

Latina Offshore Holding Limited
Unaudited consolidated financial information
Results for the second quarter of 2023
(In thousands of US dollars)

Mexico City, August 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 June 30, 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.

- La Santa Maria was drilling on an exploration field named Akal during the quarter;
- La Covadonga finalized the leg inspection in shallow waters and started drilling 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.

1. Contracts with Pemex

On November 2022, Latina signed the amendment agreements with the following main conditions that continues as of today:

- 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; day rates for the Jack-ups for the first half of 2023 are \$127.8/d and it increased to \$132.8k for the second quarter; and
- ii) extending the term for both Jack-ups until December 31st, 2024; the company is optimistic about further extensions based on future workload.

2. Financing update

During the quarter, the Company completed the implementation of the refinancing of the 8.875% (LOL Bond) and the 10.00% (LOHL Bond) Secured Notes as agreed with the bondholders and 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 Ordinary Bond is 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 amounted \$213,014 and is the same amount as of June 20th, 2023.

LOHL Bond

- Current Bond was refinanced 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

	Q2 2023	YTD 2023	Q2 2022	FY 2022
Revenue	13,104	26,064	9,100	36,500
EBITDA	12,968	25,764	8,960	36,185
Interest expenses	5,169	14,124	8,400	33,573
Total debt	262,197	262,197	334,835	333,124

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q2 2023	100%	99.84%	100%	99.95%	n/a	n/a
YTD 2023	100%	99.92%	100%	99.98%	n/a	n/a
Q2 2022	99.84%	99.24%	100%	99.95%	n/a	n/a
FY 2022	99.91%	99.66%	100%	99.97%	n/a	n/a

Revenue

The revenue for Q2 2023 was \$13,104 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:

	Q2 2023 bareboat rate	Q2 2023 revenues	Q2 2022 bareboat rate	Q2 2022 revenues
La Santa María	72	6,552	50	4,550
La Covadonga	72	6,552	50	4,550
Modular	18	-	18	-

	FY 2023 bareboat rate	FY 2023 revenues	FY 2022 bareboat rate	FY 2022 revenues
La Santa María	72	13,032	50	18,250
La Covadonga	72	13,032	50	18,250
Modular	18	-	18	-

EBITDA

The Q2 2023 EBITDA amount is \$12,968 and is 44.73% higher than Q2 2022 due to the increase on day rates.

4. Invoice and factoring

As of June 30, 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 March 2023	\$ -	\$ -	\$ -	\$ 20,659	\$ 3,305	\$ 23,965
Invoice in Q2 2023	7,839	1,254	9,093	14,343	2,295	16,638
Collection in Q2 2023	-	-	-	(20,659)	(3,305)	(23,965)
Balance as of 30 June 2023	7,839	1,254	9,093	14,343	2,295	16,638
Invoice in Q3 2023	14,560	2,330	16,889	-	-	-
Collection in Q3 2023	-	-	-	(10,378)	(1,661)	(12,039)
Balance as of today	\$ 22,399	\$ 3,584	\$ 25,982	\$ 3,965	\$ 634	\$ 4,599

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
June 2022	-	1,100	1,100
July 2023	1,807	-	1,807
August 2023	8,172	-	8,172
Subtotal Accrued Receivables	9,978	1,100	11,078
April 2023	4,451	-	4,451
May 2023	4,563	-	4,563
June 2023	8,901	-	8,901
July 2023	7,374	-	7,374
Adjustments	693	45	739
Subtotal Invoiced Receivables	25,982	45	26,028
Total Receivables	35,961	1,145	37,106

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 Q2 2023 was \$23,588 and it is 36.53% higher than the previous year same quarter due to the increase in day rates agreed with Pemex that was partially offset by the days La Covadonga was on legs inspection.

EBITDA

The Q2 2023 EBITDA amount is \$15,056 and is 186.67% higher than Q2 2022 and is impacted by additional revenues explained above. Also, operating expenses reduced because there were no demobilization fees related to the Modular.

For the six months ended June 30, 2023 and 2022

(In thousands of US dollars)

	Q2 2023			Q2 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	23,492	96	23,588	17,276	-	17,276
Operating expenses:						
Operating cost and expenses	5,515	341	5,856	5,466	5,575	11,041
Other expenses (incomes), net	(54)	-	(54)	(90)	(1,111)	(1,201)
Corporate expenses	2,730	-	2,730	2,184	-	2,184
Depreciation	6,780	1,499	8,279	6,600	2,546	9,146
Total operating expenses	14,971	1,840	16,811	14,160	7,010	21,170
Operating results	8,521	(1,744)	6,777	3,116	(7,010)	(3,894)
EBITDA	15,301	(245)	15,056	9,716	(4,464)	5,252

	FY 2023			FY 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	44,656	106	44,762	69,320	470	69,790
Operating expenses:						
Operating cost and expenses	11,826	668	12,494	22,108	8,480	30,588
Other expenses (incomes), net	(189)	-	(189)	(479)	(1,111)	(1,590)
Corporate expenses	5,430	-	5,430	8,760	-	8,760
Depreciation	13,525	3,854	17,379	26,385	10,088	36,473
Total operating expenses	30,592	4,522	35,114	56,774	17,457	74,231
Operating results	14,064	(4,416)	9,648	12,546	(16,987)	(4,441)
EBITDA	27,589	(562)	27,027	38,931	(6,899)	32,032