10,363	101,836	5,505
Other comprehensive income					
<i>Other comprehensive income that shall not be reclassified to profit or loss in subsequent periods</i>					
- (Loss) from actuarial remediation related to defined benefit plans	25	(3,154)	(2,620)	(3,025)	(2,523)
- Deferred income tax benefit	15	1,104	1,385	1,059	1,361
Other comprehensive income that shall not be reclassified to profit or (loss) in subsequent periods, net of taxes		(2,050)	(1,235)	(1,966)	(1,162)
Total comprehensive profit for the period		115,320	9,128	99,870	4,343
Earnings per share					
Basic (in US dollars per share)	11	1.324	0.118	1.151	0.062
Diluted (in US dollars per share)	11	1.226	0.113	1.061	0.059

Notes 1 through 29 are an integral part of these unaudited interim condensed consolidated financial statements.

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Unaudited interim condensed consolidated statements of financial position as of June 30, 2022 and December 31, 2021

(Amounts expressed in thousands of US Dollars)

	Notes	As of June 30, 2022	As of December 31, 2021
Assets			
Noncurrent assets			
Property, plant and equipment	12	1,420,394	1,223,982
Goodwill	13	28,357	28,416
Other intangible assets	13	4,002	3,878
Right-of-use assets	14	26,482	26,454
Investments in associates		3,747	2,977
Trade and other receivables	16	18,990	20,210
Deferred income tax assets		4,029	2,771
Total noncurrent assets		1,506,001	1,308,688
Current assets			
Inventories	18	18,914	13,961
Trade and other receivables	16	59,271	46,096
Cash, bank balances and other short-term investments	19	251,054	315,013
Total current assets		329,239	375,070
Total assets		1,835,240	1,683,758
Equity and liabilities			
Equity			
Capital stock	20.1	562,903	586,706
Legal reserve	20.2	1,255	-
Share-based payments		33,818	31,601
Share repurchase reserve	20.2	23,840	-
Other accumulated comprehensive losses		(8,026)	(5,976)
Accumulated profit (losses)		45,203	(47,072)
Total equity		658,993	565,259
Liabilities			
Noncurrent liabilities			
Deferred income tax liabilities		173,990	175,420
Lease liabilities	14	18,667	19,408
Provisions	21	27,403	29,657
Borrowings	17.1	439,593	447,751
Warrants	17.4	8,133	2,544
Employee benefits	25	11,072	7,822
Trade and other payables	24	17,180	50,159
Total noncurrent liabilities		696,038	732,761
Current liabilities			
Provisions	21	2,717	2,880
Lease liabilities	14	9,300	7,666
Borrowings	17.1	162,911	163,222
Salaries and payroll taxes	22	12,953	17,491
Income tax liability		82,336	44,625
Other taxes and royalties	23	13,431	11,372
Trade and other payables	24	196,561	138,482
Total current liabilities		480,209	385,738
Total liabilities		1,176,247	1,118,499
Total equity and liabilities		1,835,240	1,683,758

Notes 1 through 29 are an integral part of these unaudited interim condensed consolidated financial statements.

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

Unaudited interim condensed consolidated statement of changes in equity for the six-month period ended June 30, 2022

(Amounts expressed in thousands of US Dollars)

	Capital stock	Legal reserve	Share-based payments ⁽¹⁾	Share repurchase reserve	Other accumulated comprehensive 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 period	-	-	-	-	-	117,370	117,370
Other comprehensive income for the period	-	-	-	-	(2,050)	-	(2,050)
Total comprehensive income	-	-	-	-	(2,050)	117,370	115,320
<i>Ordinary and Extraordinary General Shareholders' meeting on April 26, 2022 ⁽²⁾:</i>							
Creation of legal reserve	-	1,255	-	-	-	(1,255)	-
Creation of share repurchase reserve	-	-	-	23,840	-	(23,840)	-
Share repurchase ⁽²⁾	(23,804)	-	-	-	-	-	(23,804)
Share-based payments	1	-	2,217	-	-	-	2,218
Amounts as of June 30, 2022	562,903	1,255	33,818	23,840	(8,026)	45,203	658,993

⁽¹⁾ Including 7,175 share-based payment expenses (Note 7), net of tax charges.

⁽²⁾ See Note 20.

Notes 1 through 29 are an integral part of these unaudited interim condensed consolidated financial statements.

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Unaudited interim condensed consolidated statement of changes in equity for the six-month period ended June 30, 2021

(Amounts expressed in thousands of US Dollars)

	Capital stock	Share-based payments ⁽¹⁾	Other accumulated comprehensive 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 period	-	-	-	10,363	10,363
Other comprehensive income for the period	-	-	(1,235)	-	(1,235)
Total comprehensive income	-	-	(1,235)	10,363	9,128
Share-based payments	-	4,111	-	-	4,111
Amounts as of June 30, 2021	659,400	27,157	(4,746)	(160,054)	521,757

⁽¹⁾ Including 5,641 share-based payment expenses (Note 7), net of tax charges.

Notes 1 through 29 are an integral part of these unaudited interim condensed consolidated financial statements.

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

Unaudited interim condensed consolidated statements of cash flows for the six-month periods ended June 30, 2022 and 2021

(Amounts expressed in thousands of US Dollars)

	Notes	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Cash flows from operating activities					
Profit for the period, net		117,370	10,363	101,836	5,505
Adjustments to reconcile net cash flows					
Items related to operating activities:					
(Reversal of) allowance for expected credit losses	6	(36)	29	-	29
Net changes in foreign exchange rate	10.3	(20,487)	(8,815)	(13,791)	(1,411)
Discount for well plugging and abandonment	10.3	1,208	1,174	556	613
Net increase in provisions	9.2	1,511	815	523	153
Interest expense on lease liabilities	10.3	1,066	534	519	234
Discount of assets and liabilities at present value	10.3	4,122	(2,715)	3,441	390
Share-based payments	7	7,175	5,641	4,834	2,627
Employee benefits	25	209	86	105	43
Income tax expense	15	76,608	30,661	49,299	26,903
Items related to investing activities:					
Depreciation and depletion	12/14	103,271	94,131	57,205	50,187
Amortization of intangible assets	13	1,533	1,615	777	829
Interest income	10.1	(90)	(8)	(74)	(4)
Gain from farmout agreement	9.1	(9,169)	(4,525)	(9,169)	(4,525)
Changes in the fair value of financial assets	10.3	1,750	(7,215)	1,169	(141)
Items related to financing activities:					
Interest expense	10.2	15,597	29,157	7,365	12,399
Changes in the fair value of warrants	10.3	5,589	1,352	(17,188)	1,283
Amortized cost	10.3	1,071	2,923	538	705
Remeasurement in borrowings	10.3	22,537	5,567	13,858	4,927
Changes in working capital:					
Trade and other receivables		(19,515)	(4,182)	(14,697)	26,161
Inventories		651	1,344	3,306	(1,761)
Trade and other payables		7,973	10,933	5,422	3,197
Payments of employee benefits	25	(113)	(280)	(56)	(68)
Salaries and payroll taxes		(9,064)	(4,193)	1,967	1,529
Other taxes and royalties		4,616	(8,210)	885	(11,483)
Provisions		(1,066)	(803)	(325)	(689)
Income tax payment		(35,973)	(2,788)	(32,826)	(1,642)
Net cash flows provided by operating activities		278,344	152,591	165,479	115,990
Cash flows from investing activities:					
Payments for acquisitions of property, plant and equipment		(177,956)	(164,754)	(99,766)	(84,898)
Payments for acquisitions of other intangible assets	13	(1,657)	(761)	(730)	(650)
Payments received from farmout agreement	9.1	10,000	5,000	10,000	5,000
Payments for acquisitions of investments in associates		(770)	-	-	-
Payments for the acquisition of AFBN assets	1.2.1	(102,500)	-	(12,500)	-
Interest received		90	8	74	4
Net cash flows (used in) investing activities		(272,793)	(160,507)	(102,922)	(80,544)

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(Amounts expressed in thousands of US Dollars)

	Notes	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Cash flows from financing activities:					
Proceeds from borrowings	17.2	76,170	199,698	43,500	78,254
Payment of borrowings cost	17.2	(584)	(2,711)	(530)	(747)
Payment of borrowings principal	17.2	(86,725)	(129,493)	(24,173)	(30,556)
Payment of borrowings interest	17.2	(19,748)	(25,392)	(4,535)	(5,834)
Payment of lease	14	(5,446)	(3,990)	(2,770)	(2,138)
Share repurchase	20.2	(23,804)	-	(23,804)	-
Net cash flow (used in) provided by financing activities		(60,137)	38,112	(12,312)	38,979
Net (decrease) increase in cash and cash equivalents		(54,586)	30,196	50,245	74,425
Cash and cash equivalents at beginning of period	19	311,217	201,314	204,372	163,237
Effect of exposure to changes in the foreign currency rate of cash and cash equivalents		(8,071)	5,000	(6,057)	(1,152)
Net (decrease) increase in cash and cash equivalents		(54,586)	30,196	50,245	74,425
Cash and cash equivalents at end of period	19	248,560	236,510	248,560	236,510
Significant transactions that generated no cash flows					
Acquisition of property, plant and equipment through increase in trade and other payables		137,336	68,948	137,336	68,948
Changes in well plugging and abandonment with an impact in property, plant and equipment	12	(3,753)	(2,469)	(1,010)	(773)

Notes 1 through 29 are an integral part of these unaudited interim condensed consolidated financial statements.

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Notes to the unaudited interim condensed consolidated financial statements as of June 30, 2022 and December 31, 2021 and for the six-month periods ended June 30, 2022 and 2021

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

Note 1. Group information

1.1 Company general information, structure and activities

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 a 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.

It is listed on the New York Stock Exchange (“NYSE”) under ticker symbol “VIST” as from July 26, 2019.

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 CV".

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.

Through its subsidiaries, the Company engages in oil and gas exploration and production (upstream segment).

These unaudited interim condensed consolidated financial statements were approved for publication by the Board of Directors on July 26, 2022.

Other than mentioned in Note 1.2 there were no changes in the Group's structure and activities as from the date of issuance of the annual consolidated financial statements as of December 31, 2021.

1.2 Significant transactions for the period

1.2.1 Acquisition of 50% of operated working interest in the unconventional concessions of Aguada Federal and Bandurria Norte in Vaca Muerta (“acquisition of AFBN assets”)

On January 17, 2022, the Company, through its subsidiary Vista Energy Argentina S.A.U, formerly known as Vista Oil & Gas Argentina S.A.U (“Vista Argentina”), acquired a 50% operated working interest in the Aguada Federal and Bandurria Norte concessions (“the Assets”), from Wintershall.

Vista agreed to pay a purchase price of 140,000, of which 90,000 was paid on the date of the transaction, and the remaining 50,000 will be payable in 8 (eight) equal quarterly instalments starting on April 2022. During the six-month period ended June 30, 2022, Vista paid to Wintershall, 2 (two) equal instalments of 6,250, and the liabilities related to such transaction stand at 35,226, recognized at present value (see Note 24).

As result of this transaction, Vista recognized an addition of 69,003 in “Property, plant and equipment” (see Note 12), and the transaction effectively cancels the carry consideration of 77,000 the Company had assumed on September 16, 2021.

The effective date of the transaction is January 1, 2022. However, the final closing shall take place upon the issuance of a decree by the Province of Neuquén approving the assignment of the Assets to Vista. As of the date of issuance of these unaudited consolidated interim financial statements the decree is pending approval.

Note 2. Basis of preparation and significant accounting policies

2.1 Bases of preparation and presentation

The unaudited interim condensed consolidated financial statements as of June 30, 2022 and December 31, 2021, and for the six-month periods ended June 30, 2022 and 2021 were prepared in accordance with the International Accounting Standard (“IAS”) 34 – “Interim Financial Reporting”. The Company prepared its interim financial statements on a condensed basis pursuant to IAS 34. Certain explanatory notes are included to describe the events and transactions that are relevant to understand the changes in the financial position as of June 30, 2022, and the results of operations for the six-month period ended June 30, 2022. Therefore, these interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read together with the Company's annual consolidated financial statements as of December 31, 2021.

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Notes to the unaudited interim condensed consolidated financial statements as of June 30, 2022 and December 31, 2021 and for the six-month periods ended June 30, 2022 and 2021

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These unaudited interim condensed consolidated financial statements were prepared using the same accounting policies as used in preparing the Company's consolidated financial statements as of December 31, 2021, except for the income tax expense that is recognized in each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

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.

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

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

2.3 Basis of consolidation

These unaudited interim condensed consolidated financial statements contain the financial statements of the Company and its subsidiaries. Other than the transaction mentioned in Note 1.2.1 there were no changes in interest in Company subsidiaries during the six-month period ended June 30, 2022.

2.4 Summary of significant accounting policies

2.4.1 Going concern

The Board oversees the Group's cash position regularly and liquidity risk throughout the year to ensure that there are sufficient funds to meet expected financing, operating and investing requirements. Sensitivity tests are conducted to disclose the latest expense expectations, oil and gas prices and other factors so that the Group may manage risk.

Considering the macroeconomic context, the result of operations and the Group's cash position, as of June 30, 2022, and December 31, 2021, the Directors asserted, upon approving the financial statements, that the Group may reasonably be expected to fulfill its obligations in the foreseeable future. Therefore, these interim condensed consolidated financial statements were prepared on a going concern basis.

2.4.2 Impairment testing of goodwill and nonfinancial assets other than goodwill

Nonfinancial assets, including identifiable intangible assets, are tested for impairment at the lowest level in which there are separately identifiable cash flows largely independent of the cash flows of other groups of assets or Cash Generated Units ("CGUs"). To such end, oil and gas properties in Argentina were grouped into 3 (three) CGUs: (i) operated 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. The Company also identified just one CGU in Mexico: (i) operated concessions of conventional oil and gas exploration and production.

The Company conducts its impairment test of nonfinancial assets when there is an indication that the carrying amount may be impaired. Moreover, Goodwill is tested every December. The Company bases the impairment test on the calculation of value in use and reviews the relationship between the recoverable amount and the carrying amount of its assets.

As of June 30, 2022 and December 31, 2021, the Company did not identify indications of impairment.

2.5 Regulatory framework

A- Argentina

2.5.1 Gas market

2.5.1.1 Argentine promotion plan to stimulate natural gas production: 2020-2024 supply and demand system ("Gas IV Plan")

As of June 30, 2022, and December 31, 2021, the Company received a net amount of 911 and 3,660 and the receivables related to such plan stand at 3,096 and 1,729, respectively (see Note 16).

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The Secretariat of Energy of Argentina (“SE”) authorized 5 Mcm/day of exports additional to the permits issued pursuant to Resolution No. 360/21 on December 2021. During the six-month period ended June 30, 2022, the Company export a total of 15 Mcm to Chile.

Other than mentioned above, there have been no significant changes in Argentina’s regulatory framework for the six-month period ended June 30, 2022 (see Note 2.5 to the annual consolidated financial statements as of December 31, 2021).

B- Mexico

There have been no significant changes in Mexico’s regulatory framework for the six-month period ended June 30, 2022 (see Note 2.5 to the annual consolidated financial statements as of December 31, 2021).

Note 3. Segment information

The Chief Operating Decision Maker (the “Committee” or “CODM”) is in charge of allocating resources and assessing the performance of the operating segment. It supervises operating profit 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 liquefied petroleum gas (“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 six-month periods ended June 30, 2022 and 2021, the Company generated 98% and 99% of its revenues related to assets located in Argentina, and 2% and 1% in 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 unaudited interim condensed consolidated financial statements.

The following chart summarizes noncurrent assets per geographical area:

	As of June 30, 2022	As of December 31, 2021
Argentina	1,455,586	1,260,851
Mexico	50,415	47,837
Total noncurrent assets	1,506,001	1,308,688

Note 4. Revenue from contracts with customers

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Goods sold	502,213	281,178	294,293	165,277
Total revenue from contracts with customers Recognized at a point in time	502,213	281,178	294,293	165,277

4.1 Information broken down by revenue from contracts with customers

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Revenues from crude oil sales	470,646	257,064	277,017	149,862
Revenues from natural gas sales	28,928	22,370	15,908	14,486
Revenues from LPG sales	2,639	1,744	1,368	929
Total revenue from contracts with customers	502,213	281,178	294,293	165,277

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Notes to the unaudited interim condensed consolidated financial statements as of June 30, 2022 and December 31, 2021 and for the six-month periods ended June 30, 2022 and 2021

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

Distribution channels	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Refineries	246,556	177,610	130,028	123,111
Exports from crude oil	224,090	79,454	146,989	26,751
Natural gas for electric power generation	10,681	8,230	4,737	4,278
Retail natural gas distribution companies	8,536	7,804	6,551	5,848
Industries	6,484	6,336	3,835	4,360
Exports from natural gas	3,227	-	785	-
LPG sales	2,639	1,744	1,368	929
Total revenue from contracts with customers	502,213	281,178	294,293	165,277

Note 5. Cost of sales

5.1 Operating costs

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Fees and compensation for services	30,006	25,729	15,506	13,500
Salaries and payroll taxes	10,517	6,972	5,459	3,867
Consumption of materials and spare parts	8,561	7,229	4,322	4,066
Easements and fees	5,836	4,467	2,458	2,426
Employee benefits	2,869	2,137	1,473	1,129
Transport	2,645	1,310	1,442	685
Other	2,134	1,764	1,069	795
Total operating costs	62,568	49,608	31,729	26,468

5.2 Crude oil stock fluctuation

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Crude oil stock at beginning of period (Note 18)	5,222	6,127	7,877	3,027
Less: Crude oil stock at end of period (Note 18)	(4,571)	(4,787)	(4,571)	(4,787)
Total crude oil stock fluctuation	651	1,340	3,306	(1,760)

Note 6. Selling expenses

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Transport	12,168	8,791	6,659	5,114
Taxes, rates and contributions	7,937	5,929	4,353	4,209
Tax on bank account transactions	3,780	2,744	1,820	1,309
Fees and compensation for services	3,161	909	1,612	329
(Reversal of) allowances for expected credit losses	(36)	29	-	29
Total selling expenses	27,010	18,402	14,444	10,990

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Notes to the unaudited interim condensed consolidated financial statements as of June 30, 2022 and December 31, 2021 and for the six-month periods ended June 30, 2022 and 2021

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

Note 7. General and administrative expenses

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Salaries and payroll taxes	8,767	6,328	4,217	3,932
Share-based payments	7,175	5,641	4,834	2,627
Employee benefits	4,946	3,489	2,784	2,033
Fees and compensation for services	4,770	3,084	2,696	1,709
Institutional promotion and advertising	941	575	622	305
Taxes, rates and contributions	613	211	63	92
Other	1,139	593	672	372
Total general and administrative expenses	28,351	19,921	15,888	11,070

Note 8. Exploration expenses

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Geological and geophysical expenses	392	284	187	125
Total exploration expenses	392	284	187	125

Note 9. Other operating income and expenses

9.1 Other operating income

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Gain from farmout agreement ⁽¹⁾	9,169	4,525	9,169	4,525
Other services charges ⁽²⁾	4,551	1,989	1,786	1,340
Total other operating income	13,720	6,514	10,955	5,865

⁽¹⁾ For the six-period ended June 30, 2022 and 2021, including 10,000 and 5,000 of payments received by Trafigura Argentina S.A., related to the farmout agreement, net of disposals of oil and gas properties and goodwill for 772 and 59, and 441 and 34, respectively. See Note 12 and 13. (See Note 1.2 to the Company's annual consolidated financial statements as of December 31, 2021).

⁽²⁾ Services not directly related to the Company's main activity.

9.2 Other operating expenses

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Provision for environmental remediation	(895)	(478)	(198)	(162)
Restructuring expenses ⁽¹⁾	(531)	(528)	(259)	(141)
(Reversal of) provision for materials and spare parts obsolescence	(316)	(267)	(299)	47
Provision for contingencies	(300)	(70)	(26)	(38)
Total other operating expenses	(2,042)	(1,343)	(782)	(294)

⁽¹⁾ The Company booked restructuring expenses including payments, fees and transaction costs related to the changes in the Group's structure.

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Note 10. Financial income (expense), net

10.1 Interest income

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Financial interest	90	8	74	4
Total interest income	90	8	74	4

10.2 Interest expense

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Borrowings interest (Note 17.2)	(15,597)	(29,157)	(7,365)	(12,399)
Total interest expense	(15,597)	(29,157)	(7,365)	(12,399)

10.3 Other financial income (expense)

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Amortized cost (Note 17.2)	(1,071)	(2,923)	(538)	(705)
Changes in the fair value of warrants (Note 17.4.1)	(5,589)	(1,352)	17,188	(1,283)
Net changes in foreign exchange rate	20,487	8,815	13,791	1,411
Discount of assets and liabilities at present value	(4,122)	2,715	(3,441)	(390)
Changes in the fair value of financial assets	(1,750)	7,215	(1,169)	141
Interest expense on lease liabilities (Note 14)	(1,066)	(534)	(519)	(234)
Discount for well plugging and abandonment	(1,208)	(1,174)	(556)	(613)
Remeasurement in borrowings ⁽¹⁾ (Note 17.2)	(22,537)	(5,567)	(13,858)	(4,927)
Other	2,482	(1,444)	3,677	204
Total other financial income (expense)	(14,374)	5,751	14,575	(6,396)

⁽¹⁾ Related to borrowings in purchasing value units ("UVA", by Spanish acronym) adjusted by the benchmark stabilization coefficient ("CER", by its Spanish acronym).

Note 11. Earnings per share

a) Basic

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

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 period, 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 period, no dilution effect is booked, as diluted earnings per share is equal to basic earnings per share.

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	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Profit for the period, net	117,370	10,363	101,836	5,505
Weighted average number of ordinary shares	88,651,787	88,035,902	88,491,745	88,199,082
Basic earnings per share (in USD per share)	1.324	0.118	1.151	0.062
	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Profit for the period, net	117,370	10,363	101,836	5,505
Weighted average number of ordinary shares	95,718,213	92,043,587	96,006,635	92,882,746
Diluted earnings per share (in USD per share)	1.226	0.113	1.061	0.059

As of June 30, 2022, the Company holds the following ordinary shares that, on the date of this unaudited interim condensed consolidated financial statements, are currently out of the money. Consequently, they are not included in the weighted average number of ordinary shares to calculate diluted earnings per share:

- i. 21,666,667 Series A shares related to 65,000,000 Series A warrants;
- ii. 9,893,333 Series A shares related to 29,680,000 warrants;
- iii. 1,666,667 Series A shares related to 5,000,000 securities (Forward Purchase Agreement (“FPA”) and;
- iv. 1,290,677 Series A shares to be used in the Long-Term Incentive Plan (“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 unaudited interim condensed consolidated financial statements.

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Note 12. Property, plant and equipment

The changes in property, plant and equipment for the six-month period ended June 30, 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
<u>Cost</u>							
Amounts as of December 31, 2021	2,709	23,070	446,291	1,174,699	91,245	27,796	1,765,810
Additions	-	67	-	2,658	198,970	30,280	231,975
Transfers	-	22	-	116,111	(89,400)	(26,733)	-
Disposals	-	(4)	(873) ⁽¹⁾	(3,753) ⁽²⁾	-	(212)	(4,842)
Incorporation for the acquisition of AFBN assets	-	-	69,003 ⁽³⁾	-	-	-	69,003
Amounts as of June 30, 2022	2,709	23,155	514,421	1,289,715	200,815	31,131	2,061,946
<u>Accumulated depreciation</u>							
Amounts as of December 31, 2021	(294)	(10,834)	(53,623)	(477,077)	-	-	(541,828)
Depreciation	(9)	(1,942)	(6,706)	(91,171)	-	-	(99,828)
Disposals	-	3	101 ⁽¹⁾	-	-	-	104
Amounts as of June 30, 2022	(303)	(12,773)	(60,228)	(568,248)	-	-	(641,552)
<u>Net value</u>							
Amounts as of June 30, 2022	2,406	10,382	454,193	721,467	200,815	31,131	1,420,394
Amounts as of December 31, 2021	2,415	12,236	392,668	697,622	91,245	27,796	1,223,982

⁽¹⁾ See Note 9.1.

⁽²⁾ Related to the re-estimation of well plugging and abandonment. This transaction did not generate cash flows.

⁽³⁾ See Note 1.2.1.

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Note 13. Goodwill and other intangible assets

Below are the changes in goodwill and other intangible assets for the six-month period ended June 30, 2022:

<u>Cost</u>	<u>Goodwill</u>	<u>Other intangible assets</u>
Amounts as of December 31, 2021	28,416	12,216
Additions	-	1,657
Disposals ⁽¹⁾	(59)	-
Amounts as of June 30, 2022	28,357	13,873
 <u>Accumulated amortization</u>		
Amounts as of December 31, 2021	-	(8,338)
Amortization	-	(1,533)
Amounts as of June 30, 2022	-	(9,871)
 <u>Net value</u>		
Amounts as of June 30, 2022	28,357	4,002
Amounts as of December 31, 2021	28,416	3,878

⁽¹⁾ See Note 9.1.

Note 14. Right-of-use assets and lease liabilities

The Company has lease contracts for various items of buildings, and plant and machinery, which were 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.

Unless the Company is reasonably certain that it will obtain the ownership of the leased asset at the end of the lease term, recognized right-of-use assets are depreciated under the straight-line method during the shortest of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of the lease payments to be made during the lease term. After the commencement date, of lease liabilities will be increased to reflect the accumulation of interest and will be reduced by the lease payments made. In addition, the carrying amount of lease liabilities is 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 carrying amount of the Company's right-of-use assets and lease liabilities, as well as the changes for the six-month period ended June 30 2022, are detailed below:

	<u>Right-of-use assets</u>			<u>Total lease liabilities</u>
	<u>Buildings</u>	<u>Plant and machinery</u>	<u>Total</u>	
Amounts as of December 31, 2021	1,211	25,243	26,454	(27,074)
Re-estimations	144	4,261	4,405	(4,405)
Depreciation ⁽¹⁾	(244)	(4,133)	(4,377)	-
Payments	-	-	-	5,446
Interest expense ⁽²⁾	-	-	-	(1,934)
Amounts as of June 30, 2022	1,111	25,371	26,482	(27,967)

⁽¹⁾ Including the depreciation of drilling services capitalized as "Works in progress" for 934.

⁽²⁾ Including drilling agreements capitalized as "Works in progress" for 868.

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The Company applies the exemption to recognize short-term leases of machinery and equipment (i.e., leases for a term under 12 months as from the commencement date and do not contain a purchase option). The low-value asset exemption also applies to low-value office equipment items. The lease payments on short-term leases and leases of low-value assets are recognized as expenses under the straight-line method during the lease term.

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 92 and 67, for the six-month period ended June 30, 2022 and 2021, respectively.

Note 15. Income tax

The most significant components of the income tax expense in the statements of profit or loss and other comprehensive income of these interim condensed consolidated financial statements are as follows:

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Income tax				
Current income tax	(78,192)	(17,972)	(51,633)	(16,224)
Deferred income tax related to the origination and reversal of temporary differences	1,584	(12,689)	2,334	(10,679)
Income tax (expense) disclosed in the statement of profit or loss	(76,608)	(30,661)	(49,299)	(26,903)
Deferred income tax charged to other comprehensive income	1,104	1,385	1,059	1,361
Total income tax (expense)	(75,504)	(29,276)	(48,240)	(25,542)

For the six-months periods ended June 30, 2022, the Company’s effective rate was 39%. The significant differences between the effective and statutory rate include (i) the application of the tax adjustment for inflation in Argentina and (ii) the depreciation of the Argentine peso (“ARS”) with respect to the USD affecting the Company’s tax deductions of nonmonetary assets (see Note 33.1 to the annual consolidated financial statements as of December 31, 2021).

Note 16. Trade and other receivables

	As of June 30, 2022	As of December 31, 2021
<u>Noncurrent</u>		
Other receivables:		
Prepayments, tax receivables and other:		
Prepayments and other receivables	14,213	15,236
Value added tax (“VAT”)	3,957	4,010
Turnover tax	706	765
	18,876	20,011
Financial assets:		
Loans to employees	114	199
	114	199
Total noncurrent trade and other receivables	18,990	20,210

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	As of June 30, 2022	As of December 31, 2021
Current		
Trade:		
Oil and gas accounts receivable (net of allowance for expected credit losses)	33,079	25,224
	33,079	25,224
Other receivables:		
Prepayments, tax credits and other:		
Prepaid expenses	7,011	3,633
VAT	5,698	9,131
Income tax	3,967	860
Turnover tax	346	42
	17,022	13,666
Financial assets:		
Receivables from joint operations	3,189	2,286
Gas IV Plan (Note 2.5.1.1)	3,096	1,729
Accounts receivable from third parties	1,878	2,025
LPG price stability program	383	293
Advances to directors and loans to employees	312	491
Other	312	382
	9,170	7,206
Other receivables	26,192	20,872
Total current trade and other receivables	59,271	46,096

Due to the short-term nature of current trade and other receivables, its 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.

In general, accounts receivable has a 15-day term for sales of oil and a 60-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 days past due because based on its history these receivables are generally not recovered.

As of June 30, 2022 and December 31, 2021 an allowance for expected credit losses was recorded for 328 and 406 respectively.

As of the date of these interim condensed consolidated financial statements, maximum exposure to credit risk is related to the carrying amount of each class of accounts receivable.

Note 17. Financial assets and liabilities

17.1 Borrowings

	As of June 30, 2022	As of December 31, 2021
Noncurrent		
Borrowings	439,593	447,751
Total noncurrent	439,593	447,751
Current		
Borrowings	162,911	163,222
Total current	162,911	163,222
Total Borrowings	602,504	610,973

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Below are the maturity dates of Company borrowings (excluding lease liabilities) and their exposure to interest rates:

	As of June 30, 2022	As of December 31, 2021
Fixed interest		
Less than 1 year	140,562	109,016
From 1 to 2 years	144,060	112,860
From 2 to 5 years	202,586	214,491
Over 5 years	70,447	75,468
Total	557,655	511,835
Variable interest		
Less than 1 year	22,349	54,206
From 1 to 2 years	22,500	44,932
Total	44,849	99,138
Total Borrowings	602,504	610,973

See Note 17.4 for information on the fair value of the borrowings.

The carrying amount of borrowings as of June 30, 2022 of the Company through its subsidiary Vista Argentina, is as follows:

Company	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	Carrying amount
Banco Galicia, Banco Itaú Unibanco, Banco Santander Rio and Citibank NA	July, 2018	USD	150,000	Variable	LIBOR + 4.5%	July, 2023	114,558 ⁽¹⁾
Banco BBVA	July, 2019	USD	15,000	Fixed	9.40%	July, 2022	1,693
Santander International	January, 2021	USD	11,700	Fixed	1.80%	January, 2026	32 ⁽²⁾
Santander International	July, 2021	USD	43,500	Fixed	2.05%	July, 2026	78 ⁽²⁾
Santander International	January, 2022	USD	13,500	Fixed	2.45%	January, 2027	32 ⁽²⁾
ConocoPhillips Petroleum Holding B.V.	January, 2022	USD	25,000	Fixed	2.00%	September, 2026	25,275

⁽¹⁾ See Note 29.

⁽²⁾ The carrying amount is related to interest and the principal is collateralized.

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Moreover, Vista Argentina issued nonconvertible debt securities, under the name “*Programa de Notas*” approved by the National Securities Commission in Argentina (“CNV” by its Spanish acronym). The following chart shows the carrying amount of negotiable obligations (“ON” by its Spanish acronym) as of June 30, 2022:

Instrument	Execution date	Currency	Principal	Interest	Annual rate	Maturity date	Carrying amount
ON II	August, 2019	USD	50,000	Fixed	8.5%	August, 2022	50,621
ON III	February, 2020	USD	50,000	Fixed	3.5%	February, 2024	50,375
ON V	August, 2020	USD	20,000	Fixed	0%	August, 2023	19,910
	December, 2020	USD	10,000	Fixed	0%	August, 2023	9,953
ON VI	December, 2020	USD	10,000	Fixed	3.24%	December, 2024	9,953
ON VII	March, 2021	USD	42,371	Fixed	4.25%	March, 2024	42,079
ON VIII	March, 2021	ARS ⁽¹⁾	3,054,537	Fixed	2.73%	September, 2024	44,467
ON IX	June, 2021	USD	38,787	Fixed	4.00%	June, 2023	38,646
ON X	June, 2021	ARS ⁽¹⁾	3,104,063	Fixed	4.00%	March, 2025	40,118
ON XI	August, 2021	USD	9,230	Fixed	3.48%	August, 2025	9,205
ON XII	August, 2021	USD	100,769	Fixed	5.85%	August, 2031	102,430
ON XIII	June, 2022	USD	43,500	Fixed	6.00%	August, 2024	43,079

⁽¹⁾ Amount in UVA, adjusted by CER (see Note 10.3).

Under the aforementioned program, Vista Argentina may list and issue debt securities in Argentina for a total principal up to 800,000 or its equivalent in other currencies at any time.

17.2 Changes in liabilities from financing activities

Changes in the borrowings were as follows:

	As of June 30, 2022	As of December 31, 2021
Amounts at beginning of period / year	610,973	539,786
Proceeds from borrowings	76,170	361,203
Borrowings interest ⁽¹⁾ (Note 10.2)	15,597	50,660
Payment of borrowings cost	(584)	(3,326)
Payment of borrowings interest	(19,748)	(54,636)
Payment of borrowings principal	(86,725)	(284,695)
Amortized cost ⁽¹⁾ (Note 10.3)	1,071	4,164
Remeasurement in borrowings ⁽¹⁾ (Note 10.3)	22,537	19,163
Changes in foreign exchange rate ⁽¹⁾	(16,787)	(21,346)
Amounts at end of period / year	602,504	610,973

⁽¹⁾ These transactions did not generate cash flows.

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17.3 Financial instruments by category

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

As of June 30, 2022	Financial assets / liabilities at amortized cost	Financial assets / liabilities FVTPL	Total financial assets / liabilities
Assets			
Plan assets (Note 25)	1,298	5,794	7,092
Trade and other receivables (Note 16)	114	-	114
Total noncurrent financial assets	1,412	5,794	7,206
Cash, bank balances and other short-term investments			
(Note 19)	176,679	74,375	251,054
Trade and other receivables (Note 16)	42,249	-	42,249
Total current financial assets	218,928	74,375	293,303
Liabilities			
Borrowings (Note 17.1)	439,593	-	439,593
Trade and other payables (Note 24)	17,180	-	17,180
Warrants (Note 17.4)	-	8,133	8,133
Lease liabilities (Note 14)	18,667	-	18,667
Total noncurrent financial liabilities	475,440	8,133	483,573
Borrowings (Note 17.1)	162,911	-	162,911
Trade and other payables (Note 24)	196,561	-	196,561
Lease liabilities (Note 14)	9,300	-	9,300
Total current financial liabilities	368,772	-	368,772
As of December 31, 2021	Financial assets / liabilities at amortized cost	Financial assets / liabilities FVTPL	Total financial assets / liabilities
Assets			
Plan assets (Note 25)	7,594	-	7,594
Trade and other receivables (Note 16)	199	-	199
Total noncurrent financial assets	7,793	-	7,793
Cash, bank balances and other short-term investments			
(Note 19)	185,546	129,467	315,013
Trade and other receivables (Note 16)	32,430	-	32,430
Total current financial assets	217,976	129,467	347,443
Liabilities			
Borrowings (Note 17.1)	447,751	-	447,751
Trade and other payables (Note 24)	50,159	-	50,159
Warrants (Note 17.4)	-	2,544	2,544
Lease liabilities (Note 14)	19,408	-	19,408
Total noncurrent financial liabilities	517,318	2,544	519,862
Borrowings (Note 17.1)	163,222	-	163,222
Trade and other payables (Note 24)	138,482	-	138,482
Lease liabilities (Note 14)	7,666	-	7,666
Total current financial liabilities	309,370	-	309,370

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

For the six-month period ended June 30, 2022:

	Financial assets / liabilities at amortized cost	Financial assets / liabilities at FVTPL	Total
Interest income (Note 10.1)	90	-	90
Interest expense (Note 10.2)	(15,597)	-	(15,597)
Amortized cost (Note 10.3)	(1,071)	-	(1,071)
Changes in the fair value of warrants (Note 10.3)	-	(5,589)	(5,589)
Net changes in foreign exchange rate (Note 10.3)	20,487	-	20,487
Discount of assets and liabilities at present value (Note 10.3)	(4,122)	-	(4,122)
Changes in the fair value of financial assets (Note 10.3)	-	(1,750)	(1,750)
Interest expense on lease liabilities (Note 10.3)	(1,066)	-	(1,066)
Discount for well plugging and abandonment (Note 10.3)	(1,208)	-	(1,208)
Remeasurement in borrowings (Note 10.3)	(22,537)	-	(22,537)
Other (Note 10.3)	2,482	-	2,482
Total	(22,542)	(7,339)	(29,881)

For the six-month period ended June 30, 2021:

	Financial assets/liabilities at amortized cost	Financial assets/liabilities at FVTPL	Total
Interest income (Note 10.1)	8	-	8
Interest expense (Note 10.2)	(29,157)	-	(29,157)
Amortized cost (Note 10.3)	(2,923)	-	(2,923)
Changes in the fair value of warrants (Note 10.3)	-	(1,352)	(1,352)
Net changes in foreign exchange rate (Note 10.3)	8,815	-	8,815
Discount of assets and liabilities at present value (Note 10.3)	2,715	-	2,715
Changes in the fair value of financial assets (Note 10.3)	-	7,215	7,215
Interest expense on lease liabilities (Note 10.3)	(534)	-	(534)
Discount for well plugging and abandonment (Note 10.3)	(1,174)	-	(1,174)
Remeasurement in borrowings (Note 10.3)	(5,567)	-	(5,567)
Other (Note 10.3)	(1,444)	-	(1,444)
Total	(29,261)	5,863	(23,398)

17.4 Fair value

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

17.4.1 Fair value of the Company's financial assets and liabilities measured at fair value on a recurring basis

The Company classifies the measurements at fair value of financial instruments using a fair value hierarchy, which shows the relevance of the variables applied to carry out these measurements. The fair value hierarchy has the following levels:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: data other than the quoted prices included in Level 1 that are observable for assets or liabilities, either directly (that is prices) or indirectly (that is derived from prices).
- Level 3: data on the asset or liability that are based on information that cannot be observed in the market (that is, non-observable data).

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The following chart shows the Company's financial assets and liabilities measured at fair value as of June 30, 2022 and December 31, 2021:

As of June 30, 2022	Level 1	Level 2	Level 3	Total
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Short term investments	74,375	-	-	74,375
Plan assets	5,794	-	-	5,794
Total assets	80,169	-	-	80,169
Liabilities				
<i>Financial liabilities at fair value through profit or loss</i>				
Warrants	-	-	8,133	8,133
Total liabilities	-	-	8,133	8,133
As of December 31, 2021				
Assets				
<i>Financial assets at fair value through profit or loss</i>				
Short term investments	129,467	-	-	129,467
Total assets	129,467	-	-	129,467
Liabilities				
<i>Financial liabilities at fair value through profit or loss</i>				
Warrants	-	-	2,544	2,544
Total liabilities	-	-	2,544	2,544

The value of financial instruments traded in active markets is based on quoted market prices as of the date of these accompanying unaudited interim condensed 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, 2021, through June 30, 2022.

The fair value of warrants is determined using the Black & Scholes model considering the expected volatility of the Company's ordinary shares upon estimating the future volatility of Company share price. The risk-free interest rate for the expected useful life of warrants is based on the available return of benchmark government bonds with an equivalent remainder term upon the grant. The expected life is based on the contractual terms.

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The following assumptions were used in estimating the fair value of warrants as of June 30, 2022:

	As of June 30, 2022	As of December 31, 2021
Annualized volatility	40.79%	39.94%
Risk free domestic interest rate	9.53%	7.15%
Risk free foreign interest rate	2.89%	0.55%
Remainder useful life in years	0.77 years	1.29 years

It is a recurring Level 3 fair value measurement. The key Level 3 inputs used by Management to assess fair value are market price and expected volatility. As of June 30, 2022: (i) should market price increase by 0.10 it would increase the obligation by about 619; (ii) should market price decrease by 0.10 it would drop the obligation by about 590; (iii) should volatility increase by 50 basis points, it would rise the obligation by about 268 and; (iv) should volatility slip by 50 basis points, it would reduce the obligation by about 249.

Reconciliation of level 3 measurements at fair value:

	As of June 30, 2022	As of December 31, 2021
Warrants liability amount at beginning of period:	2,544	362
Loss from changes in the fair value of warrants (Note 10.3)	5,589	2,182
Amount at end of period	8,133	2,544

17.4.2 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 interim condensed consolidated financial statements approximate to its fair values, as explained in the related notes.

<u>As of June 30, 2022</u>	<u>Carrying amount</u>	<u>Fair value</u>	<u>Level</u>
Liabilities			
Borrowings	602,504	540,232	2
Total liabilities	602,504	540,232	

17.5 Risk management objectives and policies concerning financial instruments

17.5.1 Financial risk factors

The Company's activities are exposed to several financial risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk.

Financial risk management is included in the Company's global policies, and it adopts a comprehensive risk management policy focused on tracking risks affecting the entire Company. This strategy aims at striking a balance between profitability targets and risk exposure levels. Financial risks are derived from the financial instruments to which the Company is exposed during period-end or as of every period-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. The Company reviewed its exposure to financial risk factors and identified no significant changes in the risk analysis included in its annual consolidated financial statements as of December 31, 2021, except for the following:

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17.5.1.1 Market risk

Exchange rate risk

The Company's financial position and results of operations are sensitive to exchange rate changes between USD and ARS. As of June 30, 2022, the Company performed foreign exchange currency hedge transactions, and the impact in the results of the period is recognized in "Other financial income (expense)".

Most Company sales are denominated in USD, or the changes in sales follow the changes in USD listed price.

During the period between January 1, 2022, and June 30, 2022, ARS depreciated by about 22%.

The following chart shows the sensitivity to a reasonable change in the exchange rates 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 June 30, 2022
Changes in interest rates in Argentine pesos	+/- 28%
Effect on profit or loss	(49,563) / 49,563
Effect on equity	(49,563) / 49,563

Interest rate risk

For the six-month period ended June 30, 2022 the average interest rate was 45%.

The purpose of interest rate risk management is to minimize finance costs and limit the Company's exposure to interest rate increases.

Variable-rate indebtedness exposes the Company's cash flows to interest rate risk due to the potential volatility. Fixed-rate indebtedness exposes the Company to interest rate risk on the fair value of its liabilities as they could be considerably higher than variable rates. As of June 30, 2022 and December 31, 2021, about 7% and 16% of indebtedness was subject to variable interest rates. For the six-month period ended June 30, 2022 and for the year ended December 31, 2021, the variable interest rate of loans denominated in USD stood at 4.65% and 4.81%, respectively, and it amounted to 36.31% and 35.55%, respectively, for loans denominated in ARS.

The Company expects to lessen its interest rate exposure by analyzing and assessing (i) the different sources of liquidity available in domestic and international financial and capital markets (if available); (ii) alternative (fixed or variable) interest rates, currencies and contractual terms available for companies in a sector, industry and risk similar to the Company's; and (iii) the availability, access and cost of interest rate hedge contracts. Hence, the Company assesses the impact on profit or loss of each strategy on the obligations that represent the main positions to the main interest-bearing positions.

In the case of fixed rates and in view of current market conditions, the Company considers that the risk of a major decrease in interest rates is low; therefore, it does not expect substantial fixed rate debt risk.

For the six-month period ended June 30, 2022 and for the year ended December 31, 2021, the Company did not use derivative financial instruments to mitigate interest rate risks.

Note 18. Inventories

	As of June 30, 2022	As of December 31, 2021
Materials and spare parts	14,343	8,739
Crude oil stock (Note 5.2)	4,571	5,222
Total	18,914	13,961

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Note 19. Cash, bank balances and other short-term investments

	As of June 30, 2022	As of December 31, 2021
Cash in banks	98,493	78,098
Money market funds	76,454	106,915
Mutual funds	73,613	126,204
Government bonds	2,494	3,796
Total	251,054	315,013

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 June 30, 2022	As of December 31, 2021
Cash, bank balances and other short-term investments	251,054	315,013
Less		
Government bonds	(2,494)	(3,796)
Cash and cash equivalents	248,560	311,217

Note 20. Equity

20.1 Capital stock

The following chart shows a reconciliation of the movements in the Company's capital stock for the period ended as of June 30, 2022:

	Series A	Series C	Total
Amounts as of December 31, 2021	586,706	-	586,706
Number of shares	88,629,877	2	88,629,879
Series A shares to be granted in LTIP	1	-	1
Number of shares	711,748	-	711,748
Share repurchase (Note 20.2)	(23,804)	-	(23,804)
Number of shares repurchased	(2,834,163)	-	(2,834,163)
Amounts as of June 30, 2022	562,903	-	562,903
Number of shares	86,507,462	2	86,507,464

20.2 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 individual financial statements.

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

During the six-month period ended June 30, 2022, the Company repurchased 2,834,163 Series A shares for 23,804, which, as of the date of issuance of these condensed consolidated financial statements, are held in Treasury.

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Note 21. Provisions

	As of June 30, 2022	As of December 31, 2021
Noncurrent		
Well plugging and abandonment	26,390	28,920
Environmental remediation	1,013	737
Total noncurrent	27,403	29,657
Current		
Well plugging and abandonment	1,863	1,876
Environmental remediation	689	862
Contingencies	165	142
Total current	2,717	2,880

Note 22. Salaries and payroll taxes

	As of June 30, 2022	As of December 31, 2021
Current		
Provision for bonuses and incentives	7,438	12,102
Salaries and social security contributions	5,515	5,389
Total current	12,953	17,491

Note 23. Other taxes and royalties

	As of June 30, 2022	As of December 31, 2021
Current		
Royalties	11,856	9,547
Tax withholdings	1,529	873
VAT	-	33
Other	46	919
Total current	13,431	11,372

Note 24. Trade and other payables

	As of June 30, 2022	As of December 31, 2021
Noncurrent		
Other accounts payables:		
Payables to third parties ⁽¹⁾	17,180	-
Payables to partners of joint operations ⁽²⁾	-	50,159
Total other noncurrent accounts payable	17,180	50,159
Total noncurrent	17,180	50,159
Current		
Accounts payable:		
Suppliers	177,910	119,255
Total current accounts payables	177,910	119,255

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	As of June 30, 2022	As of December 31, 2021
Other accounts payables:		
Payables to third parties ⁽¹⁾	18,200	-
Payables to partners of joint operations ⁽²⁾	46	19,007
Extraordinary fee for Gas IV Plan (Note 2.5.1.1)	405	220
Total other current accounts payables	18,651	19,227
Total current	196,561	138,482

⁽¹⁾ As of June 30, 2022 including 17,180 and 18,046 in noncurrent and current accounts, respectively, related to the agreement mentioned in Note 1.2.1, recognized at present value.

⁽²⁾ As of December 31, 2021, including 50,159 and 18,913 in noncurrent and current accounts, respectively, related to the carry agreement, recognized at present value (see Note 1.5 to the annual consolidated financial statements as of December 31, 2021).

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 payable does not differ considerably from its fair value.

Note 25. Employee benefits

The following chart summarizes net expense components and the changes in the liability for long-term employee benefits in the unaudited interim condensed consolidated financial statements:

	Period from January 1, through June 30, 2022	Period from January 1, through June 30, 2021	Period from April 1, through June 30, 2022	Period from April 1, through June 30, 2021
Cost of services	(21)	(11)	(11)	(6)
Cost of interest	(188)	(75)	(94)	(37)
Total	(209)	(86)	(105)	(43)

	As of June 30, 2022		
	Present value of the obligation	Plan assets	Net liabilities
Amounts at beginning of period	(15,416)	7,594	(7,822)
<i>Items classified as loss or profit</i>			
Cost of services	(21)		(21)
Cost of interest	(370)	182	(188)
<i>Items classified in other comprehensive income</i>			
Actuarial remediation (losses)	(2,923)	(231)	(3,154)
Benefit payments	566	(566)	-
Payment of contributions	-	113	113
Amounts at end of period	(18,164)	7,092	(11,072)

The fair value of plan assets as of every period-end per category, is as follows:

	As of June 30, 2022	As of December 31, 2021
US government bonds	5,794	-
Cash and cash equivalents	1,298	7,594
Total	7,092	7,594

See Note 23 to the Company's annual consolidated financial statements as of December 31, 2021.

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Note 26. Related parties transactions and balances

As of June 30, 2022, and December 31, 2021, the Company carries no balances with related parties and relevant transactions other than those included in Note 27 to the annual consolidated financial statements as of December 31, 2021.

Note 2.3 to the Company's annual consolidated financial statements as of December 31, 2021 and Note 1.2 of these unaudited interim condensed consolidated financial statements provide information on the Group's structure, including information on Company subsidiaries.

Note 27. Commitments and contingencies

There were no significant changes in commitments and contingencies for the six-months period ended June 30, 2022. For a description on the Company's contingencies and investment commitments related to its oil and gas properties see Notes 29 and 30 to the annual consolidated financial statements as of December 31, 2021.

Note 28. Tax regulations

There have been no significant changes in Argentina's and Mexico's tax regulations during the six-months period ended June 30, 2022 (see Note 33 to the annual consolidated financial statements as of December 31, 2021).

Note 29. Subsequent events

The Company assessed events subsequent to June 30, 2022, to determine the need of a potential recognition or disclosure in these interim condensed consolidated financial statements. The Company assessed such events through July 26, 2022, date in which these financial statements were made available for issue.

- On July 5, 2022, Vista Argentina paid interest for a total amount of 186 corresponding to the loan agreement signed with Banco Santander International in July 2021 and January 2022.
- On July 13, 2022, Vista Argentina paid interest for a total amount of 249 corresponding to the loan agreement signed with ConocoPhillips Petroleum Holding B.V.
- On July 20, 2022, Vista Argentina paid principal and interest for a total amount of 25,215 corresponding to the Syndicated Loan.

There are no other events or transactions between the closing date and the date of issuance of these unaudited interim condensed consolidated financial statements that could significantly affect the Company's financial position or profit or loss.