

Latina Offshore Limited and Subsidiaries

Consolidated Statements of Financial Position

As of June 30, 2023 and December 31, 2022

(In thousands of US dollars)

Assets

	June 2023	December 2022
	Unaudited	Audited
Current assets:		
Cash and restricted cash	\$ 170	\$ 10,460
Due from related parties	47,068	49,457
Other accounts receivable	1,455	3,815
Prepaid expenses, net	262	77
Total current assets	48,955	63,809
Non-current assets:		
Jack ups and equipment, net	276,862	287,795
Deferred income taxes	44,558	37,950
Total non-current assets	321,420	325,745
Total assets	\$ 370,375	\$ 389,554

Liabilities and Partners' equity

Current liabilities:		
Current portion of long-term debt	\$ -	277,379
Due to related parties	21,780	13,511
Trade accounts payable	1,616	77
Other accounts payables and accrued liabilities	6,065	11,059
Interest payable	4,204	5,590
Total current liabilities	33,665	307,616
Non-current liabilities:		
Long-term debt	208,213	-
Total liabilities	241,878	307,616
Partners' equity:		
Capital stock	180,712	180,712
Accumulated deficit	(52,215)	(98,774)
Total partners' equity	128,497	81,938
Total partners' equity and liabilities	\$ 370,375	\$ 389,554

Latina Offshore Limited and Subsidiaries

Consolidated Statements of Operations

For the six months ended June, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	June 2023	December 2022
	Unaudited	Audited
Continuing operations:		
Revenue from operating lease	\$ 26,064	\$ 36,500
Operating costs	197	332
Depreciation of assets under operating leases	13,516	26,367
Gross profit	<u>12,351</u>	<u>9,801</u>
Others expenses, net	25	500
Interest expense, net	11,495	26,592
Exchange (profit) loss, net	(231)	530
Profit (loss) before income taxes	<u>1,062</u>	<u>(17,821)</u>
Income tax benefit	<u>(6,131)</u>	<u>(10,475)</u>
Consolidated profit (loss) for the year	<u>\$ 7,193</u>	<u>\$ (7,346)</u>

Latina Offshore Limited and Subsidiaries

Consolidated Statement of Cash Flows

For the six months ended June, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	June 2023 Unaudited	December 2022 Audited
Cash flows from operating activities:		
Consolidated profit (loss) for the year	\$ 7,193	\$ (7,346)
Adjustments for:		
Income taxes benefit	(6,608)	(10,475)
Depreciation	13,516	26,367
Amortization of bond issuance costs	208	1,245
Exchange loss	(231)	530
Interest income	(213)	(670)
Interest expense	11,500	26,017
	<u>25,365</u>	<u>35,668</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	2,467	(545)
Other accounts receivable	2,359	(2,843)
Prepaid expenses	(186)	48
Increase (decrease) in:		
Trade accounts payable	1,539	5
Due to related parties	8,269	(118)
Other accounts payable and accrued liabilities	(4,759)	3,350
Net cash flows by operating activities	<u>35,054</u>	<u>35,252</u>
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	(2,583)	(8,460)
Interest income	134	163
Net cash flows by investing activities	<u>(2,449)</u>	<u>(8,297)</u>
Cash flows from financing activities:		
Long-term debt payments	(60,000)	(4,468)
Proceeds from debt	35,184	-
Bond issuance cost	(5,192)	(376)
Interest paid	(12,887)	(26,121)
Net cash flows in financing activities	<u>(42,895)</u>	<u>(30,965)</u>
Net (decrease) increase in cash and restricted cash	(10,290)	(4,010)
Cash and restricted cash at the beginning of the year	10,460	14,470
Cash and restricted cash at end of the year	<u>\$ 170</u>	<u>\$ 10,460</u>