

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

Statement of Financial Position

As of March 31, 2020 and December 31, 2019

(In thousands of US dollars)

Assets	March 2020	December 2019
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 26,799	\$ 28,928
Trade accounts receivable	88,470	42,305
Due from related parties	22,904	27,514
Recoverable taxes and other accounts receivable	16,116	17,348
Inventories - net	10,365	9,738
Prepaid expenses	4,627	760
Total current assets	169,281	126,593
Non-current assets:		
Jack-ups and equipment – Net	434,998	441,181
Investments in associates	22,608	12,860
Deferred income tax	25,878	23,623
Other assets, net	56	59
Total non-current assets	483,540	477,723
Total assets	\$ 652,821	\$ 604,316
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 76,019	\$ 64,992
Trade accounts payable	12,749	9,825
Taxes and accrued expenses	26,737	28,140
Advance to customers	15,949	16,023
Due to related parties	29,270	-
Other accounts payable	7	7
Interest payable	7,297	7,254
Total current liabilities	168,028	126,241
Non-current liabilities:		
Long-term debt	291,221	295,691
Deferred income taxes	550	782
Total non-current liabilities	291,771	296,473
Total liabilities	459,799	422,714
Stockholders' equity:		
Capital stock	317,508	317,508
Legal reserve	398	397
Deficit	(124,884)	(136,303)
Total stockholders' equity	193,022	181,602
Total stockholders' equity and liabilities	\$ 652,821	\$ 604,316

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Statements of Profit and Loss

For the three months ended March, 2020 and for the year end December 31, 2019

(In thousands of US dollars)

	March 2020	December 2019
	Unaudited	Unaudited
Continuing operations:		
Revenues	\$ 75,954	\$ 97,774
Operating cost	52,158	22,197
Depreciation and amortization	9,314	44,062
Gross profit	<u>14,482</u>	<u>31,515</u>
Administrative expenses	5,908	17,395
Other (gain) expenses - Net	(204)	3,391
Interest expenses	8,460	33,534
Exchange (gain) loss - Net	(711)	246
Equity in (profit) losses of subsidiary	<u>(9,748)</u>	<u>2,568</u>
Gain (loss) before income taxes	10,777	(25,619)
Income taxes benefit	<u>(643)</u>	<u>(9,726)</u>
Consolidated net result	<u>\$ 11,420</u>	<u>\$ (15,893)</u>

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Statements of Cash Flows

For the three months ended March, 2020 and for the year end December 31, 2019

(In thousands of US dollars)

	March 2020	December 2019
	Unaudited	Unaudited
Cash flows from operating activities:		
Consolidated net result	\$ 11,420	\$ (15,893)
Adjustments for:		
Income tax benefit	(643)	(9,726)
Depreciation and amortization	9,314	44,062
Equity in (profit) losses of subsidiary	(9,748)	2,568
Amortization of bond issuance cost	239	(872)
Adjustment to cash flows due to exchange rate fluctuations	(711)	246
Interest expenses	8,221	34,406
	<u>18,092</u>	<u>54,791</u>
Movements in working capital:		
(Increase) decrease in:		
Trade accounts receivable	(46,165)	(10,091)
Due from related parties	4,611	(18,251)
Current taxes and other accounts receivable	1,232	(2,162)
Inventories	(627)	736
Prepaid expenses	(3,868)	1,682
Increase (decrease) in:		
Trade accounts payable	2,924	(1,015)
Taxes and accrued expenses	(696)	5,298
Advance to customers	(74)	16,023
Due to related parties	29,277	41
Net cash flows by operating activities	<u>4,706</u>	<u>47,052</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(3,131)	(14,302)
Income tax	(1,844)	-
Investment in subsidiary	-	(276)
Other assets	-	23
Net cash flows in investing activities	<u>(4,975)</u>	<u>(14,555)</u>
Cash flows from financing activities:		
Capital increase	-	11,412
Long-term debt payments	6,491	608
Interest paid	(8,178)	(37,993)
Bonds issuance cost	(173)	(1,412)
Net cash flows in financing activities	<u>(1,860)</u>	<u>(27,385)</u>
Net change in cash and restricted cash	(2,129)	5,112
Cash and restricted cash at the beginning of the year	28,928	23,816
Cash and restricted cash at end of the year	<u>\$ 26,799</u>	<u>\$ 28,928</u>