

Latina Offshore Holding Limited
Unaudited consolidated financial information
Second quarter results 2020
(In thousands of US dollars)

Mexico City, 31 August 2020, Latina Offshore Holding Limited (the “Company”), a subsidiary of Constructora y Perforadora Latina, S.A. de C.V. (“Latina”), reports the unaudited consolidated financial results as of 30 June 2020.

The Company, through its subsidiaries, owns two (2) Jack-ups (La Santa Maria and La Covadonga, jointly referred to as the “Jack-ups”) and one (1) modular rig (Modular 01, referred to as the “Modular”). The Jack-ups and the Modular are indirectly leased (as part of services) to Pemex on long-term exploration, drilling and repairing contracts. La Santa Maria commenced operations on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016.

Latina has long-term drilling contracts that are expected to end as follows:

- La Santa Maria on 1st April 2023
- La Covadonga on 14 March 2023
- Modular on 15 March 2021

As of June 30th, 2020, the Jack-ups were drilling wells in the Gulf of Mexico, La Santa Maria in Abkatun Pol Chuc, and La Covadonga and the Modular in Littoral Tabasco.

1. Contracts with Pemex

The daily rates from January 1st to June 30, 2020 are \$127.500 and \$60.250 for the Jack-ups and the Modular, respectively.

The Pandemic declared by the WHO generated a lower oil demand and consequently a significant oil price reduction that resulted in Pemex rationalizing their investments, so Latina entered into discussions with Pemex. The following conditions will be signed in the agreements: i) a temporary suspension of La Santa Maria from August 7th, 2020 to October 31st, 2020, ii) day rates for the Jack-ups of \$95.000 and \$45.000 for the Modular from July 1st, 2020 to December 31st, 2020. Starting January 1st, 2021, day rates will be restated to the formula based on the Global Jack-ups Index published by Clarkson Research and iii) an increase to the credit term from 90 to 180 days till December 31st, 2020.

Latina will take advantage of the temporary suspension of La Santa Maria to complete the Special Survey that was planned next year

On August 26, 2020 at 2:00 am, there was a rigdown incident in La Covadonga caused by a human error at a depth of 5,730 meters, stopping the current rig operations, which

restarted on August 30, 2020 at 4:00 pm. Latina is currently in discussions with Pemex to determine the financial impact. Latina is also analyzing the root cause of this problem and the lessons learned.

2. Amendments to the Bond Agreement with the Creditor

As a result of the agreements with Pemex, as mentioned above, Latina has agreed the following amendments to their outstanding bonds; see below a summary of the amended terms:

Key amendments to the USD \$53,390 Bond:

1. The "Maturity Date" was extended to 16 March 2021.
2. The minimum daily rate as set out in the definition of "Employment Contract" shall be reduced from USD48,200 to USD 45,000 from July 1st to December 31, 2020.
3. The Liquidity Buffer shall be exceptionally increased from USD860,000 to USD2,580,000 to cover Operating Expenses, SG&A Costs and Capital Expenditure for 90 days (rather than the current 30 days) until January 15, 2021.
4. The payment of the Instalment Cash Sweep shall be temporary suspended (with effect from 30 June 2020), so that the next calculation of the Instalment Cash Sweep shall occur on 31 March 2021.
5. The requirement for the Instalment Cash Sweep to be not less than USD500,000 plus 2 % shall be temporarily suspended (with effect from 30 June 2020 to the first payment of the Instalment Cash Sweep after 31 January 2021).

Key amendments to the USD \$287,601 Bond:

1. The payment of the Instalment Cash Sweep on July 15 was suspended.
2. The minimum daily rate as set out in the definition of "Charter Contract" shall be reduced from USD 100,000 to USD 95,000.
3. The Santa Maria Special Survey costs will be capped at USD 3,000.0 (the "Santa Maria Survey Costs") and will be funded by way of an exceptional one-time release.
4. Upon the Covadonga Special Survey in 2021, similar adjustments as described in item 3, will apply, where the cost of any such Special Survey will also be capped at USD 3,000.0 with the exception of reasonable, market mobilization and demobilization costs.

3. Operations Highlights

	Q2 2020	YTD 2020	Q2 2019	FY 2019
Revenue	17,927	35,854	12,999	56,547
EBITDA	17,827	35,569	12,914	55,101
Interest expenses	8,408	16,948	8,391	34,629
Total debt	340,991	340,991	349,615	352,408

	Santa Maria		Covadonga		Modular	
	Efficiency					
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q2 2020	100%	100%	100%	100%	100%	99.86%
YTD 2020	100%	99.93%	100%	99.94%	99.95%	99.74%
Q2 2019	100%	99.96%	100%	100%	92.26%	91.90%
FY 2019	100%	99.95%	100%	100%	97.33%	97.17%

Revenue

The revenue for Q2 2020 was \$17,927; 37.91% higher than Q2, 2019 due to the Modular activity in Q2 2020 and the increased daily rate. The bareboat charters were as follows:

	Q2 2020 bareboat rate	Q2 2020 revenues	Q2 2019 bareboat rate	Q2 2019 revenues
La Santa María	82	7,462	61.00	5,551
La Covadonga	82	7,462	61.00	5,551
Modular	33	3,003	23.09	1,897

	YTD 2020 bareboat rate	YTD 2020 revenues	FY 2019 bareboat rate	FY 2019 revenues
La Santa María	82	14,924	67.55	24,657
La Covadonga	82	14,924	67.55	24,657
Modular	33	6,006	27.18	7,233

As of January 1st 2020, the rate has increased to \$82 for Jack-ups and \$33 for the modular.

EBITDA

The Q2 2020 EBITDA amount is \$17,827 and is 38.04% higher than Q2 2019. This amount corresponds to 99.21% of accumulated revenue.

4. Invoice and factoring

As of 30 June 2020, and up to today, the movement of Latina's invoiced account receivables are as follows:

	Jack-ups- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 March 2020	\$15,368	\$ 2,459	\$ 17,827	\$ -	\$ -	\$ -
Invoice in Q2 2020	5,355	857	6,212	839	134	974
Collection in Q2 2020	(20,723)	(3,316)	(24,039)	-	-	-
Balance as of 30 June 2020	(0)	0	(0)	839	134	974
Invoice in Q3 2020	5,993	959	6,951	9,358	1,497	10,855
Collection in Q3 2020	-	-	-	-	-	-
Balance as of today	\$ 5,992	\$ 958	\$ 6,951	\$ 10,197	\$1,632	\$11,829

	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 March 2020	\$ -	\$ -	\$ -	\$ 3,618	\$ 579	\$ 4,196
Invoice in Q2 2020	-	-	-	3,610	578	4,188
Collection in Q2 2020	-	-	-	(5,360)	(858)	(6,217)
Balance as of 30 June 2020	-	-	-	1,868	299	2,167
Invoice in Q3 2020	-	-	-	1,868	299	2,167
Collection in Q3 2020	-	-	-	(1,868)	(299)	(2,167)
Balance as of today	\$ -	\$ -	\$ -	\$ 1,868	\$ 299	\$ 2,167

As of 30 June 2020, and up to today Latina's invoiced and accrued account receivables are as follows:

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
March 2020	5,358	-	5,358
April 2020	115	1,808	1,923
May 2020	3,953	-	3,953
June 2020	7,650	1,808	9,458
July 2020	5,890	1,395	7,285
August 2020	3,420	1,395	4,815
Subtotal Accrued Receivables	26,386	6,405	32,791
February 2020	2,366	-	2,366
May 2020	4,585	-	4,585
Subtotal Invoiced Receivables	6,951	-	6,951
Total Receivables	33,337	6,405	39,742

The account receivables are paid 180 days after issuing the invoices. The invoices factored have been made without any form of resource.

5. Latina's pro-forma consolidated income statement

The following consolidated income statements are included only for additional information, reflecting the offshore business as a project.

For the six months ended June 30, 2020 and 2019

(In thousands of US dollars)

	Q2 2020			Q2 2019		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	23,320	5,482	28,802	19,297	3,761	23,058
Operating expenses:						
Operating cost and expenses	5,550	2,186	7,736	5,587	1,958	7,545
Other expenses (incomes), net	(90)	(2)	(92)	(127)	173	46
Corporate expenses	2,730	273	3,003	2,730	273	3,003
Depreciation	5,253	2,836	8,089	6,597	2,239	8,836
Total operating expenses	13,443	5,293	18,736	14,787	4,643	19,430
Operating results	9,877	189	10,066	4,510	(882)	3,628
EBITDA	15,130	3,025	18,155	11,107	1,357	12,464

	FY 2020			FY 2019		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	46,582	10,960	57,542	82,440	14,147	96,587
Operating expenses:						
Operating cost and expenses	11,097	4,405	15,502	22,197	6,513	28,710
Other expenses (incomes), net	(177)	(37)	(214)	(297)	4,048	3,751
Corporate expenses	5,460	546	6,006	10,950	1,095	12,045
Depreciation	12,153	5,159	17,312	31,917	11,805	43,722
Total operating expenses	28,533	10,073	38,606	64,767	23,461	88,228
Operating results	18,049	887	18,936	17,673	(9,314)	8,359
EBITDA	30,202	6,046	36,248	49,590	2,491	52,081