

Latina Offshore Holding Limited
Unaudited consolidated financial information
Results for the second quarter of 2022
(In thousands of US dollars)

Mexico City, August 31st, 2022, Latina Offshore Holding Limited (the “Company”), a subsidiary of Constructora y Perforadora Latina, S.A. de C.V. (“Latina”), reports the unaudited consolidated financial results as of June 30, 2022.

The Company, through its subsidiaries, owns two (2) Jack-ups (La Santa Maria and La Covadonga, jointly referred to as the “Jack-ups”) and one (1) modular rig (Modular 01, referred to as the “Modular”). The Jack-ups and the Modular are indirectly leased (as part of services) to Petróleos Mexicanos, S.A. de C.V. (“Pemex”) on long-term drilling wells (exploration, production and repairing) contracts through Latina. La Santa Maria commenced operations on February 15th, 2014, La Covadonga on May 28th, 2014, and the Modular on July 5th, 2016.

La Covadonga and La Santa Maria were drilling wells in the Gulf of Mexico during the quarter. The Modular was drilling until its suspension on December 24th, 2021, and demobilized from Xanab (production).

- La Santa Maria was drilling on an exploration field named Akal during the quarter;
- La Covadonga had a continuous drilling program on the Pokche field;
- The Modular finalized its program on the Xanab field and no further drilling activities will be carried on this field. The Modular was suspended starting December 24th, 2021. Latina is actively pursuing a new assignment with Pemex for the Modular and at the time of this release it is expected that the Modular will start drilling operation in the 2nd quarter of 2023.

1. Contracts with Pemex

Day rates for the Jack-ups of \$95.00 and Modular of \$45.00 applied from July 1st, 2020, to December 31st, 2021. Day rates were agreed to be restated to the formula based on the Global Jack-ups Index published by Clarkson Research as of January 1st, 2022. However, Pemex requested Latina to maintain the above rates for another year from January 1st, 2022, to December 31st, 2022. Latina has accepted requested day rates and is proposing to extend current maturity.

Pemex current contract maturity dates are as follows: La Santa Maria maturity date is March 31st, 2024, and La Covadonga maturity date is March 13th, 2024. As mentioned above, the Modular activities were suspended on December 24th, 2021, and its contract ends on December 31st, 2022.

2. Agreement with the Bondholders

As a result of the Modular temporary suspension, the Company received a waiver for the coupon payments due on April 15th and July 15th, 2022, for the 10.00% Secured Notes. The maturity date of the 10.00% Secured Notes is December 31st, 2022, and the amount outstanding as of June 30th, 2022, is US\$55,711.00.

The maturity date of the 8.875% Secured Notes is October 31st, 2022, and the amount outstanding as of June 30th, 2022, is \$279,124.00. The Company is currently in the process of approaching bondholders across the Latina group, seeking to find and implement a long-term solution for the Company's debt financing. The Company has retained Clarksons, the investment bank that supported the original issuance of the bonds, to coordinate and implement such a transaction."

3. Operations Highlights

	Q2 2022	YTD 2022	Q2 2021	FY 2021
Revenue	9,100	18,100	10,738	42,726
EBITDA	8,960	17,832	10,593	42,183
Interest expenses	8,400	16,800	8,410	33,457
Total debt	334,835	334,835	339,213	334,874

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q2 2022	99.84%	99.24%	100%	99.95%	n/a	n/a
YTD 2022	99.83%	99.42%	100%	99.98%	n/a	n/a
Q2 2021	100%	100%	99.09%	98.20%	100%	99.73%
FY 2021	100%	99.98%	99.67%	99.34%	100%	99.89%

Revenue

The revenue for Q2 2022 was \$9,100 and it is 15.25% lower than previous year same quarter because of the Modular suspension. The bareboat charters were as follows:

	Q2 2022 bareboat rate	Q2 2022 revenues	Q2 2021 bareboat rate	Q2 2021 revenues
La Santa María	50	4,550	50	4,550
La Covadonga	50	4,550	50	4,550
Modular	18	-	18	1,638

	FY 2022 bareboat rate	FY 2022 revenues	FY 2021 bareboat rate	FY 2021 revenues
La Santa María	50	9,050	50	18,050
La Covadonga	50	9,050	50	18,250
Modular	18	-	18	6,426

EBITDA

The Q2 2022 EBITDA amount is \$8,960 and is 15.42% lower than Q2 2021 and is mainly impacted by the Modular suspensions.

4. Invoice and factoring

As of June 30, 2022, and up to today, the movement of Latina's invoiced account receivables are as follows:

	Jack-ups- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 March 2022	\$ 20,235	\$ 3,238	\$ 23,473	\$ 2,660	\$ 426	\$ 3,086
Invoice in Q2 2022	17,450	2,792	20,242	-	-	-
Collection in Q2 2022	(20,235)	(3,238)	(23,473)	(2,660)	(426)	(3,086)
Balance as of 30 June 2022	17,450	2,792	20,242	-	-	-
Invoice in Q3 2022	11,590	1,854	13,444	-	-	-
Collection in Q3 2022	(11,560)	(1,850)	(13,410)	-	-	-
Balance as of today	\$ 17,480	\$ 2,797	\$ 20,277	\$ -	\$ -	\$ -
			-			
	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 31 March 2022	\$ -	\$ -	\$ -	\$ 1,035	\$ 166	\$ 1,201
Invoice in Q2 2022	101	16	117	-	-	-
Collection in Q2 2022	-	-	-	(1,035)	(166)	(1,201)
Balance as of 30 June 2022	101	16	117	-	-	0
Invoice in Q3 2022	5	1	6	-	-	-
Collection in Q3 2022	(90)	(14)	(104)	-	-	-
Balance as of today	\$ 16	\$ 3	\$ 19	\$ -	-\$ 0	\$ -

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
June 2022	-	1,100	1,100
August 2022	5,890	-	5,890
Subtotal Accrued Receivables	5,890	1,100	6,990
May 2022	6,832	-	6,832
June 2022	6,612	19	6,631
July 2022	6,832	-	6,832
Subtotal Invoiced Receivables	20,277	19	20,296
Total Receivables	26,167	1,119	27,286

The account receivables payment terms are 90 days after issuing the invoices. The invoices factored are a non-recourse factoring.

5. Latina's pro-forma consolidated income statement

The following consolidated income statements are included only for additional information, reflecting the offshore business as a project.

Revenue

The revenue for Q2 2022 was \$15,234 and it is 28.63% lower than previous year same quarter mainly due to the Modular suspension and revenue reduction because the demobilization fee was lower than expected.

EBITDA

The Q2 2022 EBITDA amount is \$5,252 and is 53.29% lower than Q2 2021 and is impacted by lower utilization. Operating expenses reduced due to the Modular suspension. Further evaluation will be provided on the second quarter.

For the six months ended June 30, 2022 and 2021

(In thousands of US dollars)

	Q2 2022			Q2 2021		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	17,276	(2,042)	15,234	17,251	4,095	21,346
Operating expenses:						
Operating cost and expenses	5,466	5,575	11,041	5,492	2,212	7,704
Other expenses (incomes), net	(90)	(3,153)	(3,243)	(32)	(28)	(60)
Corporate expenses	2,184	-	2,184	2,184	273	2,457
Depreciation	6,600	2,546	9,146	6,318	2,536	8,854
Total operating expenses	14,160	4,968	19,128	13,962	4,993	18,955
Operating results	3,116	(7,010)	(3,894)	3,289	(898)	2,391
EBITDA	9,716	(4,464)	5,252	9,607	1,638	11,245

	FY 2022			FY 2021		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	34,360	1,111	35,471	68,851	16,065	84,916
Operating expenses:						
Operating cost and expenses	11,046	5,575	16,621	21,840	8,630	30,470
Other expenses (incomes), net	(283)	-	(283)	(111)	(62)	(173)
Corporate expenses	4,344	-	4,344	8,760	1,095	9,855
Depreciation	13,152	5,053	18,205	25,734	10,157	35,891
Total operating expenses	28,259	10,628	38,887	56,223	19,820	76,043
Operating results	6,101	(9,517)	(3,416)	12,628	(3,755)	8,873
EBITDA	19,253	(4,464)	14,789	38,362	6,402	44,764