

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of September 30, 2021 and December 31, 2020

(In thousands of US dollars)

Assets	September 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 10,320	\$ 10,308
Due from related parties	21,599	24,193
Other accounts receivable	3,699	4,364
Prepaid expenses, net	117	173
Total current assets	<u>35,735</u>	<u>39,038</u>
Non-current assets:		
Jack ups and equipment, net	384,733	407,573
Deferred income taxes	35,854	28,779
Total non-current assets	<u>420,587</u>	<u>436,352</u>
Total assets	<u>\$ 456,322</u>	<u>\$ 475,390</u>
Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ -	\$ 53,258
Trade accounts payable	1	139
Due to related parties	-	40
Other accounts payable and accrued liabilities	8,418	8,615
Interest payable	6,945	6,985
Total current liabilities	<u>15,364</u>	<u>69,037</u>
Non-current liabilities:		
Long-term debt	<u>333,832</u>	<u>285,350</u>
Total non-current liabilities	<u>333,832</u>	<u>285,350</u>
Total liabilities	<u>349,196</u>	<u>354,387</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	<u>(120,601)</u>	<u>(106,724)</u>
Total stockholders' equity	<u>107,126</u>	<u>121,003</u>
Total stockholders' equity and liabilities	<u>\$ 456,322</u>	<u>\$ 475,390</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Operations

For the nine months ended September 30, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	September 2021 Unaudited	December 2020 Audited
Continuing operations:		
Operating lease revenues	\$ 32,014	\$ 50,216
Operating cost	406	528
Depreciation of assets under operating leases	<u>27,043</u>	<u>39,527</u>
Gross profit	4,565	10,161
Other income	-	(15)
Interest expenses, net	25,576	33,545
Exchange (gain) loss, net	<u>(70)</u>	<u>(70)</u>
Loss before income taxes	(20,941)	(23,299)
Deferred income tax	<u>(7,064)</u>	<u>(5,157)</u>
Consolidated net loss	<u>\$ (13,877)</u>	<u>\$ (18,142)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	September 2021	December 2020
	Unaudited	Audited
Cash flows from operating activities		
Consolidated net loss	\$ (13,877)	\$ (18,142)
Adjustments for:		
Deferred income tax benefit	(7,074)	(5,157)
Depreciation	27,043	39,527
Amortization of bond issuance costs	838	1,083
Interest income	(475)	(1,536)
Exchange loss	(70)	(70)
Interest expenses	25,212	33,998
	<u>31,597</u>	<u>49,703</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	2,108	(4,849)
Other accounts receivable	666	1,648
Prepaid expenses	56	318
Increase (decrease) in:		
Trade accounts payable	(138)	134
Due to related parties	(40)	28
Other accounts payable and accrued liabilities	(129)	(763)
Net cash flows by operating activities	<u>34,120</u>	<u>46,219</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(4,203)	(7,811)
Net cash flows by investing activities	<u>(4,203)</u>	<u>(7,811)</u>
Cash flows from financing activities:		
Payments of long term-debt	(5,414)	(11,669)
Bonds issuance costs	(219)	(1,040)
Interest paid	(24,272)	(32,891)
Net cash flows in financing activities	<u>(29,905)</u>	<u>(45,600)</u>
Net change in cash and restricted cash	12	(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>\$ 10,320</u>	<u>\$ 10,308</u>