

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of March 31, 2022 and December 31, 2021

(In thousands of US dollars)

Assets	March 2022	December 2021
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 10,329	\$ 15,820
Due from related parties	16,294	15,305
Other accounts receivable	1,625	1,960
Prepaid expenses, net	231	214
Total current assets	<u>28,479</u>	<u>33,299</u>
Non-current assets:		
Jack ups and equipment, net	374,529	379,694
Deferred income taxes	37,413	35,637
Total non-current assets	<u>411,942</u>	<u>415,331</u>
Total assets	<u>\$ 440,421</u>	<u>\$ 448,630</u>
Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 341,734	\$ 340,726
Trade accounts payable	-	144
Other accounts payable and accrued liabilities	5,859	7,878
Total current liabilities	<u>347,593</u>	<u>348,748</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	(134,899)	(127,845)
Total stockholders' equity	<u>92,828</u>	<u>99,882</u>
Total stockholders' equity and liabilities	<u>\$ 440,421</u>	<u>\$ 448,630</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Operations

For the three months ended March, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	March 2022 Unaudited	December 2021 Audited
Continuing operations:		
Operating lease revenues	\$ 9,000	\$ 42,726
Operating cost	128	543
Depreciation of assets under operating leases	9,055	35,880
Gross profit	<u>(183)</u>	<u>6,303</u>
Interest expenses, net	8,545	34,299
Exchange (gain) loss, net	101	(17)
Loss before income taxes	<u>(8,829)</u>	<u>(27,979)</u>
Deferred income tax	<u>(1,775)</u>	<u>(6,858)</u>
Consolidated net loss	<u>\$ (7,054)</u>	<u>\$ (21,121)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	March 2022	December 2021
	Unaudited	Audited
Cash flows from operating activities		
Consolidated net loss	\$ (7,054)	\$ (21,121)
Adjustments for:		
Deferred income tax benefit	(1,776)	(6,858)
Depreciation	9,055	35,880
Amortization of bond issuance costs	321	1,421
Interest income	(176)	(579)
Exchange loss	101	(17)
Interest expenses	8,400	33,457
	<u>8,871</u>	<u>42,183</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(1,234)	8,280
Other accounts receivable	335	2,404
Prepaid expenses	(17)	(41)
Increase (decrease) in:		
Trade accounts payable	(144)	5
Due to related parties	-	(40)
Other accounts payable and accrued liabilities	(2,120)	(872)
Net cash flows by operating activities	<u>5,691</u>	<u>51,919</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(3,891)	(8,001)
Net cash flows by investing activities	<u>(3,891)</u>	<u>(8,001)</u>
Cash flows from financing activities:		
Payments of long term-debt	746	(5,865)
Bonds issuance costs	(44)	(288)
Interest paid	(7,993)	(32,253)
Net cash flows in financing activities	<u>(7,291)</u>	<u>(38,406)</u>
Net change in cash and restricted cash	(5,491)	5,512
Cash and restricted cash at the beginning of the year	15,820	10,308
Cash and restricted cash at end of the year	<u>\$ 10,329</u>	<u>\$ 15,820</u>