

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of March 31, 2021 and December 31, 2020

(In thousands of US dollars)

Assets	March 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 10,941	\$ 10,308
Due from related parties	24,154	24,193
Other accounts receivable	4,290	4,364
Prepaid expenses, net	165	173
Total current assets	<u>39,550</u>	<u>39,038</u>
Non-current assets:		
Jack ups and equipment, net	398,960	407,573
Deferred income taxes	29,883	28,779
Total non-current assets	<u>428,843</u>	<u>436,352</u>
Total assets	<u>\$ 468,393</u>	<u>\$ 475,390</u>
 Liabilities and Stockholders' equity		
Current liabilities:		
Trade accounts payable	\$ 10	\$ 139
Due to related parties	-	40
Other accounts payable and accrued liabilities	8,627	8,614
Interest payable	6,978	6,985
Deferred income tax	-	1
Total current liabilities	<u>15,615</u>	<u>15,779</u>
Non-current liabilities:		
Long-term debt	338,192	338,608
Total non-current liabilities	<u>338,192</u>	<u>338,608</u>
Total liabilities	<u>353,807</u>	<u>354,387</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(113,141)	(106,724)
Total stockholders' equity	<u>114,586</u>	<u>121,003</u>
Total stockholders' equity and liabilities	<u>\$ 468,393</u>	<u>\$ 475,390</u>

Latina Offshore Holding Limited and Subsidiaries
Consolidated Statements of Operations

For the three months ended March, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	March 2021 Unaudited	December 2020 Audited
Continuing operations:		
Operating lease revenues	\$ 10,420	\$ 50,216
Operating cost	132	528
Depreciation of assets under operating leases	<u>9,369</u>	<u>39,527</u>
Gross profit	919	10,161
Other income	-	1,068
Interest expenses, net	8,482	32,462
Exchange gain, net	<u>(42)</u>	<u>(70)</u>
Loss before income taxes	(7,521)	(23,299)
Deferred income tax	<u>(1,104)</u>	<u>(5,157)</u>
Consolidated net loss	<u>\$ (6,417)</u>	<u>\$ (18,142)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	March 2021 Unaudited	December 2020 Audited
Cash flows from operating activities		
Consolidated net loss	\$ (6,417)	\$ (18,142)
Adjustments for:		
Deferred income tax benefit	(1,104)	(5,157)
Depreciation	9,369	39,527
Amortization of bond issuance costs	279	1,083
Interest income	(179)	(1,536)
Exchange loss	(42)	(70)
Interest expenses	8,382	33,998
	<u>10,288</u>	<u>49,703</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(64)	(4,849)
Other accounts receivable	73	1,648
Prepaid expenses	8	318
Increase (decrease) in:		
Trade accounts payable	(129)	134
Due to related parties	(40)	28
Other accounts payable and accrued liabilities	55	(763)
Net cash flows by operating activities	<u>10,191</u>	<u>46,219</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(756)	(7,811)
Net cash flows by investing activities	<u>(756)</u>	<u>(7,811)</u>
Cash flows from financing activities:		
Payments of long term-debt	(639)	(11,669)
Bonds issuance costs	(55)	(1,040)
Interest paid	(8,108)	(32,891)
Net cash flows in financing activities	<u>(8,802)</u>	<u>(45,600)</u>
Net change in cash and restricted cash	633	(7,192)
Cash and restricted cash at the beginning of the year	10,308	17,500
Cash and restricted cash at end of the year	<u>\$ 10,941</u>	<u>\$ 10,308</u>