

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Financial Position

As of March 31, 2023 and December 31, 2022

(In thousands of US dollars)

Assets	March 2023	December 2022
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 146	\$ 10,474
Due from related parties	-	15,474
Other accounts receivable	4,608	5,341
Prepaid expenses, net	271	158
Total current assets	<u>5,025</u>	<u>31,447</u>
Non-current assets:		
Jack ups and equipment, net	337,649	344,841
Deferred income taxes	57,670	49,887
Total non-current assets	<u>395,319</u>	<u>394,728</u>
Total assets	<u>\$ 400,344</u>	<u>\$ 426,175</u>
 Liabilities and Partners' equity		
Current liabilities:		
Current portion of long-term debt	\$ 5,087	\$ 342,661
Trade accounts payable	-	154
Due to related parties	308	-
Other accounts payable and accrued liabilities	9,999	11,883
Total current liabilities	<u>15,394</u>	<u>354,698</u>
Non-current liabilities:		
Long-term debt	<u>271,685</u>	<u>-</u>
Total liabilities	<u>287,079</u>	<u>354,698</u>
Partners' equity:		
Capital stock	227,727	227,727
Accumulated deficit	(114,462)	(156,250)
Total partners' equity	<u>113,265</u>	<u>71,477</u>
Total liabilities and Partners' equity	<u>\$ 400,344</u>	<u>\$ 426,175</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Operations

For the three months ended March, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	March 2023 Unaudited	December 2022 Audited
Continuing operations:		
Revenue from operating lease	\$ 12,960	\$ 36,500
Operating cost	139	542
Depreciation	9,095	36,455
Impairment loss	-	7,488
Gross profit (loss)	<u>3,726</u>	<u>(7,985)</u>
Other expenses (income), net	25	(227)
Interest expense, net	8,720	34,025
Exchange loss, net	222	559
Gross loss before income taxes	<u>(5,241)</u>	<u>(42,342)</u>
Income tax benefit	<u>(1,783)</u>	<u>(13,937)</u>
Consolidated profit (loss) for the year	<u>\$ 2,542</u>	<u>\$ (28,405)</u>

Latina Offshore Holding Limited and Subsidiaries

Consolidated Statements of Cash Flows

For the three months ended March, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	March 2023	December 2022
	Unaudited	Audited
Cash flows from operating activities		
Consolidated profit (loss) for the year	\$ 2,542	\$ (28,405)
Adjustments for:		
Deferred income tax benefit	(7,783)	(13,937)
Depreciation	9,095	36,455
Impairment loss	-	7,488
Amortization of bond issuance costs	45	1,476
Interest income	(280)	(1,024)
Exchange loss	222	559
Interest expense	8,955	33,573
	<u>12,796</u>	<u>36,185</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	15,348	(826)
Other accounts receivable	732	(3,381)
Prepaid expenses	(113)	56
Increase (decrease) in:		
Trade accounts payable	(154)	10
Due to related parties	308	-
Other accounts payable and accrued liabilities	(2,106)	3,133
Net cash flows by operating activities	<u>26,811</u>	<u>35,177</u>
Cash flows from investing activities:		
Purchase of machinery and equipment	(1,903)	(9,091)
Net cash flows by investing activities	<u>(1,903)</u>	<u>(9,091)</u>
Cash flows from financing activities:		
Payments of long term-debt	(60,000)	(4,468)
Proceeds from debt	35,000	-
Bonds issuance costs	(1,520)	(607)
Interest paid	(8,716)	(26,357)
Net cash flows in financing activities	<u>(35,236)</u>	<u>(31,432)</u>
Net change in cash and restricted cash	(10,327)	(5,346)
Cash and restricted cash at the beginning of the year	10,474	15,820
Cash and restricted cash at end of the year	<u>\$ 147</u>	<u>\$ 10,474</u>