

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

Mexico City, November 30, 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 September 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 has 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 at 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 re-commence drilling operation in 2023.

1. Contracts with Pemex

Day rates for the Jack-ups of \$95.0/d and Modular of \$45.0/d were agreed from July 1st, 2020, to December 31st, 2021, and Pemex requested Latina to maintain the above fixed rates from January 1st, 2022, to December 31st, 2022.

On November, Latina signed the amendment agreements with the following conditions: i) maintain the above fixed day rates for the year of 2022; ii) Pemex accepted increasing day rates starting January 1st, 2023, based on the base and minimum day rate of \$111.3/d and adjusted by the Jack up Index; and iii) extending the term for both Jack-ups until December 31st, 2024. Day rates for the Jack-ups for the first half of 2023 are expected above \$125.0/d.

2. Financing update

The maturity date of the 8.875% Secured Notes has been extended to January 31st, 2023, based on the 100% approval from bondholders, in order to provide time 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. The amount outstanding as of September 30th, 2022, is \$277,378.9.

As a result of the Modular suspension, the Company received a waiver for the coupon payments due on April 15th, July 15th, and October 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\$55,711.0.

3. Operations Highlights

	Q3 2022	YTD 2022	Q3 2021	FY 2021
Revenue	9,200	27,300	10,856	42,726
EBITDA	9,068	26,900	10,727	42,183
Interest expenses	8,394	25,194	8,420	33,457
Total debt	333,090	333,090	335,325	334,874

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q3 2022	100%	100%	100%	100%	n/a	n/a
YTD 2022	99.89%	99.61%	100%	99.98%	n/a	n/a
Q3 2021	100%	100%	99.65%	99.47%	100%	99.82%
FY 2021	100%	99.98%	99.67%	99.34%	100%	99.89%

Revenue

The revenue for Q3 2022 was \$9,200 and it is 15.25% lower than previous year same quarter because of the Modular suspension. The bareboat charters were as follows:

	Q3 2022 bareboat rate	Q3 2022 revenues	Q3 2021 bareboat rate	Q3 2021 revenues
La Santa María	50	4,600	50	4,600
La Covadonga	50	4,600	50	4,600
Modular	18	-	18	1,656

	FY 2022 bareboat rate	FY 2022 revenues	FY 2021 bareboat rate	FY 2021 revenues
La Santa María	50	13,650	50	18,050
La Covadonga	50	13,650	50	18,250
Modular	18	-	18	6,426

EBITDA

The Q3 2022 EBITDA amount is \$9,068 and is 15.46% lower than Q3 2021 and is mainly impacted by the Modular suspensions.

4. Invoice and factoring

As of September 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 30 June 2022	\$ 17,450	\$ 2,792	\$ 20,242	\$ -	\$ -	\$ -
Invoice in Q3 2022	11,590	1,854	13,444			-
Collection in Q3 2022	(17,450)	(2,792)	(20,242)			-
Balance as of 30 September 2022	11,590	1,854	13,444	-	-	-
Invoice in Q4 2022	10,165	1,626	11,791			-
Collection in Q4 2022	(11,590)	(1,854)	(13,444)			-
Balance as of today	\$ 10,165	\$ 1,626	\$ 11,791	\$ -	\$ -	\$ -
			-			
	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 June 2022	\$ 101	\$ 16	\$ 117	\$ -	-\$ 0	-\$ 0
Invoice in Q3 2022	5	1	6	-	-	-
Collection in Q3 2022	(106)	(17)	(123)	-	-	-
Balance as of 30 September 2022	-	-	-	-	0	0
Invoice in Q4 2022	-	-	-	-	-	-
Collection in Q4 2022	-	-	-	-	-	-
Balance as of today	\$ -	\$ -	\$ -	\$ -	-\$ 0	-\$ 0

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
June 2022	-	1,100	1,100
August 2022	1,520		1,520
September 2022	2,850	-	2,850
October 2022	2,945	-	2,945
November 2022	5,700	-	5,700
Subtotal Accrued Receivables	13,015	1,100	14,115
August 2022	5,069	-	5,069
September 2022	3,306	-	3,306
October 2023	3,416	-	3,416
Subtotal Invoiced Receivables	11,791	-	11,791
Total Receivables	24,806	1,100	25,906

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 Q3 2022 was \$17,485 and it is 19.02% lower than previous year same quarter mainly due to the Modular suspension.

EBITDA

The Q3 2022 EBITDA amount is \$7,699 and is 32.53% lower than Q3 2021 and is impacted by lower utilization. Operating expenses reduced due to the Modular suspension. Further evaluation will be provided on the fourth quarter regarding business opportunities for the Modular.

For the nine months ended September 30, 2022 and 2021

(In thousands of US dollars)

	Q3 2022			Q3 2021		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	17,480	5	17,485	17,451	4,140	21,591
Operating expenses:						
Operating cost and expenses	5,637	2,123	7,760	5,580	2,200	7,780
Other expenses (incomes), net	(182)	-	(182)	(77)	(8)	(85)
Corporate expenses	2,208	-	2,208	2,208	276	2,484
Depreciation	6,431	2,499	8,930	6,279	2,544	8,823
Total operating expenses	14,094	4,622	18,716	13,990	5,012	19,002
Operating results	3,386	(4,617)	(1,231)	3,461	(872)	2,589
EBITDA	9,817	(2,118)	7,699	9,740	1,672	11,412

	FY 2022			FY 2021		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	51,840	1,116	52,956	68,851	16,065	84,916
Operating expenses:						
Operating cost and expenses	16,683	7,698	24,381	21,840	8,630	30,470
Other expenses (incomes), net	(465)	-	(465)	(111)	(62)	(173)
Corporate expenses	6,552	-	6,552	8,760	1,095	9,855
Depreciation	19,583	7,552	27,135	25,734	10,157	35,891
Total operating expenses	42,353	15,250	57,603	56,223	19,820	76,043
Operating results	9,487	(14,134)	(4,647)	12,628	(3,755)	8,873
EBITDA	29,070	(6,582)	22,488	38,362	6,402	44,764