

Latina Offshore Holding Limited
Unaudited consolidated financial information
Second quarter results 2021
(In thousands of US dollars)

Mexico City, 31 August 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 30 June 2021.

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.

During this quarter, La Covadonga, La Santa Maria and the Modular were drilling wells in the Gulf of Mexico; Pokche, Ixtal and Xanab fields, respectively. La Santa Maria finalized activities on the Ixtal field at the end of the second quarter and she is being relocated to an exploration field and is planned to start drilling activities by September. On the other side, La Covadonga has had a continuous drilling program on the Pokche field that will furtherly extend and its special survey will be mainly provided during its operations.

1. Contracts with Pemex

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 and the following conditions were agreed and signed, and are still in place:

- i) 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
- ii) An extension to the Pemex contracts, as follows: La Santa Maria extended from April 1st, 2023, to March 31st, 2024; La Covadonga from March 14th, 2023 to March 13th, 2024; and the Modular from March 16th, 2021 to December 31st, 2022.

2. Amendments to the Bond Agreement with the Creditor

As a result of the agreements with Pemex mentioned before, the Company agreed with the bondholders of the USD53,298 Bond to extend it till December 31st, 2022, in line with Pemex contract extension date. Also, the Company is reviewing with the bondholders of the USD285,915 Bond its extension in line with current and potential contract extensions with Pemex.

3. Operations Highlights

	Q2 2021	YTD 2021	Q2 2020	FY 2020
Revenue	10,738	21,158	17,927	50,216
EBITDA	10,593	20,881	17,827	49,703
Interest expenses	8,410	16,792	8,408	33,998
Total debt	339,213	339,213	340,991	340,739

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q2 2021	100%	100%	99.09%	98.20%	100%	99.73%
YTD 2021	100%	99.95%	99.52%	98.99%	100%	99.87%
Q2 2020	100%	100%	100%	100%	100%	99.86%
FY 2020	100%	99.95%	100%	99.82%	99.98%	99.90%

Revenue

The revenue for Q2 2021 was \$10,738 and it is 40.10% lower than previous year same quarter due to daily rate reduction. The bareboat charters were as follows:

	Q2 2021 bareboat rate	Q2 2021 revenues	Q2 2020 bareboat rate	Q2 2020 revenues
La Santa María	50	4,550	82	7,462
La Covadonga	50	4,550	82	7,462
Modular	18	1,638	33	3,003

	FY 2021 bareboat rate	FY 2021 revenues	FY 2020 bareboat rate	FY 2020 revenues
La Santa María	50	8,850	76.59	16,774
La Covadonga	50	9,050	65.91	24,124
Modular	18	3,258	25.46	9,318

EBITDA

The Q2 2021 EBITDA amount is \$10,593 and is 40.58% lower than Q2 2020 and is mainly impacted by revenue reduction.

4. Invoice and factoring

As of 30 June 2021, 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 31 March 2021	\$ 3,026	\$ 484	\$ 3,510	\$ 30,931	\$ 4,949	\$ 35,880
Invoice in Q2 2021	-	-	-	20,484	3,277	23,761
Collection in Q2 2021	(3,026)	(484)	(3,510)	(20,249)	(3,240)	(23,489)
Balance as of 30 June 2021	-	-	-	31,165	4,986	36,152
Invoice in Q3 2021	11,590	1,854	13,444	-	-	-
Collection in Q3 2021	-	-	-	(2,945)	(471)	(3,416)
Balance as of today	\$ 11,590	\$ 1,854	\$ 13,444	\$ 28,220	\$ 4,515	\$ 32,736
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	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 March 2021	\$ -	\$ -	\$ -	\$ 11,483	\$ 1,837	\$ 13,320
Invoice in Q2 2021	-	-	-	5,400	864	6,264
Collection in Q2 2021	-	-	-	(8,693)	(1,391)	(10,083)
Balance as of 30 June 2021	-	-	-	8,190	1,310	9,500
Invoice in Q3 2021	1,395	223	1,618	1,350	216	1,566
Collection in Q3 2021	-	-	-	(1,395)	(223)	(1,618)
Balance as of today	\$ 1,395	\$ 223	\$ 1,618	\$ 8,145	\$ 1,303	\$ 9,448

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
August 2021	5,890	1,395	7,285
Subtotal Accrued Receivables	5,890	1,395	7,285
June 2021	6,612	-	6,612
July 2021	6,832	1,618	8,451
Subtotal Invoiced Receivables	13,444	1,618	15,063
Total Receivables	19,334	3,013	22,348

The account receivables payment term are 90 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.

Revenue

The revenue for Q2 2021 was \$21,346 and it is 25.88% lower than previous year same quarter due to daily rate reduction. Starting July 1st, 2020, the daily rates for the Jack Ups reduced to US\$95,000 from US\$127,500, and the Modular reduced to US\$45,000 from US\$60,250.

EBITDA

The Q2 2021 EBITDA amount is \$11,245 and is 38.06% lower than Q2 2020 and is impacted by revenue reduction. Operating expenses reduced 3% due to the continuous cost reduction plan.

For the six months ended June 30, 2021 and 2020

(In thousands of US dollars)

	Q2 2021			Q2 2020		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	17,251	4,095	21,346	23,320	5,482	28,802
Operating expenses:						
Operating cost and expenses	5,492	2,212	7,704	5,550	2,186	7,736
Other expenses (incomes), net	(32)	(28)	(60)	(90)	(2)	(92)
Corporate expenses	2,184	273	2,457	2,730	273	3,003
Depreciation	6,318	2,536	8,854	5,253	2,836	8,089
Total operating expenses	13,962	4,993	18,955	13,443	5,293	18,736
Operating results	3,289	(898)	2,391	9,877	189	10,066
EBITDA	9,607	1,638	11,245	15,130	3,025	18,155
	FY 2021			FY 2020		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	33,920	8,145	42,065	67,618	19,240	86,858
Operating expenses:						
Operating cost and expenses	10,675	4,357	15,032	20,894	8,868	29,762
Other expenses (incomes), net	50	(13)	37	(426)	(76)	(502)
Corporate expenses	4,344	543	4,887	9,875	1,098	10,973
Depreciation	13,136	5,091	18,227	29,181	10,469	39,650
Total operating expenses	28,205	9,978	38,183	59,524	20,359	79,883
Operating results	5,715	(1,833)	3,882	8,094	(1,119)	6,975
EBITDA	18,851	3,258	22,109	37,275	9,350	46,625