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

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

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

Independent Auditors' Report and Financial Statements for 2024 and 2023

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Independent Auditors’ Report to the Board of Directors and Stockholders of Santa Maria Offshore Limited

Opinion

We have audited the financial statements of Santa Maria Offshore Limited (the “Entity”), which comprise the statements of financial position as of December 31, 2024 and 2023, and the statements of profit, statements of changes in stockholders’ equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as of December 31, 2024 and 2023, and its financial performance and its 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 *Auditor’s Responsibilities for the Audit of the 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), and we have fulfilled our other ethical responsibilities in accordance with the 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 the Going Concern

We draw your attention to Note 3a of the accompanying financial statements, which indicates that on October 11, 2014, Latina Offshore Limited, the parent company, issued an International Bond. The Santa Maria jack-up, property of the Entity, is pledge as collateral of this International 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.

The Santa Maria Jack-up extended the contract expiration date to January 31, 2026. These events or conditions, at the date of the financial statements, indicates the existence of a material uncertainty that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Paragraphs of Emphasis

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

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

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

In preparing the 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 Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ISAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 auditor's report to the related disclosures in the 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

April 25, 2025

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

Statement of Financial Position

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

Assets	Note	2024	2023
Current assets:			
Cash		$ 6	$ 9
Due from related parties	10	68,320	35,337
Other accounts receivable		2,311	3,104
Prepaid expenses, net		24	27
Total current assets		70,661	38,477
Non-current assets:			
Jack-up and equipment, net	5	127,036	139,987
Deferred income taxes	6	15,582	23,155
Total non-current assets		142,618	163,142
Total assets		$ 213,279	$ 201,619
Liabilities and Stockholders' equity			
Current liabilities:			
Trade accounts payable		$ 25	$ 26
Other accounts payable and accrued liabilities		10,433	6,937
Total current liabilities		10,458	6,963
Non-current liabilities:			
Due to related parties	10	143,276	137,834
Total non-current liabilities		143,276	137,834
Total liabilities		153,734	144,797
Stockholders' equity:			
Common stock	8	96,000	96,000
Accumulated deficit		(36,455)	(39,178)
Total stockholders' equity		59,545	56,822
Total stockholders' equity and liabilities		$ 213,279	$ 201,619

See accompanying notes to financial statements.

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

Statements of Profit

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

	Note	2024	2023
Continuing operations:			
Revenue from operating lease	10	$ 34,592	$ 27,016
Operating cost	9	73	74
Depreciation of assets under operating leases	5	14,444	14,364
Gross profit		20,075	12,578
Interest expenses	10	10,863	13,646
Interest income		(1,193)	(1,318)
Exchange loss (gain), net		109	(377)
Profit before income taxes		10,296	627
Income tax expense (benefit)	6	7,573	(5,122)
Profit for the year		$ 2,723	$ 5,749

See accompanying notes to financial statements.

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

Statement of Changes in Stockholders' Equity

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

	Common Stock	Accumulated deficit	Total stockholders' equity
Balance as of December 31, 2022	$ 96,000	$ (44,927)	$ 51,073
Profit for the year	-	5,749	5,749
Balance as of December 31, 2023	96,000	(39,178)	56,822
Profit for the year	-	2,723	2,723
Balance as of December 31, 2024	$ 96,000	$ (36,455)	$ 59,545

See accompanying notes to financial statements.

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

Statement of Cash Flows

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

	2024	2023
Cash flows from operating activities		
Profit for the year	$ 2,723	$ 5,749
Adjustments for:		
income tax expense (benefit)	7,573	(5,122)
Depreciation	14,444	14,364
Exchange loss (gain)	109	(377)
Interest expenses	9,670	12,328
	34,519	26,942
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(32,983)	(5)
Other accounts receivable	793	(651)
Prepaid expenses	3	(4)
(Decrease) increase in:		
Trade accounts payable	(1)	3
Due to related parties	5,442	(7,559)
Other accounts payable and accrued liabilities	3,387	524
Net cash flows generated by operating activities	11,160	19,250
Cash flows from investing activities:		
Purchase of equipment	(1,493)	(6,921)
Net cash flows used in investing activities	(1,493)	(6,921)
Cash flows from financing activities:		
Interest paid	(9,670)	(12,328)
Net cash flows used in financing activities	(9,670)	(12,328)
Net (decrease) increase in cash	(3)	1
Cash at beginning of year	9	8
Cash at end of year	$ 6	$ 9

See accompanying notes to financial statements.

Notes to the Financial Statements

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

1. Activity

Santa Maria Offshore Limited (the "Entity") was incorporated as a Bermuda exempted company on June 6, 2013, under the laws of Bermuda. The Entity is a Subsidiary of Latina Desarrollos Energéticos, S. A. de C. V. The Entity has its 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 Entity's main activity is the leasing of a Jack-up ("Santa Maria") for oil and gas drilling to Constructora y Perforadora Latina, S. A. de C. V., ("CP Latina"), the indirect parent Entity incorporated in Mexico.

The Entity provides services exclusively to a related party. Accordingly, these financial statements are not necessarily indicative of the prevailing conditions or results of operations and cash flows that the Entity would have obtained if there was no such affiliation.

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 entered into with the related party.

2024 and 2023 operations

a) ***Changes to the leases with CP Latina of Santa Maria***

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

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

- **Operational impacts.**

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

  - Santa Maria applied a daily fee of $92, for the period January 1, 2024 to June 30, 2024 and of $97 for the period July 1, 2024 to December 31, 2024.

  - Beginning January 1, 2023, Santa Maria Jack-up will return to the indexing mechanism established in the amending agreements signed in 2018.

  - The payment term for accounts receivable at 90 days after the invoices. During 2024, PEMEX experienced delays in its payments to suppliers; specifically, in the case of Santa María, the delay reached 295 days as of December 31, 2024. It is important to note that PEMEX regularized all of its past-due balances through the payment made on February 21, 2025.

  - Santa Maria Jack-up extended the contract expiration date to January 31, 2026.

2. Adoption of New and Revised Accounting Standards

a. New and amended 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 entity 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 entity 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.

The entity 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).

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

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.

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

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

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.

b. **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*

The directors 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.

Management anticipates that the application of these amendments may have an impact on the Entity's 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 entity.

3. Significant accounting policies

a. *Going concern*

We draw your attention to Note 5 of the accompanying financial statements that describe 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. The Jack-up owned by the Entity, is pledged as collateral and could be collected by the bondholders.

The Parent company dated January 31, 2023 obtained approval of the restructuring of these international bonds by improving the interest rate, extending its long-term maturity and capitalizing part of the debt.

Additionally, the Entity provides services exclusively to a related party. Accordingly, the accompanying financial statements are not necessarily indicative of the prevailing conditions or results of operations and cash flows that the Entity would have obtained, if there was no such affiliation.

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

b. ***Basis of accounting***

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards).

c. ***Basis of preparation***

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

i. *Historical cost*

Historical cost is generally based on 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 considers 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 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

d. ***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.

e. ***Financial assets***

All regular way purchases or sales of financial assets are recognised and derecognised 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 entity 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 amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (iv) below)

(i) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised 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 amortised 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 recognised 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 recognised 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.

f. ***Cash***

Cash consists mainly of bank deposits in checking accounts and short-term investments, highly liquid and easily convertible into cash. Cash is stated at nominal value.

g. ***Jack-up and equipment***

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

Jack-up that are in the process of construction are recorded at cost less any recognized impairment loss. Cost includes professional fees and, in the case of qualifying assets, borrowing costs capitalized in accordance with the Entity's accounting policy. Depreciation of these assets commences when the assets are ready for their intended use.

Depreciation is recognized 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 for on a prospective basis.

Items of Jack-up and equipment is 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 an item of items of Jack-up and equipment is 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-up 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

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 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 a cash-generating unit is estimated to be less than it is 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.

h. ***Leasing***

Leases are classified as finance leases whenever the terms of the lease transfer substantially 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.

i. ***Foreign currencies***

In preparing the financial statements, 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:

	December 31, 2024	December 31, 2023
Mexican pesos per one US dollar	$ 20.2683	$ 16.8935

j. ***Income taxes***

Income tax expense represents the sum of the tax currently payable and deferred tax.

1. *Current tax*

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

2. *Deferred tax*

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the 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 way the Entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. *Current and deferred tax for the year*

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity.

k. ***Provisions***

Provisions are recognized when the Entity has a present obligation (legal or constructive) because 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, considering 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 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.

l. ***Financial liabilities and equity instruments***

1. *Classification as debt or equity*

Debt and equity instruments issued by the Entity are classified as either 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.

m. ***Statement of cash flows***

The cash flows are used applying 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 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 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-up and equipment to the lease by the end of the lease term.
  b) The lease does not contain an option to purchase the Jack-up and equipment.
  c) The lease term does not represent a substantial portion of the economic life of the Jack-up and equipment.
  d) At the inception of the lease, the present value of the minimum lease payment amounts does not represent a substantial portion of the fair value of the leased Jack-up and equipment.
  e) The leased Jack-up and equipment 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 cease to occur. The assessment of contingencies inherently involves the use of significant judgment and 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 Jack-up 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 Entity’s statements of financial position and comprehensive income.

Recovery of tax losses carryforwards - The Entity makes financial and tax projections in order to maximize 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 against the US dollar during 2023 and 2022. The Entity expects to amortize tax losses against tax profits generated in subsequent years, with the normal operation of its Jack-up.

5. Jack-up and equipment

	Balance as of January 1, 2024	Additions	Balance as of December 31, 2024
Investments			
Jack-up	$ 293,723	$ 1,493	$ 295,216
Computers	67	-	67
	293,790	1,493	295,283
Depreciation			
Jack-up	(153,736)	(14,444)	(168,180)
Computers	(67)	-	(67)
	(153,803)	(14,444)	(168,247)
Total investments, net	$ 139,987	$ (12,951)	$ 127,036

	Balance as of January 1, 2023	Additions	Balance as of December 31, 2023
Investments			
Jack-up	$ 286,802	$ 6,921	$ 293,723
Computers	67	-	67
	286,869	6,921	293,790
Depreciation			
Jack-up	(139,372)	(14,364)	(153,736)
Computers	(67)	-	(67)
	(139,439)	(14,364)	(153,803)
Total investments, net	$ 147,430	$ (7,443)	$ 139,987

On October 11, 2014, Latina Offshore Limited (parent entity) issued an International Bond, as of December 31, 2024 the balance is $202,587. The Jack-up owned by the Entity is pledged as collateral under the Bond.

6. Income taxes

The Entity is not subject to income taxes in Bermuda. The Entity is subject to Mexican income tax (ISR, for its acronym in Spanish). The current ISR rate is 30%.

a. ***Income tax recognized in profit or loss***

	2024	2023
Income tax benefit		
Current tax	$ -	$ 1,256
Deferred tax	7,573	(6,378)
	$ 7,573	$ (5,122)

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

	2024	2023
Statutory rate	30%	30%
Effects of inflation and other	9%	238%
Non deductible expenses	-	1%
Effect of rate difference depreciation	12%	(1,208%)
Non accumulative income	22%	122%
Effective rate	73%	(817%)

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

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

	2024	2023
Deferred ISR assets:		
Jack-ups and equipment	$ 7,065	$ 19,593
Provisions	7	8
Effect of unused tax losses	3,278	-
Advances from related parties	5,240	3,561
Deferred ISR assets	15,590	23,162
Deferred ISR liabilities:		
Prepaid expenses	(8)	(7)
Deferred ISR liabilities	(8)	(7)
Net asset	$ 15,582	$ 23,155

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
2034	$ 10,925

7. 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 stockholders through the optimization of the balances of debt and equity. The Entity's capital structure is composed of its net debt and stockholders' equity.

b. *Interest rate risk management*

The Entity is exposed to interest rate risk because 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, generating a financial loss for the Entity and which is essentially derived from accounts receivable from customers and liquid funds. The Entity does not consider that it has a significant credit risk at December 31, 2024 and 2023 as a result of its financial position at that date.

c. *Liquidity risk management*

Corporate treasury has the ultimate responsibility for liquidity management, and has established appropriate policies to control liquidity by monitoring working capital, managing short, medium and long-term financing needs, 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	-	$ 25	$ -	$ -	$ 25	$ 25
Fixed interest rate instruments	9.5%	-	-	185,300	185,300	143,276
		$ 25	$ -	$ 185,300	$ 185,325	$ 143,301

	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	-	$ 26	$ -	$ -	$ 26	$ 26
Fixed interest rate instruments	9.5%	-	$ -	$ 178,262	$ 178,262	$ 137,834
		$ 26	$ -	$ 178,262	$ 178,288	$ 137,860

d. ***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 which require judgment in their development and interpretation, in addition to using assumptions that are based on market conditions existing at each date of the individual statements of financial position. 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 fair value amounts.

The following table provides an analysis of financial instruments that are measured after 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, 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 bears 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 on December 31 are as follows:

	Carrying amount	Fair value at December 31, 2024
Financial assets:		
Cash (Level 1)	$ 6	$ 6
At amortized cost		
Due from related parties (Level 2)	68,320	68,320
Financial liabilities at amortized cost:		
Due to related parties (Level 2)	$ 143,276	$ 143,276

	Carrying amount	Fair value at December 31, 2023
Financial assets:		
Cash (Level 1)	$ 9	$ 9
At amortized cost		
Due from related parties (Level 2)	35,337	35,337
Financial liabilities at amortized cost:		
Due to related parties (Level 2)	$ 137,834	$ 137,834

Management considers that the carrying value of receivables and payables to related parties approximate their fair value due to short-term nature and maturity. The Entity's management determined the fair value of payables to related parties, which is a level 2 input.

8. Stockholders' equity

a. The historical amount of the Entity's subscribed and paid-in common stock as of December 31, is as follows:

	Number of shares 2024 and 2023	Amount 2024 and 2023
Fixed:		
Series A	100	$ -
Variable:		
Series A	96,000,000	96,000
	96,000,100	$ 96,000

Common stock consists of nominative shares with a par value of 1 US dollar.

9. Operating cost by nature

	2024	2023
Services	$ 73	$ 74

10. Balances and transactions with related parties

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

	2024	2023
Operating lease revenues	$ 34,592	$ 27,016
Purchases of spare parts and tools	$ (1,493)	$ (6,921)
Interest expenses, net	$ (9,664)	$ (12,305)

b. Balances with related parties are as follows:

	2024	2023
Due from related parties -		
Constructora y Perforadora Latina, S. A de C. V.	$ 68,320	$ 35,337
Long term:		
Latina Offshore Limited [1]	$ 143,276	$ 137,834

(1) Includes a loan of $135,540, bearing interest payable on a semi-annual basis at a 9.50% rate. In 2024, the maturity of the loan was extended to expire in April 2028.

11. Authorization to issue the financial statements.

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

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