

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of June 30, 2022 and December 31, 2021

(In thousands of US dollars)

Assets	June 2022	December 2021
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 10,334	\$ 15,820
Due from related parties	12,896	15,305
Other accounts receivable	4,829	1,960
Prepaid expenses, net	154	214
Total current assets	<u>28,213</u>	<u>33,299</u>
Non-current assets:		
Jack ups and equipment, net	367,722	379,694
Deferred income taxes	43,694	35,637
Total non-current assets	<u>411,416</u>	<u>415,331</u>
Total assets	<u>\$ 439,629</u>	<u>\$ 448,630</u>
 Liabilities and Stockholders' equity		
Current liabilities:		
Current portion of long-term debt	\$ 341,156	\$ 340,726
Trade accounts payable	-	144
Other accounts payable and accrued liabilities	7,987	7,878
Total current liabilities	<u>349,143</u>	<u>348,748</u>
Stockholders' equity:		
Capital stock	227,727	227,727
Deficit	<u>(137,241)</u>	<u>(127,845)</u>
Total stockholders' equity	<u>90,486</u>	<u>99,882</u>
Total stockholders' equity and liabilities	<u>\$ 439,629</u>	<u>\$ 448,630</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Operations

For the six months ended June, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	June 2022 Unaudited	December 2021 Audited
Continuing operations:		
Operating lease revenues	\$ 18,100	\$ 42,726
Operating cost	268	543
Depreciation of assets under operating leases	18,196	35,880
(Loss) Gross profit	<u>(364)</u>	<u>6,303</u>
Interest expenses, net	16,997	34,299
Exchange loss (gain), net	87	(17)
Loss before income taxes	<u>(17,448)</u>	<u>(27,979)</u>
Deferred income tax	<u>(8,052)</u>	<u>(6,858)</u>
Consolidated net loss	<u>\$ (9,396)</u>	<u>\$ (21,121)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the six months ended June, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	June 2022 Unaudited	December 2021 Audited
Cash flows from operating activities		
Consolidated net loss	\$ (9,396)	\$ (21,121)
Adjustments for:		
Deferred income tax benefit	(8,057)	(6,858)
Depreciation	18,196	35,880
Amortization of bond issuance costs	666	1,421
Interest income	(468)	(579)
Exchange loss	87	(17)
Interest expenses	16,799	33,457
	<u>17,827</u>	<u>42,183</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	2,025	8,280
Other accounts receivable	(2,869)	2,404
Prepaid expenses	60	(41)
Increase (decrease) in:		
Trade accounts payable	(144)	5
Due to related parties	-	(40)
Other accounts payable and accrued liabilities	22	(872)
Net cash flows by operating activities	<u>16,921</u>	<u>51,919</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	<u>(6,224)</u>	<u>(8,001)</u>
Net cash flows by investing activities	(6,224)	(8,001)
Cash flows from financing activities:		
Payments of long term-debt	(39)	(5,865)
Bonds issuance costs	(136)	(288)
Interest paid	<u>(16,008)</u>	<u>(32,253)</u>
Net cash flows in financing activities	<u>(16,183)</u>	<u>(38,406)</u>
Net change in cash and restricted cash	(5,486)	5,512
Cash and restricted cash at the beginning of the year	<u>15,820</u>	<u>10,308</u>
Cash and restricted cash at end of the year	<u>\$ 10,334</u>	<u>\$ 15,820</u>