

## Latina Offshore Holding Limited and Subsidiaries

# Consolidated Statements of Financial Position

As of March 31, 2020 and December 31, 2019

(In thousands of US dollars)

| <b>Assets</b>                                   | <b>March 2020</b> | <b>December 2019</b> |
|---|-------------------|----------------------|
|   | <b>Unaudited</b>  | <b>Audited</b>       |
| Current assets:                                 |                   |                      |
| Cash and restricted cash                        | \$ 19,532         | \$ 17,500            |
| Due from related parties                        | 18,064            | 19,182               |
| Other accounts receivable                       | 3,772             | 6,012                |
| Prepaid expenses, net                           | 535               | 491                  |
| Total current assets                            | <u>41,903</u>     | <u>43,185</u>        |
| Non-current assets:                             |                   |                      |
| Jack ups and equipment, net                     | 433,200           | 439,289              |
| Deferred income taxes                           | 23,572            | 23,623               |
| Total non-current assets                        | <u>456,772</u>    | <u>462,912</u>       |
| Total assets                                    | <u>\$ 498,675</u> | <u>\$ 506,097</u>    |
| <br><b>Liabilities and Stockholders' equity</b> |                   |                      |
| Current liabilities:                            |                   |                      |
| Current portion of long-term debt               | \$ 53,900         | \$ 54,542            |
| Trade accounts payable                          | -                 | 5                    |
| Due to related parties                          | 22                | 12                   |
| Other accounts payable and accrued liabilities  | 6,888             | 9,451                |
| Interest payable                                | 7,140             | 7,251                |
| Total current liabilities                       | <u>67,950</u>     | <u>71,261</u>        |
| Non-current liabilities:                        |                   |                      |
| Long-term debt                                  | <u>291,221</u>    | <u>295,691</u>       |
| Total non-current liabilities                   | <u>291,221</u>    | <u>295,691</u>       |
| Total liabilities                               | <u>359,171</u>    | <u>366,952</u>       |
| Stockholders' equity:                           |                   |                      |
| Capital stock                                   | 227,727           | 227,727              |
| Deficit   | <u>(88,223)</u>   | <u>(88,582)</u>      |
| Total stockholders' equity                      | <u>139,504</u>    | <u>139,145</u>       |
| Total stockholders' equity and liabilities      | <u>\$ 498,675</u> | <u>\$ 506,097</u>    |

# Latina Offshore Holding Limited and Subsidiaries

## Consolidated Statements of Operations

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

(In thousands of US dollars)

|   | March 2020<br>Unaudited | December 2019<br>Audited |
|---|-------------------------|--------------------------|
| Continuing operations:                        |                         |                          |
| Operating lease revenues                      | \$ 17,927               | \$ 56,547                |
| Operating cost                                | 185                     | 1,450                    |
| Depreciation of assets under operating leases | <u>9,220</u>            | <u>43,683</u>            |
| Gross profit                                  | 8,522                   | 11,414                   |
| Other income                                  | -                       | (4)                      |
| Interest expenses, net                        | 8,340                   | 31,971                   |
| Exchange (gain) loss, net                     | <u>(226)</u>            | <u>105</u>               |
| Gain (loss) before income taxes               | 408                     | (20,658)                 |
| Deferred income tax benefit                   | <u>50</u>               | <u>(9,837)</u>           |
| Consolidated net result                       | <u>\$ 358</u>           | <u>\$ (10,822)</u>       |

# Latina Offshore Holding Limited and Subsidiaries

## Consolidated 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<br>Unaudited | December 2019<br>Audited |
|---|-------------------------|--------------------------|
| <b>Cash flows from operating activities</b>           |                         |                          |
| Consolidated net result                               | \$ 358                  | \$ (10,822)              |
| Adjustments for:                                      |                         |                          |
| Deferred income tax benefit                           | 50                      | (9,837)                  |
| Depreciation  | 9,220                   | 43,683                   |
| Amortization of bond issuance costs                   | 239                     | (872)                    |
| Interest income                                       | (440)                   | (1,786)                  |
| Exchange (gain) loss                                  | (226)                   | 105                      |
| Interest expenses                                     | 8,541                   | 34,630                   |
|   | <u>17,742</u>           | <u>55,101</u>            |
| <b>Changes in working capital:</b>                    |                         |                          |
| (Increase) decrease in:                               |                         |                          |
| Due from related parties                              | 1,298                   | (3,872)                  |
| Other accounts receivable                             | 2,242                   | 1,156                    |
| Prepaid expenses                                      | (43)                    | 1,883                    |
| Increase (decrease) in:                               |                         |                          |
| Trade accounts payable                                | (5)                     | (2,450)                  |
| Due to related parties                                | 9                       | (129)                    |
| Other accounts payable and accrued liabilities        | (2,338)                 | (1,328)                  |
| Net cash flows by operating activities                | <u>18,906</u>           | <u>50,361</u>            |
| <b>Cash flows from investing activities:</b>          |                         |                          |
| Purchase of machinery and equipment                   | (3,131)                 | (14,491)                 |
| Net cash flows by investing activities                | <u>(3,131)</u>          | <u>(14,491)</u>          |
| <b>Cash flows from financing activities:</b>          |                         |                          |
| Payments of long term-debt                            | (5,185)                 | (2,842)                  |
| Bonds issuance costs                                  | (165)                   | (912)                    |
| Interest paid   | (8,393)                 | (37,328)                 |
| Net cash flows in financing activities                | <u>(13,743)</u>         | <u>(41,082)</u>          |
| Net change in cash and restricted cash                | 2,032                   | (5,212)                  |
| Cash and restricted cash at the beginning of the year | 17,500                  | 22,712                   |
| Cash and restricted cash at end of the year           | <u>\$ 19,532</u>        | <u>\$ 17,500</u>         |