

Latina Offshore 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	\$ 10,316	\$ 14,470
Due from related parties	42,202	48,404
Other accounts receivable	3,671	972
Prepaid expenses, net	75	125
Total current assets	<u>56,264</u>	<u>63,971</u>
Non-current assets:		
Jack ups and equipment, net	298,153	305,702
Deferred income taxes	32,044	27,162
Total non-current assets	<u>330,197</u>	<u>332,864</u>
Total assets	<u>\$ 386,461</u>	<u>\$ 396,835</u>

Liabilities and Stockholders' equity

Current liabilities:		
Current portion of long-term debt	\$ 284,307	286,672
Due to related parties	9,231	13,628
Trade accounts payable	-	72
Other accounts payables and accrued liabilities	7,351	7,179
Total current liabilities	<u>300,889</u>	<u>307,551</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Deficit	(95,140)	(91,428)
Total stockholders' equity	<u>85,572</u>	<u>89,284</u>
Total stockholders' equity and liabilities	<u>\$ 386,461</u>	<u>\$ 396,835</u>

Latina Offshore 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	December 2021
	Unaudited	Audited
Continuing operations:		
Operating leases income	\$ 18,100	\$ 36,300
Operating cost	147	336
Depreciation of assets under operating leases	13,143	25,725
Gross profit	<u>4,810</u>	<u>10,239</u>
Interest expenses, net	13,341	27,388
Exchange loss (gain), net	63	(27)
Loss before income taxes	<u>(8,594)</u>	<u>(17,122)</u>
Deferred income tax	<u>(4,882)</u>	<u>(7,711)</u>
Consolidated net loss	<u>\$ (3,712)</u>	<u>\$ (9,411)</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statement 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	December 2021
	Unaudited	Audited
Cash flows from operating activities:		
Consolidated net loss	\$ (3,712)	\$ (9,411)
Adjustments for:		
Deferred income tax benefit	(4,882)	(7,711)
Depreciation	13,143	25,725
Amortization of bond issuance costs	535	1,232
Exchange loss	63	(27)
Interest income	(271)	(359)
Interest expenses	13,077	26,515
	<u>17,953</u>	<u>35,964</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	6,458	3,508
Other accounts receivable	(2,699)	953
Prepaid expenses	50	(28)
Increase (decrease) in:		
Trade accounts payable	(72)	3
Due to related parties	(4,397)	3,464
Other accounts payable and accrued liabilities	108	(78)
Net cash flows by operating activities	<u>17,401</u>	<u>43,786</u>
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	(5,593)	(7,363)
Net cash flows by investing activities	<u>(5,593)</u>	<u>(7,363)</u>
Cash flows from financing activities:		
Payments of long term-debt	(2,723)	(5,502)
Bonds issuance costs	(116)	(102)
Interest income	15	-
Interest paid	(13,138)	(26,644)
Net cash flows in financing activities	<u>(15,962)</u>	<u>(32,248)</u>
Net change in cash and restricted cash	(4,154)	4,175
Cash and restricted cash at the beginning of the year	<u>14,470</u>	<u>10,295</u>
Cash and restricted cash at end of the year	<u>\$ 10,316</u>	<u>\$ 14,470</u>