

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

Statement of Financial Position

As of September 30, 2020 and December 31, 2019

(In thousands of US dollars)

Assets	September 2020	December 2019
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 28,106	\$ 28,928
Trade accounts receivable	108,955	42,305
Due from related parties	17,960	27,514
Recoverable taxes and other accounts receivable	18,785	17,348
Inventories - net	13,031	9,738
Prepaid expenses	2,680	760
Total current assets	<u>189,517</u>	<u>126,593</u>
Non-current assets:		
Jack-ups and equipment – Net	416,117	441,181
Right of use assets	1,893	-
Investments in associates	25,053	12,860
Deferred income tax	22,140	23,623
Other assets, net	40	59
Total non-current assets	<u>465,243</u>	<u>477,723</u>
Total assets	<u>\$ 654,760</u>	<u>\$ 604,316</u>
Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 56,885	\$ 64,992
Trade accounts payable	11,024	9,825
Taxes and accrued expenses	30,947	28,140
Advance to customers	11,720	16,023
Lease liabilities	1,732	-
Due to related parties	41,952	-
Other accounts payable	6	7
Interest payable	7,006	7,254
Total current liabilities	<u>161,272</u>	<u>126,241</u>
Non-current liabilities:		
Long-term debt	285,329	295,691
Deferred income taxes	1,013	782
Lease liabilities	7,853	-
Total non-current liabilities	<u>294,195</u>	<u>296,473</u>
Total liabilities	<u>455,467</u>	<u>422,714</u>
Stockholders' equity:		
Capital stock	341,245	317,508
Legal reserve	397	397
Deficit	(142,349)	(136,303)
Total stockholders' equity	<u>199,293</u>	<u>181,602</u>
Total stockholders' equity and liabilities	<u>\$ 654,760</u>	<u>\$ 604,316</u>

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

Statements of Profit and Loss

For the nine months ended September 30, 2020 and for the year end December 31, 2019

(In thousands of US dollars)

	September 2020	December 2019
	Unaudited	Unaudited
Continuing operations:		
Operating income	\$ 217,807	\$ 97,774
Operating cost	155,491	22,197
Depreciation and amortization	30,529	44,062
Gross profit	<u>31,787</u>	<u>31,515</u>
Administrative expenses	18,623	17,395
Other expenses - Net	(525)	3,391
Interest expenses	24,765	33,534
Exchange (gain) loss, net	1,297	246
Equity method of subsidiary	<u>(12,192)</u>	<u>2,568</u>
Loss before income taxes	(181)	(25,619)
Income taxes	<u>5,865</u>	<u>(9,726)</u>
Consolidated net loss	<u><u>\$ (6,046)</u></u>	<u><u>\$ (15,893)</u></u>

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

Statements of Cash Flows

For the nine months ended September 30, 2020 and for the year end December 31, 2019

(In thousands of US dollars)

	September 2020	December 2019
	Unaudited	Unaudited
Cash flows from operating activities:		
Consolidated net loss	\$ (6,046)	\$ (15,893)
Adjustments for:		
Income tax benefit	5,865	(9,726)
Depreciation and amortization	30,529	44,062
Equity in losses of associate	(12,192)	2,568
Amortization of bond issuance cost	773	(872)
Adjustment to cash flows due to exchange rate fluctuations	1,297	246
Interest expenses	23,991	34,406
	<u>44,217</u>	<u>54,791</u>
Movements in working capital:		
(Increase) decrease in:		
Trade accounts receivable	(66,650)	(10,091)
Due from related parties	9,555	(18,251)
Current taxes and other accounts receivable	(1,437)	(2,162)
Inventories	(3,293)	736
Prepaid expenses	(1,920)	1,682
Increase (decrease) in:		
Trade accounts payable	1,199	(1,015)
Taxes and accrued expenses	1,511	5,298
Advance to customers	(4,303)	16,023
Due to related parties	41,957	41
Net cash flows by operating activities	<u>20,836</u>	<u>47,052</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(5,465)	(14,302)
Income tax	(4,150)	-
Investment in subsidiary	0	(276)
Other assets	9	23
Net cash flows in investing activities	<u>(9,606)</u>	<u>(14,555)</u>
Cash flows from financing activities:		
Capital increase	23,737	11,412
Lease liability payments	7,692	-
Long-term debt payments	(18,341)	608
Interest paid	(24,239)	(37,993)
Bonds issuance cost	(901)	(1,412)
Net cash flows in financing activities	<u>(12,052)</u>	<u>(27,385)</u>
Net change in cash and restricted cash	(822)	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>\$ 28,106</u>	<u>\$ 28,928</u>