

Latina Offshore Limited and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2021 and 2020

(In thousands of US dollars)

Assets

	December 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 14,470	\$ 10,295
Due from related parties	48,404	51,397
Other accounts receivable	972	1,925
Prepaid expenses, net	125	97
Total current assets	<u>63,971</u>	<u>63,714</u>
Non-current assets:		
Jack ups and equipment, net	305,702	324,064
Deferred income taxes	27,162	19,451
Total non-current assets	<u>332,864</u>	<u>343,515</u>
Total assets	<u>\$ 396,835</u>	<u>\$ 407,229</u>

Liabilities and Stockholders' equity

Current liabilities:		
Current portion of long-term debt	\$ 280,978	-
Due to related parties	13,628	10,164
Trade accounts payable	72	69
Other accounts payables and accrued liabilities	7,179	7,129
Interest payable	5,694	5,822
Total current liabilities	<u>307,551</u>	<u>23,184</u>
Non-current liabilities:		
Long-term debt	-	285,350
Total liabilities	<u>307,551</u>	<u>308,534</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Deficit	(91,428)	(82,017)
Total stockholders' equity	<u>89,284</u>	<u>98,695</u>
Total stockholders' equity and liabilities	<u>\$ 396,835</u>	<u>\$ 407,229</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statements of Operations

For the years ended December 31, 2021 and 2020

(In thousands of US dollars)

	December 2021	December 2020
	Unaudited	Audited
Continuing operations:		
Operating leases income	\$ 36,300	\$ 40,898
Operating cost	337	296
Depreciation of assets under operating leases	<u>25,724</u>	<u>29,170</u>
Gross profit	10,239	11,432
Others expenses, net	-	(15)
Interest expenses, net	27,388	27,302
Exchange (gain) loss, net	<u>(27)</u>	<u>(83)</u>
Loss before income taxes	(17,122)	(15,772)
Deferred income tax	<u>(7,711)</u>	<u>(3,329)</u>
Consolidated net loss	<u>\$ (9,411)</u>	<u>\$ (12,443)</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2021 and 2020

(In thousands of US dollars)

	December 2021	December 2020
	Unaudited	Audited
Cash flows from operating activities:		
Consolidated net loss	\$ (9,411)	\$ (12,443)
Adjustments for:		
Deferred income tax benefit	(7,711)	(3,329)
Depreciation	25,724	29,170
Amortization of bond issuance costs	1,232	1,113
Exchange loss	(27)	(83)
Interest income	(359)	(1,306)
Interest expenses	26,515	27,495
	<u>35,963</u>	<u>40,617</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	3,351	(7,528)
Other accounts receivable	954	679
Prepaid expenses	(29)	326
Increase (decrease) in:		
Trade accounts payable	3	69
Due to related parties	3,464	4,558
Other accounts payable and accrued liabilities	80	(253)
Net cash flows by operating activities	<u>43,786</u>	<u>38,468</u>
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	<u>(7,362)</u>	<u>(7,034)</u>
Net cash flows by investing activities	(7,362)	(7,034)
Cash flows from financing activities:		
Payments of long term-debt	(5,502)	(10,669)
Bonds issuance costs	(103)	(786)
Interest income	0	39
Interest paid	(26,644)	(27,216)
Net cash flows in financing activities	<u>(32,249)</u>	<u>(38,632)</u>
Net change in cash and restricted cash	4,175	(7,198)
Cash and restricted cash at the beginning of the year	10,295	17,493
Cash and restricted cash at end of the year	<u>\$ 14,470</u>	<u>\$ 10,295</u>