

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

Statement of Financial Position

As of December 31, 2019 and 2020

(In thousands of US dollars)

Assets	December 2020	December 2019
	Unaudited	Unaudited
Current assets:		
Cash and restricted cash	\$ 25,655	\$ 28,928
Trade accounts receivable	60,909	42,305
Due from related parties	28,800	27,514
Recoverable taxes and other accounts receivable	27,997	17,348
Inventories - net	13,120	9,738
Prepaid expenses	1,653	760
Total current assets	158,134	126,593
Non-current assets:		
Jack-ups and equipment – Net	409,087	441,181
Investments in associates	13,269	12,860
Deferred income tax	31,354	23,623
Other assets, net	39	59
Total non-current assets	453,749	477,723
Total assets	\$ 611,883	\$ 604,316
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 60,691	\$ 64,992
Trade accounts payable	11,685	9,825
Taxes and accrued expenses	38,576	28,140
Advance to customers	7,525	16,023
Due to related parties	21,193	-
Other accounts payable	5	7
Interest payable	6,993	7,254
Total current liabilities	146,668	126,241
Non-current liabilities:		
Long-term debt	290,729	295,691
Deferred income taxes	468	782
Total non-current liabilities	291,197	296,473
Total liabilities	437,865	422,714
Stockholders' equity:		
Capital stock	341,245	317,508
Legal reserve	397	397
Deficit	(167,624)	(136,303)
Total stockholders' equity	174,018	181,602
Total stockholders' equity and liabilities	\$ 611,883	\$ 604,316

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

Statements of Profit and Loss

For the years ended December 31, 2019 and 2020

(In thousands of US dollars)

	December 2020	December 2019
	Unaudited	Unaudited
Continuing operations:		
Operating income	\$ 243,993	\$ 97,774
Operating cost	170,321	22,197
Depreciation and amortization	39,905	44,062
Gross profit	<u>33,767</u>	<u>31,515</u>
Administrative expenses	18,125	17,395
Other expenses - Net	19,103	3,391
Interest expenses	33,675	33,534
Exchange loss, net	3,362	246
Equity method of subsidiary	(409)	2,568
Loss before income taxes	<u>(40,089)</u>	<u>(25,619)</u>
Income taxes	(8,768)	(9,726)
Consolidated net loss	<u>\$ (31,321)</u>	<u>\$ (15,893)</u>

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Statements of Cash Flows

For the years ended December 31, 2019 and 2020

(In thousands of US dollars)

	December 2020	December 2019
	Unaudited	Unaudited
Cash flows from operating activities:		
Consolidated net loss	\$ (31,321)	\$ (15,893)
Adjustments for:		
Income tax benefit	(8,768)	(9,726)
Depreciation and amortization	39,905	44,062
Equity in losses of associate	(409)	2,568
Amortization of bond issuance cost	1,083	(872)
Exchange loss	3,362	246
Interest expenses	32,592	34,406
	<u>36,444</u>	<u>54,791</u>
Movements in working capital:		
(Increase) decrease in:		
Trade accounts receivable	(18,604)	(10,091)
Due from related parties	(1,285)	(18,251)
Current taxes and other accounts receivable	(10,649)	(2,162)
Inventories	(3,381)	736
Prepaid expenses	(893)	1,682
Increase (decrease) in:		
Trade accounts payable	1,860	(1,015)
Taxes and accrued expenses	7,073	5,298
Advance to customers	(8,499)	16,023
Due to related parties	21,198	41
Net cash flows by operating activities	<u>23,264</u>	<u>47,052</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(7,811)	(14,302)
Income tax	723	-
Investment in subsidiary	-	(276)
Other assets	20	23
Net cash flows in investing activities	<u>(7,068)</u>	<u>(14,555)</u>
Cash flows from financing activities:		
Capital increase	23,737	11,412
Long-term debt payments	(9,306)	608
Interest paid	(32,853)	(37,993)
Bonds issuance cost	(1,047)	(1,412)
Net cash flows in financing activities	<u>(19,469)</u>	<u>(27,385)</u>
Net change in cash and restricted cash	(3,273)	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>\$ 25,655</u>	<u>\$ 28,928</u>