

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

Mexico City, 28 February 2021, 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 31 December 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 through Latina. La Santa Maria commenced operations on 15 February 2014, La Covadonga on 28 May 2014, and the Modular on 5 July 2016.

Latina long-term drilling contracts end as follows: La Santa Maria on April 1st, 2023; La Covadonga on March 14th, 2023; and the Modular on March 16th, 2021.

During the 4Q 2020, La Covadonga and the Modular were drilling wells in the Gulf of Mexico; Pokche and Xanab fields, respectively. On the other side, La Santa Maria was temporary suspended during 4Q, as mentioned in previous report, and restarted operation on January 5th, 2021 in Ixtal field.

1. Contracts with Pemex

The daily rates from January 1st to June 30, 2020 were \$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 discussions with Pemex.

The following conditions were agreed and are subject to final formalization:

- i) a temporary suspension of La Santa Maria from August 7th, 2020 to January 5th, 2021;

- ii) day rates for the Jack-ups of \$95,000 and \$45,000 for the Modular from July 1st, 2020 to December 31st, 2021. . As of January 1st, 2022, 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.
- iv) Additional conditions are in discussions with Pemex.

Latina took advantage of the temporary suspension of La Santa Maria to successfully complete the Special Survey that was planned next year.

2. Amendments to the Bond Agreement with the Creditor

As a result of the agreements with Pemex, as mentioned above, Latina will propose the following amendments to their outstanding bonds:

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

- 1. 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, 2021.

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

- 1. 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. Operations Highlights

	Q4 2020	YTD 2020	Q4 2019	FY 2019
Revenue	6,256	50,216	16,284	56,547
EBITDA	6,044	49,703	16,068	55,101
Interest expenses	8,512	33,998	8,641	34,629
Total debt	340,739	340,739	352,408	352,408

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q4 2020	0%	0%	100%	99.81%	100%	100%
YTD 2020	100%	99.95%	100%	99.82%	99.98%	99.90%
Q4 2019	100%	99.84%	100%	100%	100%	99.93%
FY 2019	100%	99.95%	100%	100%	97.33%	97.17%

Revenue

The revenue for Q4 2020 was \$6,256 and it is 62% lower than previous year same quarter due to La Santa Maria suspension and daily rate reduction. The bareboat charters were as follows:

	Q4 2020 bareboat rate	Q4 2020 revenues	Q4 2019 bareboat rate	Q4 2019 revenues
La Santa María	-	-	74.00	6,808
La Covadonga	50	4,600	74.00	6,808
Modular	18	1,656	29.00	2,668

	FY 2020 bareboat rate	FY 2020 revenues	FY 2019 bareboat rate	FY 2019 revenues
La Santa María	76.59	16,774	67.55	24,657
La Covadonga	65.91	24,124	67.55	24,657
Modular	25.46	9,318	27.18	7,233

EBITDA

The Q4 2020 EBITDA amount is \$6,044 and is 62% lower than Q4 2019 and is impacted by revenue reduction.

4. Invoice and factoring

As of 31 December 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 30 September 2020	\$ 8,912	\$ 1,426	\$ 10,338	\$ 16,255	\$2,601	\$18,856
Invoice in Q4 2020	6,749	1,080	7,829	16,560	2,650	19,210
Collection in Q4 2020	-	-	-	(13,310)	(2,130)	(15,440)
Balance as of 31 December 2020	15,661	2,506	18,167	19,505	3,121	22,626
Invoice in Q1 2021	2,945	471	3,416	-	-	-
Collection in Q1 2021	(34)	(5)	(39)	-	-	-
Balance as of today	\$18,572	\$ 2,972	\$ 21,544	\$ 19,505	\$3,121	\$22,626
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	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 September 2020	\$ -	\$ -	\$ -	\$ 3,675	\$ 588	\$ 4,263
Invoice in Q4 2020	-	-	-	8,693	1,391	10,083
Collection in Q4 2020	-	-	-	(1,868)	(299)	(2,167)
Balance as of 31 December 2020	-	-	-	10,500	1,680	12,180
Invoice in Q1 2021	-	-	-	1,395	223	1,618
Collection in Q1 2021	-	-	-	-	-	-
Balance as of today	\$ -	\$ -	\$ -	\$ 11,895	\$1,903	\$13,798

As of 31 December 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
January 2021	5,463	1,395	6,858
February 2021	5,320	1,260	6,580
Subtotal Accrued Receivables	10,783	2,655	13,438
March 2020	1,581	-	1,581
April 2020	94	-	94
May 2020	4,585	-	4,585
June 2020	4,437	-	4,437
August 2020	709	-	709
October 2020	3,416	-	3,416
November 2020	3,306	-	3,306
December 2020	3,416	-	3,416
Subtotal Invoiced Receivables	21,544	-	21,544
Total Receivables	32,327	2,655	34,982

The account receivables are paid 180 days after issuing the invoices. The invoices factored are a non-recourse factoring.

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 year ended December 31, 2020 and 2019

(In thousands of US dollars)

	Q4 2020			Q4 2019		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	8,740	4,140	12,880	21,979	5,208	27,187
Operating expenses:						
Operating cost and expenses	4,740	2,208	6,948	5,599	2,248	7,847
Other expenses (incomes), net	(102)	-	(102)	(79)	(40)	(119)
Corporate expenses	2,207	276	2,483	2,760	276	3,036
Depreciation	9,686	2,700	12,386	11,441	5,031	16,472
Total operating expenses	16,531	5,184	21,715	19,721	7,515	27,236
Operating results	(7,791)	(1,044)	(8,835)	2,258	(2,307)	(49)
EBITDA	1,895	1,656	3,551	13,699	2,724	16,423

	FY 2020			FY 2019		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	67,618	19,240	86,858	82,440	14,147	96,587
Operating expenses:						
Operating cost and expenses	20,894	8,868	29,762	22,197	6,513	28,710
Other expenses (incomes), net	(426)	(76)	(502)	(297)	4,048	3,751
Corporate expenses	9,875	1,098	10,973	10,950	1,095	12,045
Depreciation	29,181	10,469	39,650	31,917	11,805	43,722
Total operating expenses	59,524	20,359	79,883	64,767	23,461	88,228
Operating results	8,094	(1,119)	6,975	17,673	(9,314)	8,359
EBITDA	37,275	9,350	46,625	49,590	2,491	52,081