

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

Mexico City, February 29, 2024, 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 December 31, 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 a field named Akal during the quarter;
- La Covadonga 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 second half of 2023 were \$132.8/d and it increased to \$147.4k for the 1st semester of 2024; 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 2023, 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 those currently stands 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 Ordinary Bond is paid. This Bond amounts to \$35.631 as of December 31st, 2023.
- 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 \$50,376 as of December 31st, 2023 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. This Bond amounts to \$119,487 as of December 31st, 2023

Total outstanding debt after the refinance amounted \$213,014 and the amount as of December 31st, 2023 amounts to \$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

	Q4 2023	YTD 2023	Q4 2022	FY 2022
Revenue	14,017	54,126	9,200	36,500
EBITDA	12,704	52,285	9,285	36,185
Interest expenses	5,263	24,555	8,379	33,573
Total debt	254,493	254,493	333,124	333,124

	Efficiency					
	Santa Maria		Covadonga		Modular	
	Earnings	Operational	Earnings	Operational	Earnings	Operational
Q4 2023	100%	100%	99.87%	99.64%	n/a	n/a
YTD 2023	100%	99.94%	99.97%	99.81%	n/a	n/a
Q4 2022	100%	99.82%	100%	99.93%	n/a	n/a
FY 2022	99.91%	99.66%	100%	99.97%	n/a	n/a

Revenue

The revenue for Q4 2023 was \$14,017 and it is 52.36% higher than previous year same quarter due to the increase in day rates agreed with Pemex. The bareboat charters were as follows:

	Q4 2023 bareboat rate	Q4 2023 revenues	Q4 2022 bareboat rate	Q4 2022 revenues
La Santa María	76	6,992	50	4,600
La Covadonga	76	6,992	50	4,600

	FY 2023 bareboat rate	FY 2023 revenues	FY 2022 bareboat rate	FY 2022 revenues
La Santa María	74.02	27,016	50	18,250
La Covadonga	74.02	27,016	50	18,250

EBITDA

The Q4 2023 EBITDA amount is \$12,704 and is 36.80% higher than Q4 2022 due to the increase on day rates.

4. Invoice and factoring

As of December 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 30 September 2023	\$ 6,456	\$ 1,033	\$ 7,489	\$ 24,538	\$ 3,926	\$ 28,464
Invoice in Q4 2023	6,688	1,070	7,758	17,476	2,796	20,272
Collection in Q4 2023	(301)	(48)	(349)	(15,003)	(2,400)	(17,404)
Balance as of 31 December 2023	12,843	2,055	14,897	27,011	4,322	31,333
Invoice in Q1 2024	4,035	646	4,680	-	-	-
Collection in Q1 2024	-	-	-	(13,537)	(2,166)	(15,703)
Balance as of today	\$ 16,877	\$ 2,701	\$ 19,578	\$ 13,474	\$ 2,156	\$ 15,630

	Modular- Account receivables					
	Invoices no factored			Invoices factored		
	Lease	VAT	Total	Lease	VAT	Total
Balance as of 30 September 2023	\$ 39	\$ 6	\$ 45	\$ -	\$ -	\$ -
Invoice in Q4 2023	-	-	-	-	-	-
Collection in Q4 2023	(39)	(6)	(45)	-	-	-
Balance as of 31 December 2023	-	-	-	-	-	-
Invoice in Q1 2024	-	-	-	-	-	-
Collection in Q1 2024	-	-	-	-	-	-
Balance as of today	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Accounts Receivables			
Month	Jack ups	Modular	Balance as of today
December 2023	4,556	-	4,556
January 2024	9,141	-	9,141
February 2024	8,551	-	8,551
Subtotal Accrued Receivables	22,247	-	22,247
July 2023	210	-	210
August 2023	948	-	948
September 2023	917	-	917
October 2023	3,649	-	3,649
November 2023	9,173	-	9,173
December 2023	4,680	-	4,680
Subtotal Invoiced Receivables	19,578	-	19,578
Total Receivables	41,825	-	41,825

The account receivables payment terms are 90 days after issuing the invoices. The invoices factored are a non-recourse factoring. Current balance amounts \$41,825 and is significantly higher than previous quarters due to delays on payments from Pemex that also has resulted in limited opportunity to discount invoices.

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 Q4 2023 was \$23,587 and it is 31.44% higher than the previous year's same quarter due to the increase in day rates agreed with Pemex.

EBITDA

The Q4 2023 EBITDA amount is \$14,731 and is 54.35% higher than Q4 2022 and is impacted by additional revenues explained above. Also, operating expenses were slightly reduced because the Modular was warm stacked which has been offset by the additional corporate charges.

For the year ended December 31, 2023 and 2022

(In thousands of US dollars)

	Q4 2023			Q4 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	24,653	(1,066)	23,587	17,480	465	17,945
Operating expenses:						
Operating cost and expenses	5,250	(1,264)	3,986	5,425	782	6,207
Other expenses (incomes), net	270	-	270	(14)	-	(14)
Corporate expenses	4,600	-	4,600	2,208	-	2,208
Depreciation	6,964	1,410	8,374	6,802	2,536	9,338
Total operating expenses	17,084	146	17,230	14,421	3,318	17,739
Operating results	7,569	(1,212)	6,357	3,059	(2,853)	206
EBITDA	14,533	198	14,731	9,861	(317)	9,544

	FY 2023			FY 2022		
	Jack-ups	Modular	Total	Jack-ups	Modular	Total
Operating lease income	94,082	(900)	93,182	69,320	470	69,790
Operating expenses:						
Operating cost and expenses	22,677	(252)	22,425	22,108	8,480	30,588
Other expenses (incomes), net	-	-	-	(479)	(1,111)	(1,590)
Corporate expenses	14,630	-	14,630	8,760	-	8,760
Depreciation	27,283	17,390	44,673	26,385	10,088	36,473
Total operating expenses	64,590	17,138	81,728	56,774	17,457	74,231
Operating results	29,492	(18,038)	11,454	12,546	(16,987)	(4,441)
EBITDA	56,775	(648)	56,127	38,931	(6,899)	32,032