

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

Mexico City, November 30, 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 September 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 drilling program in Yeztli and immediately mobilized and has been drilling in a well named Yaxche;
- The Modular was suspended starting December 24th, 2021. Latina is reviewing 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 semester; 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 the amount as of today amounts \$205,494.

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. Shareholders agree to increase the support to 20k per day starting July 1st 2023.

3. Operations Highlights

	Q3 2023	YTD 2023	Q3 2022	FY 2022
Revenue	14,045	40,109	9,200	36,500
EBITDA	13,817	39,581	9,068	36,185
Interest expenses	5,168	19,292	8,394	33,573
Total debt	259,778	259,778	333,090	333,124

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q3 2023	100%	99.93%	100%	99.63%	n/a	n/a
YTD 2023	100%	99.92%	100%	99.86%	n/a	n/a
Q3 2022	100%	100%	100%	100%	n/a	n/a
FY 2022	99.91%	99.66%	100%	99.97%	n/a	n/a

Revenue

The revenue for Q3 2023 was \$14,045 and it is 52.66% higher than previous year same quarter due to the increase in day rates agreed with Pemex. The bareboat charters were as follows:

	Q3 2023 bareboat rate	Q3 2023 revenues	Q3 2022 bareboat rate	Q3 2022 revenues
La Santa María	76	6,992	50	4,600
La Covadonga	76	6,992	50	4,600
Modular	18	-	18	-

	FY 2023 bareboat rate	FY 2023 revenues	FY 2022 bareboat rate	FY 2022 revenues
La Santa María	73.35	20,024	50	18,250
La Covadonga	73.35	20,024	50	18,250
Modular	18	-	18	-

EBITDA

The Q3 2023 EBITDA amount is \$13,817 and is 52.37% higher than Q3 2022 due to the increase on day rates.

4. Invoice and factoring

As of September 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 30 June 2023	\$ 7,839	\$ 1,254	\$ 9,093	\$ 14,343	\$ 2,295	\$ 16,638
Invoice in Q3 2023	2,454	393	2,846	24,538	3,926	28,464
Collection in Q3 2023	(3,837)	(614)	(4,451)	(14,343)	(2,295)	(16,638)
Balance as of 30 September 2023	6,456	1,033	7,489	24,538	3,926	28,464
Invoice in Q4 2023	8,946	1,431	10,377	7,908	1,265	9,173
Collection in Q4 2023	(4,002)	(640)	(4,642)	-	-	-
Balance as of today	\$ 11,400	\$ 1,824	\$ 13,224	\$ 32,446	\$ 5,191	\$ 37,638
	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 June 2023	\$ 39	\$ 6	\$ 45	\$ -	\$ -	\$ -
Invoice in Q3 2023	-	-	-	-	-	-
Collection in Q3 2023	-	-	-	-	-	-
Balance as of 30 September 2023	39	6	45	-	-	-
Invoice in Q4 2023	-	-	-	-	-	-
Collection in Q4 2023	(39)	(6)	(45)	-	-	-
Balance as of today	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
June 2022	-	1,100	1,100
November 2023	7,908	-	7,908
Subtotal Accrued Receivables	7,908	1,100	9,008
June 2023	890	-	890
July 2023	947	-	947
August 2023	948	-	948
September 2023	917	-	917
October 2023	9,460	-	9,460
Adjustments	61	-	61
Subtotal Invoiced Receivables	13,224	-	13,224
Total Receivables	21,132	1,100	22,232

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 Q3 2023 was \$24,833 and it is 42.02% higher than the previous year's same quarter due to the increase in day rates agreed with Pemex.

EBITDA

The Q3 2023 EBITDA amount is \$14,369 and is 86.63% higher than Q3 2022 and is impacted by additional revenues explained above. Also, operating expenses were reduced because the Modular was warm stacked.

For the nine months ended September 30, 2023 and 2022

(In thousands of US dollars)

	Q3 2023			Q3 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	24,773	60	24,833	17,480	5	17,485
Operating expenses:						
Operating cost and expenses	5,601	344	5,945	5,637	2,123	7,760
Other expenses (incomes), net	(81)	-	(81)	(182)	-	(182)
Corporate expenses	4,600	-	4,600	2,208	-	2,208
Depreciation	6,794	12,126	18,920	6,431	2,499	8,930
Total operating expenses	<u>16,914</u>	<u>12,470</u>	<u>29,384</u>	<u>14,094</u>	<u>4,622</u>	<u>18,716</u>
Operating results	7,859	(12,410)	(4,551)	3,386	(4,617)	(1,231)
EBITDA	<u>14,653</u>	<u>(284)</u>	<u>14,369</u>	<u>9,817</u>	<u>(2,118)</u>	<u>7,699</u>

	FY 2023			FY 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	69,429	166	69,595	69,320	470	69,790
Operating expenses:						
Operating cost and expenses	17,427	1,012	18,439	22,108	8,480	30,588
Other expenses (incomes), net	(270)	-	(270)	(479)	(1,111)	(1,590)
Corporate expenses	10,030	-	10,030	8,760	-	8,760
Depreciation	20,319	15,980	36,299	26,385	10,088	36,473
Total operating expenses	<u>47,506</u>	<u>16,992</u>	<u>64,498</u>	<u>56,774</u>	<u>17,457</u>	<u>74,231</u>
Operating results	21,923	(16,826)	5,097	12,546	(16,987)	(4,441)
EBITDA	<u>42,242</u>	<u>(846)</u>	<u>41,396</u>	<u>38,931</u>	<u>(6,899)</u>	<u>32,032</u>