

Latina Offshore 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	\$ 10,460	\$ 14,470
Due from related parties	49,457	48,404
Other accounts receivable	3,815	972
Prepaid expenses, net	77	125
Total current assets	<u>63,809</u>	<u>63,971</u>
Non-current assets:		
Jack ups and equipment, net	287,795	305,702
Deferred income taxes	37,950	27,162
Total non-current assets	<u>325,745</u>	<u>332,864</u>
Total assets	<u>\$ 389,554</u>	<u>\$ 396,835</u>

Liabilities and Stockholders' equity

Current liabilities:		
Current portion of long-term debt	\$ 277,379	280,978
Due to related parties	13,511	13,628
Trade accounts payable	77	72
Other accounts payables and accrued liabilities	11,059	7,179
Interest payable	5,590	5,694
Total current liabilities	<u>307,616</u>	<u>307,551</u>
Stockholders' equity:		
Capital stock	180,712	180,712
Deficit	(98,774)	(91,428)
Total stockholders' equity	<u>81,938</u>	<u>89,284</u>
Total stockholders' equity and liabilities	<u>\$ 389,554</u>	<u>\$ 396,835</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statements of Operations

For the years ended December 31, 2021 and 2022

(In thousands of US dollars)

	December 2022	December 2021
	Unaudited	Audited
Continuing operations:		
Operating leases income	\$ 36,500	\$ 36,300
Operating cost	332	336
Depreciation of assets under operating leases	26,367	25,725
Gross profit	<u>9,801</u>	<u>10,239</u>
Others (gain) expenses, net	500	-
Interest expenses, net	26,592	27,388
Exchange loss (gain), net	530	(27)
Loss before income taxes	<u>(17,821)</u>	<u>(17,122)</u>
Deferred income tax	<u>(10,475)</u>	<u>(7,711)</u>
Consolidated net loss	<u>\$ (7,346)</u>	<u>\$ (9,411)</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statement 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	\$ (7,346)	\$ (9,411)
Adjustments for:		
Deferred income tax benefit	(10,788)	(7,711)
Depreciation	26,367	25,725
Amortization of bond issuance costs	1,245	1,232
Exchange loss	530	(27)
Interest income	(670)	(359)
Interest expenses	26,017	26,515
	<u>35,355</u>	<u>35,964</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(545)	3,508
Other accounts receivable	(2,843)	953
Prepaid expenses	48	(28)
Increase (decrease) in:		
Trade accounts payable	5	3
Due to related parties	(118)	3,464
Other accounts payable and accrued liabilities	3,350	(78)
Net cash flows by operating activities	<u>35,252</u>	<u>43,786</u>
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	(8,460)	(7,363)
Net cash flows by investing activities	<u>(8,460)</u>	<u>(7,363)</u>
Cash flows from financing activities:		
Payments of long term-debt	(4,468)	(5,502)
Bonds issuance costs	(376)	(102)
Interest income	163	-
Interest paid	(26,121)	(26,644)
Net cash flows in financing activities	<u>(30,802)</u>	<u>(32,248)</u>
Net change in cash and restricted cash	(4,010)	4,175
Cash and restricted cash at the beginning of the year	14,470	10,295
Cash and restricted cash at end of the year	<u>\$ 10,460</u>	<u>\$ 14,470</u>