Latina Offshore Limited and Subsidiaries

(Subsidiary of Latina Desarrollos Energéticos, S. A. de C. V.)

Consolidated Financial Statements for the Years Ended December 31, 2024 and 2023, and Independent Auditors' Report April 25, 2025

Latina Offshore Limited and Subsidiaries
(Subsidiary of Latina Desarrollos Energéticos, S. A. de C. V.)

Independent Auditors' Report and Consolidated Financial Statements for 2024 and 2023

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Independent Auditors' Report to the Board of Directors and Stockholders of Latina Offshore Limited

Opinion

We have audited the accompanying consolidated financial statements of Latina Offshore Limited and Subsidiaries (the "Entity"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023 and the consolidated statements of profit, consolidated statements of changes in stockholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (*IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 3a of the accompanying consolidated financial statements describing the plans for the entity to continue as going concern.

We draw your attention to Note 1b of the accompanying consolidated financial statements, which describes that on October 11, 2014, the Entity issued an International Bond. The Jack-ups owned by the Entity are pledged as collateral under this Bond. As of December 31, 2024, the outstanding balance is $202,587. On January 31, 2023, the Entity obtained approval for restructuring this international bond by improving the interest rate, extending its long-term maturity, and capitalizing part of the debt.

La Covadonga Jack-up extended the contract expiration date to October 28, 2025 and Santa Maria Jack-up extended the contract expiration date to January 31, 2026. These events or conditions at the date of reporting of the consolidated financial statements this matter indicates the existence of a material uncertainty that may cast significant doubt on the Entity's ability to continue as a going concern.

The accompanying consolidated financial statements do not include any adjustments related to the valuation, presentation and disclosure of the consolidated assets and liabilities that may be necessary if the Entity is unable to continue as going concern and they have been prepared on the assumption that the entity will continue going concern.

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Our opinion has not been modified in relation to this matter.

Paragraphs of Emphasis

As mentioned in Note 1, the Entity provides services exclusively to a related party. Accordingly, the accompanying consolidated financial statements are not necessarily indicative of the prevailing conditions or results of operation and cash flows that the Entity would have obtained if there were no such affiliation.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the accompanying consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Independent Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise due to fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity´s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion

- We obtain sufficient and appropriate audit evidence about the Entity's financial information and its business activities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We continue to be solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Galaz, Yamazaki, Ruiz Urquiza, S. C.
Affiliated to a Member Firm of Deloitte Touche Tohmatsu Limited

C. P. C. Juan Carlos Reynoso Degollado

Mexico City, Mexico
April 25, 2025

Latina Offshore Limited and Subsidiaries
(Subsidiary of Latina Desarrollos Energéticos, S. A. de C. V.)

Consolidated Statements of Financial Position

As of December 31, 2024 and 2023
(In thousands of US dollars)

Assets	**Note**	**2024**	**2023**
Current assets:			
Cash		$ 37	$ 48
Due from related parties	12	117,327	53,208
Other accounts receivable		4,660	5,520
Prepaid expenses, net		162	250
Total current assets		122,186	59,026
Non-current assets:			
Jack-ups and equipment, net	5	250,634	275,283
Deferred income taxes	7	32,121	48,628
Total non-current assets		282,755	323,911
Total assets		$ 404,941	$ 382,937
Liabilities and Stockholders' equity			
Current liabilities:			
Current portion of long-term debt	6	$ 8,218	$ 4,062
Due to related parties	12	32,410	27,642
Trade accounts payable		131	89
Other accounts payable and accrued liabilities		22,772	13,583
Total current liabilities		63,531	45,376
Non-current liabilities:			
Long-term debt	6	198,545	201,393
Total liabilities		262,076	246,769
Stockholders' equity:			
Capital stock	9	180,712	180,712
Share subscription premium		35,059	34,685
Accumulated deficit		(72,906)	(79,229)
Total Stockholders' equity		142,865	136,168
Total Stockholders' equity and liabilities		$ 404,941	$ 382,937

See accompanying notes to the consolidated financial statements.

Latina Offshore Limited and Subsidiaries
(Subsidiary of Latina Desarrollos Energéticos, S. A. de C. V.)

Consolidated Statements of Profit

For the years ended December 31, 2024 and 2023
(In thousands of US dollars)

	Note	2024	2023
Revenue from operating lease	12	$ 69,184	$ 54,032
Operating costs	10	646	642
Depreciation of assets under operating leases	5	27,901	27,265
Gross profit		40,637	26,125
Other expenses, net		6	15
Interest income	11	(1,181)	(4,158)
Interest expense	11	18,939	20,111
Exchange loss (gain), net		43	(110)
Profit before income taxes		22,830	10,267
Income tax expense (benefit)	7	16,507	(9,278)
Consolidated profit for the year		$ 6,323	$ 19,545

See accompanying notes to the consolidated financial statements.

Latina Offshore Limited and Subsidiaries
(Subsidiary of Latina Desarrollos Energéticos, S. A. de C. V.)

Consolidated Statements of Changes in Stockholders' Equity

For the years ended December 31, 2024 and 2023
(In thousands of US dollars)

	Capital stock	Share subscription premium	Accumulated deficit	Total Stockholders' equity
Balance as of December 31, 2022	$ 180,712	$ -	$ (98,774)	$ 81,938
Share subscription premium	-	34,685	-	34,685
Consolidated income for the year	-	-	19,545	19,545
Balance as of December 31, 2023	180,712	34,685	(79,229)	136,168
Share subscription premium	-	374	-	374
Consolidated income for the year	-	-	6,323	6,323
Balance as of December 31, 2024	$ 180,712	$ 35,059	$ (72,906)	$ 142,865

See accompanying notes to the consolidated financial statements.

Latina Offshore Limited and Subsidiaries
(Subsidiary of Latina Desarrollos Energéticos, S. A. de C. V.)

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023
(In thousands of US dollars)

	2024	2023
Cash flows from operating activities:		
Consolidated profit for the year	$ 6,323	$ 19,545
Adjustments for:		
Income tax expense (benefit)	16,507	(9,278)
Interest expense (amortization of bond issuance cost)	414	1,483
Depreciation	27,901	27,265
Exchange loss (gain), net	43	(110)
Interest income	(1,181)	6
Benefit from amortized cost of debt	-	(5,646)
Interest expense	18,525	20,117
	68,532	53,382
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(62,940)	(3,940)
Other accounts receivable	860	(1,705)
Prepaid expenses	88	(173)
(Decrease) increase in:		
Trade accounts payable	42	12
Due to related parties	2,650	14,132
Other accounts payable and accrued liabilities	9,146	1,233
Net cash flows generated by operating activities	18,378	62,941
Cash flows from investing activities:		
Purchase of Jack-ups and equipment	(3,252)	(14,753)
Interest income	1	182
Net cash flows used in investing activities	(3,251)	(14,571)
Cash flows from financing activities:		
Long-term debt payments	(2,892)	(67,185)
Proceeds from debt	-	35,000
Bond issuance cost	(254)	(5,908)
Interest paid	(11,992)	(20,689)
Net cash flows used in financing activities	(15,138)	(58,782)
Net decrease in cash	(11)	(10,412)
Cash and restricted cash at the beginning of the year	48	10,460
Cash and restricted cash at the end of the year	$ 37	$ 48

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023
(In thousands of US dollars)

1. Activities

Latina Offshore Limited (the "Entity") is a Bermuda exempted company established on June 6, 2013 under the laws of Bermuda. The Entity has an office at Canon's Court 22 Victoria Street, Hamilton, Bermuda. For Mexican tax purposes, the Entity's address is Horacio 1855, 5th floor, Los Morales Polanco, Mexico City, Zip Code 11510.

The main activities of the Entity and its subsidiaries is the leasing of two Jack-ups ("Santa Maria" and "La Covadonga") for oil and gas drilling to Constructora y Perforadora Latina, S. A. de C. V., ("CP Latina") the indirect parent, which is incorporated in Mexico.

The Entity's operating and administrative personnel are employed directly by a related party. Therefore, the Entity has no employees and is not subject to any labor obligations other than any joint and several obligations that may arise from the labor agreements executed with the related party.

Operations 2024 and 2023

a. ***Changes to the leases with CP Latina of Santa Maria and La Covadonga***

During the first semester of 2024, the daily rate of Santa Maria and La Covadonga was $92 and for the second semester the daily rate was $97.

During the first semester of 2023, the daily rate of Santa Maria and La Covadonga was $72 and for the second semester the daily rate was $76.

Operational impacts.

During 2023 and 2024, the Entity and CP Latina signed modification agreements in the lease agreements where it was agreed that:

- The Jack-ups applied a daily rate of $92 the first semester of 2024 and $97 in the second semester of 2024.
- As of January 1, 2023, La Santa María and La Covadonga applied to the indexing clause established in the modifying agreements signed in 2018.
- Santa Maria Jack-up extended the contract expiration date to January 31, 2026 and La Covadonga Jack-up extended the contract expiration date to October 28, 2025.

b. ***International bond $202,587 (original amount $350,000)***

The bondholders approved on November 29, 2022, to extend the maturity of the bond to January 31, 2023.

On January 27 and 30, 2023, the restructuring of the international bonds issued by the Entity, was approved and implemented during the year, improving the interest rate, extending the maturity to long term and capitalizing part of the debt, managing to reduce the consolidated negative working capital, with the following conditions:

- Maturity of 5 years with quarterly amortizations on cash sweep.
- Quarterly interest payment with a fixed annual interest rate of 8.875% to 7%.
- Capitalization of $34,685 of debt.
- Payment of debt of $60,000. The resources for the repayment were obtained as follows: $15,000 accounts receivable, $10,000 cash, $35,000 new debt.
- Derived from the above, the debt balance decreased from $277,379 to $213,132.
- The new debt of $35,000 bears interest at 10% annually paid quarterly and capitalizes interest at a rate of 0.25% for each million dollars of the new debt. This debt was paid upon completion of the debt restructuring.

2. Adoption of new and revised International Financial Reporting Standards

i) ***New and amended IFRS Accounting Standards that are effective for the current year.***

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements

The Entity has adopted the amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Finance Arrangements for the first time in the current year.

The amendments add a disclosure objective to IAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity’s liabilities and cash flows. In addition, IFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity’s exposure to concentration of liquidity risk.

The amendments contain specific transition provisions for the first annual reporting period in which the group applies the amendments. Under the transitional provisions an entity is not required to disclose:

- Comparative information for any reporting periods presented before the beginning of the annual reporting period in which the entity first applies those amendments
- The information otherwise required by IAS 7:44H(b)(ii)–(iii) as at the beginning of the annual reporting period in which the entity first applies those amendments.

In the current year, the group has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2024. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to IAS 1 Classification of Liabilities as Current or Non-current	The Entity has adopted the amendments to IAS 1, published in January 2020, for the first time in the current year. The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IAS 1 Presentation of Financial Statements— Non-current Liabilities with Covenants

The group has adopted the amendments to IAS 1, published in November 2022, for the first time in the current year.

The amendments specify that only covenants that an entity is required to comply with on or before the end of the reporting period affect the entity's right to defer settlement of a liability for at least twelve months after the reporting date (and therefore must be considered in assessing the classification of the liability as current or non-current). Such covenants affect whether the right exists at the end of the reporting period, even if compliance with the covenant is assessed only after the reporting date (e.g. a covenant based on the entity's financial position at the reporting date that is assessed for compliance only after the reporting date).

The IASB also specifies that the right to defer settlement of a liability for at least twelve months after the reporting date is not affected if an entity only has to comply with a covenant after the reporting period.

However, if the entity's right to defer settlement of a liability is subject to the entity complying with covenants within twelve months after the reporting period, an entity discloses information that enables users of financial statements to understand the risk of the liabilities becoming repayable within twelve months after the reporting period. This would include information about the covenants (including the nature of the covenants and when the entity is required to comply with them), the carrying amount of related liabilities and facts and circumstances, if any, that indicate that the entity may have difficulties complying with the covenants.

Amendments to IFRS 16 Leases—Lease Liability in a Sale and Leaseback

The group has adopted the amendments to IFRS 16 for the first time in the current year.

The amendments to IFRS 16 add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in IFRS 15 Revenue from Contracts with Customers to be accounted for as a sale. The amendments require the seller-lessee to determine 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee, after the commencement date.

The amendments do not affect the gain or loss recognised by the seller-lessee relating to the partial or full termination of a lease. Without these new requirements, a seller-lessee may have recognised a gain on the right of use it retains solely because of a remeasurement of the lease liability (for example, following a lease modification or change in the lease term) applying the general requirements in IFRS 16. This could have been particularly the case in a leaseback that includes variable lease payments that do not depend on an index or rate.

As part of the amendments, the IASB amended an Illustrative Example in IFRS 16 and added a new example to illustrate the subsequent measurement of a right-of-use asset and lease liability in a sale and leaseback transaction with variable lease payments that do not depend on an index or rate. The illustrative examples also clarify that the liability that arises from a sale and leaseback transaction that qualifies as a sale applying IFRS 15 is a lease liability.

A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16.

ii) **New and revised IFRS Accounting Standards in issue but not yet effective**

At the date of authorization of these financial statements, the Entity has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

Amendments to IAS 21	*Lack of Exchangeability*
IFRS 18	*Presentation and Disclosures in Financial Statements*
IFRS 19	*Subsidiaries without Public Accountability: Disclosures*

Management do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the group in future periods, except if indicated below.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates titled Lack of Exchangeability

The amendments specify how to assess whether a currency is exchangeable, and how to determine the exchange rate when it is not.

The amendments state that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

An entity assesses whether a currency is exchangeable into another currency at a measurement date and for a specified purpose. If an entity is able to obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, the currency is not exchangeable into the other currency.

The assessment of whether a currency is exchangeable into another currency depends on an entity's ability to obtain the other currency and not on its intention or decision to do so.

When a currency is not exchangeable into another currency at a measurement date, an entity is required to estimate the spot exchange rate at that date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions.

The amendments do not specify how an entity estimates the spot exchange rate to meet that objective. An entity can use an observable exchange rate without adjustment or another estimation technique. Examples of an observable exchange rate include:

- A spot exchange rate for a purpose other than that for which an entity assesses exchangeability

- The first exchange rate at which an entity is able to obtain the other currency for the specified purpose after exchangeability of the currency is restored (first subsequent exchange rate).

An entity using another estimation technique may use any observable exchange rate, including rates from exchange transactions in markets or exchange mechanisms that do not create enforceable rights and obligations and adjust that rate, as necessary, to meet the objective as set out above.

When an entity estimates a spot exchange rate because a currency is not exchangeable into another currency, the entity is required to disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments add a new appendix as an integral part of IAS 21. The appendix includes application guidance on the requirements introduced by the amendments. The amendments also add new Illustrative Examples accompanying IAS 21, which illustrate how an entity might apply some of the requirements in hypothetical situations based on the limited facts presented.

In addition, the IASB made consequential amendments to IFRS 1 to align with and refer to the revised IAS 21 for assessing exchangeability.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025, with earlier application permitted. An entity is not permitted to apply the amendments retrospectively. Instead, an entity is required to apply the specific transition provisions included in the amendments.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 18 Presentation and Disclosures in Financial Statements

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7. Furthermore, the IASB has made minor amendments to IAS 7 and IAS 33 Earnings per Share.

IFRS 18 introduces new requirements to:

- Present specified categories and defined subtotals in the statement of profit or loss.
- Provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements.
- Improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier
application permitted. The amendments to IAS 7 and IAS 33, as well as the revised IAS 8 and IFRS 7, become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the company anticipate that the application of these amendments may have an impact on the group's consolidated financial statements in future periods.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

IFRS 19 permits an eligible subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.

A subsidiary is eligible for the reduced disclosures if it does not have public accountability and its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

An entity is only permitted to apply IFRS 19 if, at the end of the reporting period:

- it is a subsidiary (this includes an intermediate parent)
- it does not have public accountability, and
- its ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards.

A subsidiary has public accountability if:

- its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional markets),or
- it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses (for example, banks, credit unions, insurance entities, securities brokers/dealers, mutual funds and investment banks often meet this second criterion).

Eligible entities can apply IFRS 19 in their consolidated, separate or individual financial statements. An eligible intermediate parent that does not apply IFRS 19 in its consolidated financial statement may do so in its separate financial statements.

The new standard is effective for reporting periods beginning on or after 1 January 2027 with earlier application permitted. If an entity elects to apply IFRS 19 for a reporting period earlier than the reporting period in which it first applies IFRS 18, it is required to apply a modified set of disclosure requirements set out in an appendix to IFRS 19. If an entity elects to apply IFRS 19 for an annual reporting period before it applied the amendments to IAS 21, it is not required to apply the disclosure requirements in IFRS 19 with regard to Lack of Exchangeability.

The directors of the company do not anticipate that IFRS 19 will be applied for purposes of the consolidated financial statements of the group.

3. Material accounting policies

i) ***Going concern***

Note 6 describes that on October 11, 2014, Latina Offshore Limited, the Parent, issued an International Bond. As of December 31, 2024, the outstanding balance is $202,587 and it is due on April 13, 2028. On November 29, 2022, the bondholders approved extending the maturity of the bond to January 31, 2023. The Jack-up owned by the Entity, is pledged as collateral and could be collected by the bondholders in case of default.

On January 31, 2023, the Entity obtained approval for the restructuring of these international bonds by improving the interest rate, extending its long-term maturity and capitalizing part of the debt.

Due to these events or conditions, as of the date of these consolidated financial statements, this matter indicates the existence of a material uncertainty about the Entity's ability to continue as a going concern.

The plans of the Management of the Entity to continue as a going concern are as follows:

i. Improve the cost and profile of debt, including negotiations for the refinancing of short- to long-term liabilities, and seek alternative sources of financing.
ii. Consolidate operational efficiency in all projects to allow adequate profitability.
iii. Ensure the continuity of workloads both in drilling equipment leasing teams and in shallow water drilling, avoiding unproductive time and improving leasing rates.

ii) ***Statement of compliance***

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards) released by the International Accounting Standards Board (IASB).

iii) ***Basis of preparation***

The accompanying consolidated financial statements have been prepared on a historical cost basis; disclosures of fair value have been included where required by IFRS.

i. *Historical cost.*

Historical cost is generally measured as the fair value of the consideration given in exchange for goods and services.

ii. *Fair value*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Entity takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

iv) ***Basis of consolidation***

The consolidated financial statements incorporate the financial statements of the Entity and its controlled subsidiaries. Control is achieved when the Entity:

- has power over the investee.

- is exposed, or has rights, to variable returns from its involvement with the investee

- has the ability to use its power to affect those returns.

The Entity reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Entity has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The group considers all relevant facts and circumstances in assessing whether or not the group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Entity, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the group gains control until the date when the group ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the group are eliminated on consolidation.

The Entity's shareholding percentage in the capital stock of its subsidiaries as of December 31, 2024 and 2023 is shown below:

	Activity	% Ownership 2024 and 2023
Santa Maria Offshore Limited	Lessor	100%
La Covadonga Limited	Lessor	100%

Changes in the Entity's ownership interests in existing subsidiaries

Changes in the Entity´s ownership interest in subsidiary of the entity that do not result in a loss of control are recorded as equity transactions. The carrying value of investments and non-controlling interests of the Entity is adjusted to reflect changes in the investments in subsidiary. Any difference between the amount by which the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and is attributed to the owners of the Entity

When the Entity loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Entity had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is considered as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

v) ***Financial instruments***

Financial assets and financial liabilities are recognized when the Entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

vi) ***Financial assets***

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

1. **Classification of financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets.

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the group may make the following irrevocable election / designation at initial recognition of a financial asset:

- The Entity may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see (iii) below)
- The Entity may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below)

(i) Amortized cost and effective interest method.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit - adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Entity recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit - impaired.

Interest income is recognized in profit or loss and is included in the "finance income - interest income".

(ii) Debt instruments classified as at FVTOCI

The corporate bonds held by the Entity are classified as at FVTOCI. Fair value is determined in the manner (i). The corporate bonds are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these corporate bonds as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see (i) above) are recognized in profit or loss. The amounts that are recognized in profit or loss are the same as the amounts that would have been recognized in profit or loss if these corporate bonds had been measured at amortized cost. All other changes in the carrying amount of these corporate bonds are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When these corporate bonds are derecognized, the cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI (see (i) to (iii) above) are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Entity designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition (see (iii) above).

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria (see (i) and (ii) above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Entity has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the 'Other gains and losses.

2. *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For all other financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Breach of contract, such as a default or delinquency in interest or principal payments; or
- It becoming probable that the borrower will enter bankruptcy or financial re-organization; or
- The disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if it has been determined that they are not individually impaired. Objective evidence of impairment of a portfolio of receivables could include the Entity's past experience in collecting payments, an increase in the number of late payments in the portfolio beyond an average credit period established by the Entity, as well as observable changes in national or local economic conditions that correlate with non-payment of receivables.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of trade or lease receivables is reduced using an allowance account. When a trade or lease receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of AFS equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of AFS debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3. ***Derecognition of financial assets***

The Entity derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

vii) ***Cash***

Consists mainly of bank deposits in checking accounts. Cash is stated at nominal value.

viii) ***Jack-ups and equipment***

Jack-ups and equipment are initially recorded at cost less accumulated depreciation and any impairment loss recognized.

Jack-ups and equipment that are in the process of construction is recorded at cost less any impairment loss recognized. Cost includes professional fees and, in the case of qualifying assets, the costs of borrowing capitalized in accordance with the accounting policy of the Entity. The depreciation of these assets is initiated when assets are ready for their planned use.

Depreciation is recognized so as to write-off the cost of assets over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted on a prospective basis.

Items of Jack-ups and equipment are derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of any item of property, plant and equipment are determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

The average useful live of Jack-ups and equipment are 2024 and 2023:

	Year 2024	**Year 2023**
Helmet	19	20
Substructure	19	20
Lifting system (legs and motors)	19	20
Equipment and accessories	14	15
Accessories	14	15
Preventers	14	15
Housing unit	11	12
Fire safety net equipment	2	3
Helideck	2	3

ix) ***Impairment of tangible assets***

At the end of each reporting period, the Entity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

When it is not possible to estimate the recoverable amount of an individual asset, the Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest entity of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than it carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

x) ***Leasing***

Leases are classified as finance leases whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Entity as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

xi) ***Foreign currencies***

In preparing the financial statements of each individual entity, transactions in currencies other than the Entity's functional currency (US dollar) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

The exchange rates used to convert foreign currency into US dollars were as follows:

	2024	**2023**
Mexican pesos per one US dollar	$ 20.2683	$ 16.8935

xii) ***Income taxes***

Income tax represents the sum of current and deferred tax.

1. *Current tax*

   Current income tax ("ISR") is recognized in the results of the year in which is incurred.

2.

3. *Deferred tax*

   Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

   The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

   Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

   The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

xiii) ***Provisions***

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

xiv) ***Financial liabilities and equity instruments***

1. *Classification as debt or equity*

Debt and equity instruments issued by the Entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2. *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the Entity after deducting all of its liabilities. Equity instruments issued by an entity are recognized at the proceeds received, net of direct issue costs.

3. *Financial liabilities*

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities.

Other financial liabilities, which include borrowings and trade and other payables, are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

xv) ***Consolidated statement of cash flows***

The statement of cash flows is prepared under the indirect method. Interest received is classified as investing cash flows, while interest paid is classified as financing cash flows.

4. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Entity's accounting policies, which are described in Note 3, the Entity's management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

a. ***Critical judgments in applying accounting policies***

The following are the critical judgments, apart from those involving estimations, that the directors have made in the process of applying the Entity's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements:

- ***Leases*** - The Entity evaluates the classification of the leases for accounting purposes.

  In performing such assessment, the Entity is required to exercise its professional judgment and make estimates, as follows:

  a) The lease does not transfer ownership of the Jack-ups and modular rig to the lease by the end of the lease term.

  b) The lease does not contain an option to purchase the Jack-ups and modular rig.

  c) The lease term does not represent a substantial portion of the economic life of the Jack-ups and modular rig.

  d) At the inception of the lease the present value of the minimum lease payments amounts does not represent a substantial portion of fair value of the leased Jack-ups and modular rig.

  e)

  f) The leased Jack-ups can be used by another interested party without major modifications.

- ***Contingencies*** - By their nature, contingencies are settled when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the use of judgment and significant estimates related to the future outcome of those events.

b. ***Key sources of estimation uncertainty***

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of long-term live assets - At each reporting date, the Entity reviews the carrying amounts of its jack-up to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

Estimates of useful lives and depreciation methods - The Entity reviews its estimates of useful lives and methods of depreciation on the Jack-ups and equipment periodically and the effect of any change in estimate is recognized prospectively. Changes in these estimates could have a significant impact on the statements of financial position and comprehensive income of the Entity.

Recovery of tax losses carryforwards - The Entity makes financial and tax projections for the purpose of maximizing efficiency with respect to accounting and tax results. For tax purposes, the Entity realized a significant loss due to the devaluation of the Mexican peso with respect to the US dollar during 2016 and 2015. The Entity expects to amortize tax losses against tax profits generated from subsequent years, with the normal operations of its Jack-ups.

5. Jack-ups and equipment, net

	Balance as of January 1, 2024	Additions	Balance as of December 31, 2024
Investments			
Jack-ups	$ 573,754	$ 3,252	$ 577,006
Computers	414	-	414
	574,168	3,252	577,420

	Balance as of January 1, 2024	Additions	Balance as of December 31, 2024
Depreciation			
Jack-ups	(298,471)	(27,901)	(326,372)
Computers	(414)	-	(414)
	(298,885)	(27,901	(326,786)
Total investments, net	$ 275,283	$ (24,649)	$ 250,634

	Balance as of January 1, 2023	Additions	Balance as of December 31, 2023
Investments			
Jack-ups	$ 559,001	$ 14,753	$ 573,754
Computers	414	-	414
	559,415	14,753	574,168
Depreciation			
Jack-ups	(271,206)	(27,265)	(298,471)
Computers	(414)	-	(414)
	(271,620)	(27,265)	(298,885)
Total investments, net	$ 287,795	$ (12,512)	$ 275,283

The Jack-up owned by the Entity is pledged as collateral under the Bond.

6. Debt

	2024	2023
Secured – at amortized cost		
Senior secured callable bond (ordinary bond) for $123,198 maturing on April 13, 2028, which accrues interest, payable quarterly, at a fixed rate of 7%. Capital is amortized quarterly on 50% of cash surpluses.	$ 118,097	$ 119,487
Senior secured callable bond (exit bond) for $54,934 maturing on April 13, 2028, which accrues interest, payable quarterly, at a fixed rate of 7%. Capital is amortized quarterly on 50% of cash surpluses. The capital payment is 78.8% of the balance, the remaining 21.2% will be share subscription premium, net of its amortized cost.	35,879	35,631
Senior secured callable bond for $35,000 maturing on April 13, 2028, which accrues interest, payable quarterly, at a fixed rate of 10%. Additionally, there is capitalization of interest at 8.75% annually on the paid capital of the two previous bonds. The capital is amortized at maturity.	48,611	50,375
Interest payable	8,218	4,062
	210,805	209,555
Less:		
Bond issuance cost, net	(4,042)	(4,100)
Less – Current portion	(8,218)	(4,062)
Long-term debt	$ 198,545	$ 201,393

a. The Entity entered into an agreement with the bondholders of the International Bond to modify certain conditions established in the contracts.

International Bond are guaranteed by jack ups.

The Entity may redeem the bond. Call option at any time to a nominal value.

The Entity shall ensure compliance with several negative and affirmative covenants. The relevant covenants are as follows:

- No payment of more than 50% of dividends on the profit.
- Do not contract new liens on assets.

At the date of the issuance of these consolidated financial statements, the Entity has complied with the covenants established in the renegotiated agreement.

7. Income taxes

The Entity is not subject to income taxes in Bermuda. The Entity is subject to income tax (ISR, for its name in Spanish) in Mexico at the current rate of 30%.

a. ***Income tax recognized***

	2024	2023
Income tax benefit:		
Current tax	$ -	$ 1,400
Deferred tax	16,507	(10,678)
	$ 16,507	$ (9,278)

The reconciliation of the statutory and effective ISR rate expressed in amounts of loss before tax is:

	2024	2023
Statutory rate	30%	30%
Non-deductible expenses	-	1%
Effects of exchanges	53%	-
Others	(11%)	59%
Effective rate	72%	90%

b. ***Deferred tax in the consolidated statement of financial position***

The following is the analysis of deferred tax assets (liabilities) presented in the consolidated statements of financial position:

	2024	2023
Deferred ISR assets:		
Effect of tax loss carryforwards	$ 7,682	$ 3,548
Provisions	17	23
Jack-ups and equipment	13,460	37,694
Advances from customers	10,482	7,124
Prepaid expenses and issuance cost	480	239
Deferred ISR assets	$ 32,121	$ 48,628

c. The benefits of restated tax loss carryforwards for which the deferred ISR asset have been recognized and can be recovered subject to certain conditions. Expiration dates and restarted amounts as of December 31, 2024, are:

Year of expiration	Tax loss carryforwards
2028	$ 832
2029	146
2031	412
2032	138
2033	1,724
2034	22,355
	$ 25,607

8. Financial risk management

a. ***Capital management***

The Entity manages its capital to ensure that it will continue as a going concern, while it maximizes returns to its Partners through the optimization of the balances of debt and equity. The capital structure of the Entity is composed by its net debt and Partners' equity.

The Entity is subject to an equity ratio covenant of a minimum of 17.5%.

	Amount
Consolidated equity	$ 142,865
Total consolidated assets	404,941
Equity ratio	35.28%

b. ***Interest rate risk management***

The Entity is exposed to interest rate risk as a result of fluctuations in market rates when compared to the fixed rates under which its debt accrues interest. The risk is not currently considered significant but may be managed in the future by entering into derivative financial instruments to hedge such risk.

c. ***Credit risk management***

Credit risk refers to the situation in which the borrower defaults on its contractual obligations, thereby generating a financial loss for the Entity and which is essentially derived from customer accounts receivable and liquid funds. The Entity does not believe it has a significant credit risk as of December 31, 2024 and 2023 a result of its consolidated financial position as of such date.

d. ***Liquidity risk management***

Corporate treasury has the ultimate responsibility for liquidity management, and has established appropriate policies to control this through monitoring of working capital, managing short, medium and long-term funding requirements, maintaining cash reserves, continuously monitoring cash flows (projected and actual), and reconciling the maturity profiles of financial assets and liabilities.

The following table details the Entity's remaining contractual maturity for its liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows or financial liabilities based on the earliest date on which the Entity can be required to pay.

The table includes both interest and principal cash flows.

	December 31, 2024					
	Weighted average effective interest rate %	1-6 months	6 months to 1 year	1 – 5 years	Total	Carrying amount
Non-interest rate bearing	-	$ 8,218	$ -	$ -	$ 8,218	$ 8,218
Fixed interest rate instruments	7.75%	-	-	203,216	203,216	198,545
Total		$ 8,218	$ -	$ 203,216	$ 211,432	$ 206,763

	December 31, 2023					
	Weighted average effective interest rate %	1-6 months	6 months to 1 year	1 – 5 years	Total	Carrying amount
Non-interest rate bearing	-	$ 4,062	$ -	$ -	$ 4,062	$ 4,062
Fixed interest rate instruments	7.75%	-	-	206,131	206,131	201,393
Total		$ 4,062	$ -	$ 206,131	$ 210,193	$ 205,455

e. ***Fair value measurements***

The fair value of financial instruments presented below has been determined by the Entity using information available in the markets or other valuation techniques but require judgment with respect to their development and interpretation, in addition use assumptions that are based on market conditions existing at each consolidates statements if financial position date. Consequently, the estimated amounts presented below are not necessarily indicative of the amounts that the Entity could obtain in a current market exchange. The use of different assumptions and/or estimation methods could have a material effect on the estimated amounts of fair value.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

– Level 1 are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
– Level 2 are those derived from inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
– Level 3 are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Entity considers that the carrying amount of cash and restricted cash, accounts receivable and accounts payable from third parties and to related parties and the current portion of bank loans approximate their fair values because they have short-term maturities. The Entity's long-term debt is recorded at amortized cost and incurs interest at fixed and variable rates that are related to market indicators.

The carrying amounts of financial instruments by category and their related fair values as of December 31 are as follows:

		Carrying amount		Fair value as of December 31, 2024
Financial assets:				
Cash (Level 1)	$	37	$	37
Due from related parties (Level 2)		117,327		117,327
Financial liabilities at amortized cost:				
Debt (Level 2)	$	198,545	$	198,545
Due to related parties (Level 2)		32,410		32,410

		Carrying amount		Fair value as of December 31, 2023
Financial assets:				
Cash (Level 1)	$	48	$	48
Due from related parties (Level 2)		53,208		53,208
Financial liabilities at amortized cost:				
Debt (Level 2)	$	201,393	$	201,393
Due to related parties (Level 2)		27,642		27,642

Management believes that the carrying value of receivables and payables to related parties approximate their fair values based on their nature and short-term maturities. The fair value of bonds was determined by the Entity's management using a level 2 valuation methodology. The fair value of the bonds was calculated by the Entity using discounted cash flow valuation technique at a discount rate of 7.75% for the $350,000 ($202,587 outstanding balance as of December 31, 2024).

9. Stockholders' equity

a. The historical amount of subscribed and paid-in common stock of the Entity as of December 31, 2024 and 2023, are as follows:

	Number of shares 2024	Amount 2024	Number of shares 2023	Amount 2023
Fixed:				
Series A	100	$ -	100	$ -
Variable:				
Series A	180,712,292	180,712	180,712,292	180,712
Share subscription premium	0.01	35,059	0.01	34,685
	$ 180,712,392	$ 215,771	180,712,392	$ 215,397

Common stock consists of ordinary, nominative shares with par value of $1 US dollar.

10. Operating cost by nature

		2024		2023
Services	$	630	$	542
Others		16		100
	$	646	$	642

11. Interest expense, net

	2024	2023
Interest expense for senior secured callable bond	$ 16,304	$ 20,111
Interest expenses with related parties	2,118	188
Amortization of bond issuance cost	414	1,483
Interest income, net from related parties	(1,179)	-
Benefit in amortized cost of debt	-	(5,646)
Tax surcharges	104	-
Interest income banks	(3)	(183)
	$ 17,758	$ 15,953

12. Balances and transactions with related parties

Balances and transactions between the Entity and its subsidiaries have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Entity and other related parties are disclosed below.

a. Transactions with related parties, carried out in the ordinary course of business were as follows:

	2024	2023
Operating lease revenues	$ 69,184	$ 54,032
Purchases of spare parts and tools	$ (3,252)	$ (14,753)
Interest income	$ 1,179	$ 1,316
Interest expenses	$ (2,118)	$ (1,503)

b. Balances with related parties are as follows:

	2024	2023
Due from related parties -		
CP Latina	$ 117,327	$ 53,208
Due to related parties -		
Latina Offshore Holding Limited	$ 32,410	$ 27,642

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

13. Authorization to issue the consolidated financial statements.

On April 25, 2025, the issuance of the accompanying consolidated financial statements was authorized by C. P. C. Miguel Ruiz Tapia, Chief Executive Officer, the Audit Committee and the Board of Directors; consequently, they do not reflect events that occurred after that date, and are subject to the approval at the Entity's Annual Ordinary Partners' Meeting, where they may be modified. The consolidated financial statements for the year ended December 31, 2023 were approved at the Annual Ordinary Partners' Meeting held in April 28, 2024.

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