

Latina Offshore Holding Limited
Unaudited consolidated financial information
First quarter results 2023
(In thousands of US dollars)

Mexico City, May 31st, 2023, 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 March 31st, 2023.

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 is currently suspended and is expected to start generating revenues this year.

- La Santa Maria was drilling on an exploration field named Akal during the quarter;
- La Covadonga finished its drilling program on the Ogachi exploration field, finalized the leg inspection in shallow waters and started operations in the Yeztli exploration field;
- The Modular was suspended starting December 24th, 2021. Latina is actively pursuing any opportunities to generate revenues for the Modular equipment and at the time of this release it is expected that the Modular will start generating revenues this year.

1. Contracts with Pemex

On November 2022, Latina signed the amendment agreements with the following main conditions:

- i) Increasing day rates starting January 1st, 2023, according with the base and minimum day rate of \$111.3/d and adjusting it with the Jack up Index every six months; and
- ii) ii) extending the term for both Jack-ups until December 31st, 2024; the company is optimistic about further extensions based on future workload. Day rates for the Jack-ups for the first half of 2023 are \$127.8/d.

2. Financing update

The Company retained Clarksons, the investment bank that supported the original issuance of the bonds, to coordinate and implement a long-term solution for the Company's debt financing.

During the quarter, the Company reached an agreement, received approval from the bondholders, and started implementing the refinancing of the 8.875% (LOL Bond) and the 10.00% (LOHL Bond) Secured Notes as follows:

LOL Bond

- Super Senior Bonds issuance by \$35,000 on March 28, 2023 in order to establish a maximum basket for a repurchase tender, with a 10% interest coupon and PIK interest by 0.25% of every million dollars issued applied to the free cash flow before principal payments, and five-year maturity. Payments to the principal amount once the Senior Bond are paid.
- A maximum basket of \$60,000 was achieved for a tender for repurchase, so the Company was able to repay \$89,552 out of the \$154,300 bonds tendered. The remaining amount was exchanged with Takeout Bonds issued on March 28, 2023, at 85% of par value. Takeout Bonds amount to \$54,934 with a quarterly interest coupon of 7%, quarterly cash sweep at 78% of its current par value, and five-year maturity.
- Ordinary Bonds amounting to \$123,079 were issued on March 28, 2023 at par value to exchange the original bonds for those bondholders that subscribed the Super Senior Bonds with a quarterly interest coupon of 7%, quarterly cash sweep, and five-year maturity.

Outstanding debt after the refinance amounts of 213,014.

LOHL Bond

- Current Bond was exchanged for a \$49,000 Bond with seven-year maturity, and quarterly interest coupon by 7%. It was also agreed a shareholder support from Latina in the amount of \$15 per day to fulfill bond obligations due to current Modular suspension.

3. Operations Highlights

	Q1 2023	Q1 2022	FY 2022
Revenue	12,960	9,000	36,500
EBITDA	12,796	8,872	36,185
Interest expenses	8,955	8,400	33,573
Total debt	268,878	335,620	333,124

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q1 2023	100%	100%	100%	100%	n/a	n/a
Q1 2022	99.82%	99.60%	100%	100%	n/a	n/a
YTD 2022	99.91%	99.66%	100%	99.97%	n/a	n/a

Revenue

The revenue for Q1 2023 was \$12,960 and it is 44% higher than previous year same quarter due to the increase in day rates agreed with Pemex. The bareboat charters were as follows:

	Q1 2023 bareboat rate	Q1 2023 revenues	Q1 2022 bareboat rate	Q1 2022 revenues
La Santa María	72	6,480	50	4,500
La Covadonga	72	6,480	50	4,500
Modular	18	-	18	-

	FY 2023 bareboat rate	FY 2023 revenues	FY 2022 bareboat rate	FY 2022 revenues
La Santa María	72	6,480	50	18,250
La Covadonga	72	6,480	50	18,250
Modular	18	-	18	-

EBITDA

The Q1 2023 EBITDA amount is \$12,796 and is 44.22% higher than Q1 2022 due to the increase on day rates.

4. Invoice and factoring

As of March 31, 2023, 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 December 2022	\$ -	\$ -	\$ -	\$ 19,425	\$ 3,108	\$ 22,533
Invoice in Q1 2023	-	-	-	20,659	3,305	23,965
Collection in Q1 2023	-	-	-	(19,425)	(3,108)	(22,533)
Balance as of 31 March 2023	-	-	-	20,659	3,305	23,965
Invoice in Q2 2023	10,378	1,661	12,039	-	-	-
Collection in Q2 2023	-	-	-	(9,855)	(1,577)	(11,431)
Balance as of today	\$ 10,378	\$ 1,661	\$ 12,039	\$ 10,804	\$ 1,729	\$ 12,533

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
June 2022	-	1,100	1,100
March 2023	128	-	128
April 2023	3,837	-	3,837
Subtotal Accrued Receivables	3,965	1,100	5,065
March 2023	7,418	-	7,418
April 2023	4,451	-	4,451
Adjustments 2022	170	-	170
Subtotal Invoiced Receivables	12,039	-	12,039
Total Receivables	16,004	1,100	17,104

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 Jack ups and Modular business in conjunction with Latina as a one project.

Revenue

The revenue for Q1 2023 was \$21,174 and it is 24.0% higher than previous year same quarter due to the increase in day rates agreed with Pemex that was partially offset by the 14.52 days La Covadonga was on legs inspection.

EBITDA

The Q1 2023 EBITDA amount is \$11,971 and is 25.52% higher than Q1 2022 and is impacted by additional revenues explained above. Operating expenses increase due to the inflation in US dollars and the appreciation of Mexican Peso for those expenses denominated in such currency.

For the year ended March 31, 2023 and 2022

(In thousands of US dollars)

	Q1 2023			Q1 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	21,164	10	21,174	17,084	-	17,084
Operating expenses:						
Operating cost and expenses	6,311	327	6,638	5,580	-	5,580
Other expenses (incomes), net	(135)	-	(135)	(193)	-	(193)
Corporate expenses	2,700	-	2,700	2,160	-	2,160
Depreciation	6,745	2,355	9,100	6,552	2,507	9,059
Total operating expenses	15,621	2,682	18,303	14,099	2,507	16,606
Operating results	5,543	(2,672)	2,871	2,985	(2,507)	478
EBITDA	12,288	(317)	11,971	9,537	-	9,537

	FY 2023			FY 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	21,164	10	21,174	69,320	470	69,790
Operating expenses:						
Operating cost and expenses	6,311	327	6,638	22,108	8,480	30,588
Other expenses (incomes), net	(135)	-	(135)	(479)	(1,111)	(1,590)
Corporate expenses	2,700	-	2,700	8,760	-	8,760
Depreciation	6,745	2,355	9,100	26,385	10,088	36,473
Total operating expenses	15,621	2,682	18,303	56,774	17,457	74,231
Operating results	5,543	(2,672)	2,871	12,546	(16,987)	(4,441)
EBITDA	12,288	(317)	11,971	38,931	(6,899)	32,032