

Latina Offshore Holding 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	\$	15,820	\$	10,308
Due from related parties		15,305		24,193
Other accounts receivable		1,960		4,364
Prepaid expenses, net		213		173
Total current assets		<u>33,298</u>		<u>39,038</u>
Non-current assets:				
Jack ups and equipment, net		379,694		407,573
Deferred income taxes		35,638		28,779
Total non-current assets		<u>415,332</u>		<u>436,352</u>
Total assets	\$	<u><u>448,630</u></u>	\$	<u><u>475,390</u></u>
 Liabilities and Stockholders' equity				
Current liabilities:				
Current portion of long-term debt	\$	333,876	\$	53,258
Trade accounts payable		144		139
Due to related parties		-		40
Other accounts payable and accrued liabilities		7,878		8,615
Interest payable		6,850		6,985
Total current liabilities		<u>348,748</u>		<u>69,037</u>
Non-current liabilities:				
Long-term debt		-		285,350
Total non-current liabilities		<u>-</u>		<u>285,350</u>
Total liabilities		<u>348,748</u>		<u>354,387</u>
Stockholders' equity:				
Capital stock		227,727		227,727
Deficit		(127,845)		(106,724)
Total stockholders' equity		<u>99,882</u>		<u>121,003</u>
Total stockholders' equity and liabilities	\$	<u><u>448,630</u></u>	\$	<u><u>475,390</u></u>

Latina Offshore Holding 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 lease revenues	\$ 42,726	\$ 50,216
Operating cost	543	528
Depreciation of assets under operating leases	<u>35,880</u>	<u>39,527</u>
Gross profit	6,303	10,161
Other income	-	(15)
Interest expenses, net	34,300	33,545
Exchange (gain) loss, net	<u>(18)</u>	<u>(70)</u>
Loss before income taxes	(27,979)	(23,299)
Deferred income tax	<u>(6,858)</u>	<u>(5,157)</u>
Consolidated net loss	<u>\$ (21,121)</u>	<u>\$ (18,142)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements 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	\$ (21,121)	\$ (18,142)
Adjustments for:		
Deferred income tax benefit	(6,858)	(5,157)
Depreciation	35,880	39,527
Amortization of bond issuance costs	1,421	1,083
Interest income	(579)	(1,536)
Exchange loss	(18)	(70)
Interest expenses	33,457	33,998
	<u>42,182</u>	<u>49,703</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	8,128	(4,849)
Other accounts receivable	2,404	1,648
Prepaid expenses	(40)	318
Increase (decrease) in:		
Trade accounts payable	5	134
Due to related parties	(40)	28
Other accounts payable and accrued liabilities	(721)	(763)
Net cash flows by operating activities	<u>51,918</u>	<u>46,219</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(8,001)	(7,811)
Net cash flows by investing activities	<u>(8,001)</u>	<u>(7,811)</u>
Cash flows from financing activities:		
Payments of long term-debt	(5,865)	(11,669)
Bonds issuance costs	(287)	(1,040)
Interest paid	(32,253)	(32,891)
Net cash flows in financing activities	<u>(38,405)</u>	<u>(45,600)</u>
Net change in cash and restricted cash	5,512	(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>\$ 15,820</u>	<u>\$ 10,308</u>