

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of December 31, 2021 and 2022

(In thousands of US dollars)

| Assets | December 2022 | | December 2021 | |
|---|----------------------|-----------------------|----------------------|-----------------------|
| | | Unaudited | | Audited |
| Current assets: | | | | |
| Cash and restricted cash | \$ | 10,474 | \$ | 15,820 |
| Due from related parties | | 15,474 | | 15,305 |
| Other accounts receivable | | 5,341 | | 1,960 |
| Prepaid expenses, net | | 158 | | 214 |
| Total current assets | | <u>31,447</u> | | <u>33,299</u> |
| Non-current assets: | | | | |
| Jack ups and equipment, net | | 344,841 | | 379,694 |
| Deferred income taxes | | 49,887 | | 35,637 |
| Total non-current assets | | <u>394,728</u> | | <u>415,331</u> |
| Total assets | \$ | <u><u>426,175</u></u> | \$ | <u><u>448,630</u></u> |
| Liabilities and Stockholders' equity | | | | |
| Current liabilities: | | | | |
| Current portion of long-term debt | \$ | 342,661 | \$ | 340,726 |
| Trade accounts payable | | 154 | | 144 |
| Other accounts payable and accrued liabilities | | 11,883 | | 7,878 |
| Total current liabilities | | <u>354,698</u> | | <u>348,748</u> |
| Stockholders' equity: | | | | |
| Capital stock | | 227,727 | | 227,727 |
| Deficit | | (156,250) | | (127,845) |
| Total stockholders' equity | | <u>71,477</u> | | <u>99,882</u> |
| Total stockholders' equity and liabilities | \$ | <u><u>426,175</u></u> | \$ | <u><u>448,630</u></u> |

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Operations

For the years ended December 31, 2021 and 2022

(In thousands of US dollars)

| | December 2022 Unaudited | December 2021 Audited |
|---|----------------------------|--------------------------|
| Continuing operations: | | |
| Operating lease revenues | \$ 36,500 | \$ 42,726 |
| Operating cost | 542 | 543 |
| Depreciation of assets under operating leases | 36,455 | 35,880 |
| Loss of impairment | 7,488 | - |
| (Loss) Gross profit | <u>(7,985)</u> | <u>6,303</u> |
| Other income | (227) | - |
| Interest expenses, net | 34,025 | 34,299 |
| Exchange loss (gain), net | 559 | (17) |
| Loss before income taxes | <u>(42,342)</u> | <u>(27,979)</u> |
| Deferred income tax | <u>(13,937)</u> | <u>(6,858)</u> |
| Consolidated net loss | <u>\$ (28,405)</u> | <u>\$ (21,121)</u> |

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2021 and 2022

(In thousands of US dollars)

| | December 2022 | December 2021 |
|---|------------------|------------------|
| | Unaudited | Audited |
| Cash flows from operating activities | | |
| Consolidated net loss | \$ (28,405) | \$ (21,121) |
| Adjustments for: | | |
| Deferred income tax benefit | (14,250) | (6,858) |
| Depreciation | 36,455 | 35,880 |
| Loss of impairment | 7,488 | - |
| Amortization of bond issuance costs | 1,476 | 1,421 |
| Interest income | (1,024) | (579) |
| Exchange loss | 559 | (17) |
| Interest expenses | 33,573 | 33,457 |
| | <u>35,872</u> | <u>42,183</u> |
| Changes in working capital: | | |
| (Increase) decrease in: | | |
| Due from related parties | (826) | 8,280 |
| Other accounts receivable | (3,381) | 2,404 |
| Prepaid expenses | 56 | (41) |
| Increase (decrease) in: | | |
| Trade accounts payable | 10 | 5 |
| Due to related parties | - | (40) |
| Other accounts payable and accrued liabilities | 3,446 | (872) |
| Net cash flows by operating activities | <u>35,177</u> | <u>51,919</u> |
| Cash flows from investing activities: | | |
| Purchase of machinery and equipment | (9,091) | (8,001) |
| Net cash flows by investing activities | <u>(9,091)</u> | <u>(8,001)</u> |
| Cash flows from financing activities: | | |
| Payments of long term-debt | (4,468) | (5,865) |
| Bonds issuance costs | (607) | (288) |
| Interest paid | (26,357) | (32,253) |
| Net cash flows in financing activities | <u>(31,432)</u> | <u>(38,406)</u> |
| Net change in cash and restricted cash | (5,346) | 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>\$ 10,474</u> | <u>\$ 15,820</u> |