

Latina Offshore Limited and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2019 and 2020

(In thousands of US dollars)

Assets

	December 2020	December 2019
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 10,295	\$ 17,493
Due from related parties	51,397	42,602
Other accounts receivable	1,925	2,604
Prepaid expenses, net	97	423
Total current assets	<u>63,714</u>	<u>63,122</u>
Non-current assets:		
Jack ups and equipment, net	324,064	346,199
Deferred income taxes	19,451	16,121
Total non-current assets	<u>343,515</u>	<u>362,320</u>
Total assets	<u>\$ 407,229</u>	<u>\$ 425,442</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 10,164	5,079
Trade accounts payable	69	-
Other accounts payables and accrued liabilities	7,129	7,463
Interest payable	5,822	6,071
Total current liabilities	<u>23,184</u>	<u>18,613</u>
Non-current liabilities:		
Long-term debt	285,350	295,691
Total liabilities	<u>308,534</u>	<u>314,304</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Deficit	(82,017)	(69,574)
Total stockholders' equity	<u>98,695</u>	<u>111,138</u>
Total stockholders' equity and liabilities	<u>\$ 407,229</u>	<u>\$ 425,442</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statements of Operations

For the years ended December 31, 2019 and 2020

(In thousands of US dollars)

	December 2020	December 2019
	Unaudited	Audited
Continuing operations:		
Operating leases income	\$ 40,898	\$ 49,314
Operating cost	296	1,020
Depreciation of assets under operating leases	29,170	31,903
Gross profit	<u>11,432</u>	<u>16,391</u>
Others (income) expenses, net	(15)	2
Interest expenses, net	27,302	25,601
Exchange (gain) loss, net	(83)	141
Loss before income taxes	<u>(15,772)</u>	<u>(9,353)</u>
Deferred income tax	<u>(3,329)</u>	<u>(5,561)</u>
Consolidated net loss	<u>\$ (12,443)</u>	<u>\$ (3,792)</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2019 and 2020

(In thousands of US dollars)

	December 2020	December 2019
	Unaudited	Audited
Cash flows from operating activities:		
Consolidated net loss	\$ (12,443)	\$ (3,792)
Adjustments for:		
Deferred income tax benefit	(3,329)	(5,561)
Depreciation	29,170	31,903
Amortization of bond issuance costs	1,113	(1,013)
Exchange (gain) loss	(83)	141
Interest income	(1,306)	(1,624)
Interest expenses	27,495	28,238
	<u>40,617</u>	<u>48,292</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(7,528)	(9,538)
Other accounts receivable	679	970
Prepaid expenses	326	1,445
Increase (decrease) in:		
Trade accounts payable	69	(1,945)
Due to related parties	4,558	4,733
Other accounts payable and accrued liabilities	(253)	(1,904)
Net cash flows by operating activities	<u>38,468</u>	<u>42,053</u>
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	<u>(7,034)</u>	<u>(9,366)</u>
Net cash flows by investing activities	(7,034)	(9,366)
Cash flows from financing activities:		
Payments of long term-debt	(10,669)	(8,232)
Bonds issuance costs	(786)	(751)
Interest income	39	247
Interest paid	(27,216)	(29,160)
Net cash flows in financing activities	<u>(38,632)</u>	<u>(37,896)</u>
Net change in cash and restricted cash	(7,198)	(5,209)
Cash and restricted cash at the beginning of the year	17,493	22,702
Cash and restricted cash at end of the year	<u>\$ 10,295</u>	<u>\$ 17,493</u>