

## Latina Offshore Holding Limited and Subsidiaries

# Consolidated Statements of Financial Position

As of June 30, 2019 and December 31, 2018

(In thousands of US dollars)

<b>Assets</b>	<b>June 2019</b>	<b>December 2018</b>
	<b>Unaudited</b>	<b>Audited</b>
Current assets:		
Cash and restricted cash	\$ 18,089	\$ 22,712
Due from related parties	12,131	14,338
Other accounts receivable	5,429	7,168
Prepaid expenses, net	110	2,375
Total current assets	<u>35,759</u>	<u>46,593</u>
Non-current assets:		
Jack ups and equipment, net	456,745	468,482
Deferred income taxes	17,457	14,170
Total non-current assets	<u>474,202</u>	<u>482,652</u>
Total assets	<u>\$ 509,961</u>	<u>\$ 529,245</u>
 <b>Liabilities and Stockholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 49,036	\$ 305,687
Trade accounts payable	-	2,455
Due to related parties	44	141
Other accounts payable and accrued liabilities	8,478	10,672
Interest payable	12,935	10,767
Total current liabilities	<u>70,493</u>	<u>329,722</u>
Non-current liabilities:		
Long-term debt	297,423	49,172
Deferred income taxes	2	384
Total non-current liabilities	<u>297,425</u>	<u>49,556</u>
Total liabilities	<u>367,918</u>	<u>379,278</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(85,685)	(77,760)
Total stockholders' equity	<u>142,043</u>	<u>149,967</u>
Total stockholders' equity and liabilities	<u>\$ 509,961</u>	<u>\$ 529,245</u>

# Latina Offshore Holding Limited and Subsidiaries

## Consolidated Statements of Operations

For the six months ended June, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	June 2019 Unaudited	December 2018 Audited
Continuing operations:		
Operating lease revenues	\$ 23,979	\$ 57,438
Operating cost	896	3,553
Depreciation of assets under operating leases	<u>18,138</u>	<u>35,180</u>
Gross profit	4,945	18,705
Other expenses	2	17
Interest expenses, net	16,519	33,712
Exchange loss, net	<u>17</u>	<u>318</u>
Loss before income taxes	(11,593)	(15,342)
Deferred income tax benefit	<u>(3,668)</u>	<u>(6,366)</u>
Consolidated net loss	<u>\$ (7,925)</u>	<u>\$ (8,976)</u>

# Latina Offshore Holding Limited and Subsidiaries

## Consolidated Statements of Cash Flows

For the six months ended June, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	June 2019 Unaudited	December 2018 Audited
<b>Cash flows from operating activities</b>		
Consolidated net loss	\$ (7,925)	\$ (8,976)
Adjustments for:		
Deferred income tax benefit	(3,668)	(6,366)
Depreciation	18,138	35,180
Amortization of bond issuance costs	428	931
Interest income	(838)	(1,719)
Exchange loss	17	318
Interest expenses	16,930	34,500
	<u>23,082</u>	<u>53,868</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	2,657	14,660
Other accounts receivable	1,739	835
Prepaid expenses	2,264	(1,904)
Increase (decrease) in:		
Trade accounts payable	(2,455)	2,455
Due to related parties	(97)	141
Other accounts payable and accrued liabilities	(2,210)	664
Net cash flows by operating activities	<u>24,980</u>	<u>70,716</u>
<b>Cash flows from investing activities:</b>		
Purchase of machinery and equipment	(6,402)	(12,740)
Net cash flows by investing activities	<u>(6,402)</u>	<u>(12,740)</u>
<b>Cash flows from financing activities:</b>		
Payments of long term-debt	(8,232)	(1,000)
Bonds issuance costs	(595)	(1,227)
Interest paid	(14,374)	(38,178)
Net cash flows in financing activities	<u>(23,201)</u>	<u>(40,405)</u>
Net change in cash and restricted cash	(4,623)	17,571
Cash and restricted cash at the beginning of the year	22,712	5,141
Cash and restricted cash at end of the year	<u>\$ 18,089</u>	<u>\$ 22,712</u>

## Latina Offshore Holding Limited and Subsidiaries

### Notes

a. Transaction with related parties:

	<b>June 2019</b> <b>Unaudited</b>	<b>December 2018</b> <b>Audited</b>
Operating lease revenues	23,979	57,438
Interest income	695	1,232
Purchases of spare parts and tools	(6,402)	(9,628)
Interest expenses	(387)	(530)
Other expenses	(87)	(89)

b. Balance with related parties:

	<b>June 2019</b> <b>Unaudited</b>	<b>December 2018</b> <b>Audited</b>
Due from related parties-		
Short term:		
Constructora y Perforadora Latina S.A. de C.V.	\$ <u>12,131</u>	\$ <u>14,338</u>

	<b>June 2019</b> <b>Unaudited</b>	<b>December 2018</b> <b>Audited</b>
Due to related parties-		
Short term:		
Servicios Corporativos Latina S.A. de C.V.	\$ <u>44</u>	\$ <u>141</u>