

**Constructora y Perforadora Latina , S.A. de C.V. and Subsidiaries**

**Statement of Financial Position**

As of September 30, 2019 and December 31, 2018

(In thousands of US dollars)

<b>Assets</b>	<b>September 2019</b>	<b>December 2018</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Current assets:		
Cash and restricted cash	\$ 20,271	\$ 23,816
Trade accounts receivable	34,184	32,214
Due from related parties	7,413	9,263
Recoverable taxes and other accounts receivable	13,880	15,186
Inventories - net	9,172	10,474
Prepaid expenses	1,662	2,442
Total current assets	<u>86,582</u>	<u>93,395</u>
Non-current assets:		
Jack-ups and equipment – Net	454,821	470,902
Investments in associates	11,713	15,152
Deferred income tax	19,192	14,171
Other assets, net	63	121
Total non-current assets	<u>485,789</u>	<u>500,346</u>
Total assets	<u>\$ 572,371</u>	<u>\$ 593,741</u>
 <b>Liabilities and Stockholders' equity</b>		
Current liabilities:		
Current portion of long-term debt	\$ 70,801	\$ 313,187
Trade accounts payable	9,072	10,840
Taxes and accrued expenses	19,447	22,915
Due to related parties		13
Other accounts payable	9	-
Interest payable	7,044	10,795
Total current liabilities	<u>106,373</u>	<u>357,751</u>
Non-current liabilities:		
Long-term debt	297,725	49,172
Employee benefits	-	1,122
Deferred income taxes	607	689
Total non-current liabilities	<u>298,332</u>	<u>50,983</u>
Total liabilities	<u>404,705</u>	<u>408,734</u>
Stockholders' equity:		
Capital stock	306,096	306,096
Legal reserve	398	398
Deficit	(139,086)	(121,745)
Other comprehensive income	258	258
Total stockholders' equity	<u>167,666</u>	<u>185,007</u>
Total stockholders' equity and liabilities	<u>\$ 572,371</u>	<u>\$ 593,741</u>

## Constructora y Perforadora Latina , S.A. de C.V. and Subsidiaries

### Statements of Profit and Loss

For the nine months ended September, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	September 2019	December 2018
	Unaudited	Unaudited
Continuing operations:		
Operating leases income	\$ 70,586	\$ 94,548
Operating cost	15,969	17,878
Depreciation and amortization	27,499	37,505
Gross profit	<u>27,118</u>	<u>39,165</u>
Administrative expenses	16,933	17,374
Other expenses - Net	3,537	3,071
Interest expenses	26,481	36,362
Exchange loss - Net	333	336
Equity in losses of subsidiary	3,716	7,958
Loss before income taxes	<u>(23,882)</u>	<u>(25,936)</u>
Income taxes benefit	(5,465)	(11,439)
Consolidated net loss	<u>\$ (18,417)</u>	<u>\$ (14,498)</u>

## Constructora y Perforadora Latina , S.A. de C.V. and Subsidiaries

### Statements of Cash Flows

For the nine months ended September, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	September 2019	December 2018
	Unaudited	Unaudited
Cash flows from operating activities:		
Consolidated net loss	\$ (18,417)	\$ (14,498)
Adjustments for:		
Income tax benefit	(5,465)	(11,439)
Depreciation and amortization	27,499	37,505
Equity in losses of associate	3,716	7,958
Labor cost of current service	-	264
Amortization of bond issuance cost	699	931
Adjustment to cash flows due to exchange rate fluctuations	333	336
Interest expenses	25,781	35,431
	<u>34,146</u>	<u>56,488</u>
<b>Movements in working capital:</b>		
(Increase) decrease in:		
Trade accounts receivable	(1,970)	5,247
Due from related parties	1,850	(1,258)
Current taxes and other accounts receivable	1,306	(7,140)
Inventories	1,302	653
Prepaid expenses	780	(1,010)
Increase (decrease) in:		
Trade accounts payable	(1,768)	5,169
Taxes and accrued expenses	(3,482)	(2,261)
Other accounts payable	9	-
Due to related parties	(831)	(29,247)
Net cash flows by operating activities	<u>31,342</u>	<u>26,641</u>
<b>Cash flows from investing activities:</b>		
Purchase of machinery and equipment	(11,382)	4,340
Income tax	(5)	(16)
Investment in subsidiary	(276)	(11,147)
Other assets	23	2,193
Net cash flows in investing activities	<u>(11,640)</u>	<u>(4,630)</u>
<b>Cash flows from financing activities:</b>		
Capital increase	-	29,760
Long-term debt payments	707	(1,500)
Interest paid	(23,325)	(38,564)
Bonds issuance cost	(629)	(1,227)
Net cash flows in financing activities	<u>(23,247)</u>	<u>(11,531)</u>
Net change in cash and restricted cash	(3,545)	10,480
Cash and restricted cash at the beginning of the year	23,816	13,336
Cash and restricted cash at end of the year	<u>\$ 20,271</u>	<u>\$ 23,816</u>