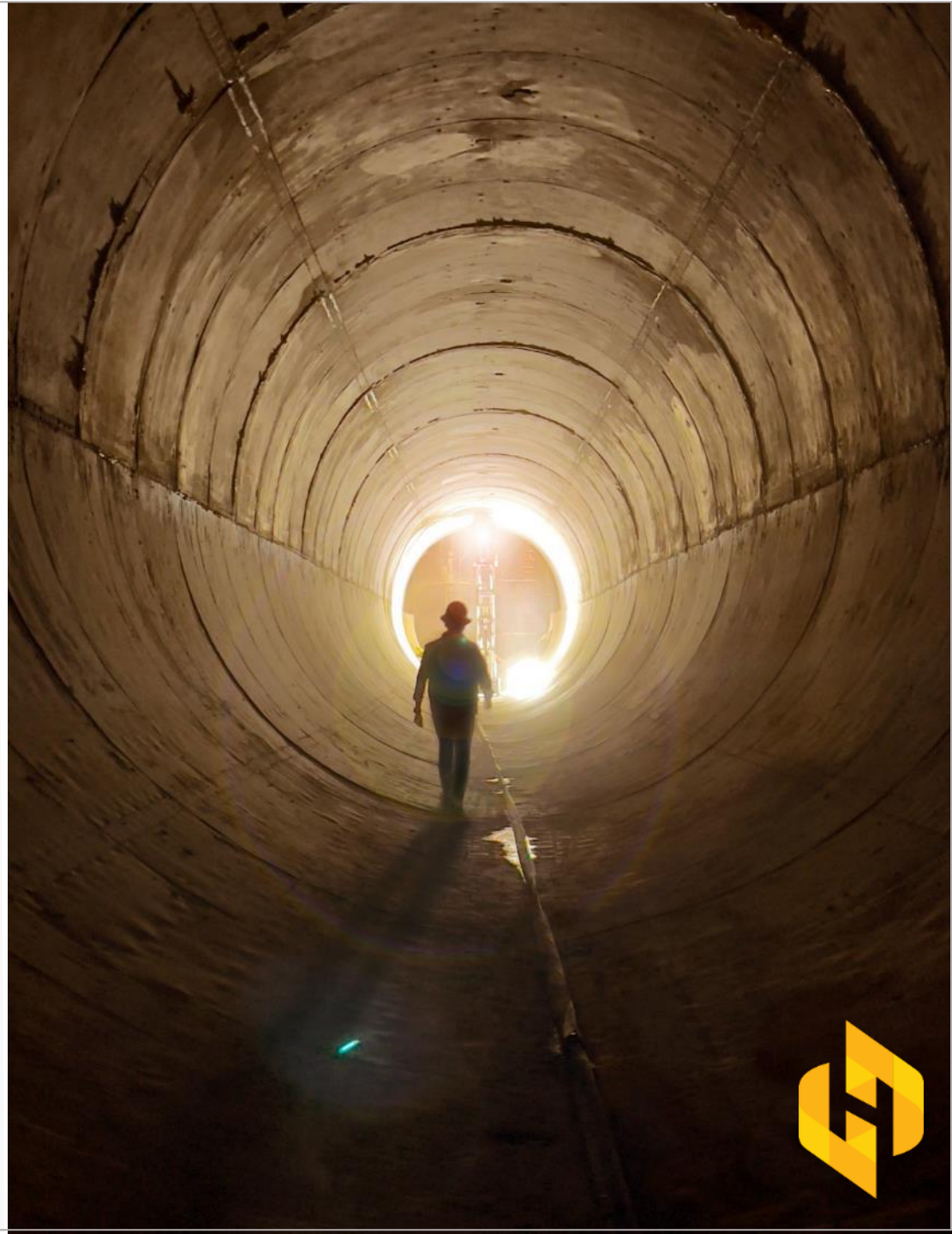


SOUTHLAND HOLDINGS

Investor Presentation
December 6, 2022

LEGATO
MERGER CORP II



Important Disclosures

This Presentation (together with oral statements made in connection herewith, the "Presentation") is for informational purposes only to assist prospective investors in making their own evaluation with respect to the proposed business combination (the "Proposed Transaction ") between Legato Merger Corp. II ("Legato II") and Southland Holdings LLC ("Southland"). This Presentation does not constitute an offer to sell, a solicitation of an offer to buy, or a recommendation to purchase any equity, debt or other financial instruments of Legato II or Southland.

The information contained herein does not purport to be all-inclusive and none of Legato II, Southland, nor any of their respective subsidiaries, stockholders, affiliates, representatives, control persons, partners, members, managers, directors, officers, employees, advisers or agents make any representation or warranty, express or implied, as to the accuracy, completeness or reliability of the information contained in this Presentation. Prospective investors should consult with their own counsel and tax and financial advisors as to legal and related matters concerning the matters described here.

Use of Projections

This Presentation contains projected financial information with respect to Legato II and Southland. Such projected financial information constitutes forward-looking information and is for illustrative purposes only and should not be relied upon as necessarily being indicative of future results. Further, illustrative presentations are not necessarily based on management's projections, estimates, expectations, or targets but are presented for illustrative purposes only. Neither Legato II's nor Southland's independent auditors have audited, reviewed, compiled or performed any procedures with respect to the projections for the purpose of their inclusion in this Presentation, and accordingly, they did not express an opinion or provide any other form of assurance with respect thereto for the purpose of this Presentation. The assumptions and estimates underlying such financial forecast information are inherently uncertain and are subject to a wide variety of significant business, economic, competitive and other risks and uncertainties. See "Forward-Looking Statements" below. Actual results may differ materially from the results contemplated by the financial forecast information contained in this Presentation, and the inclusion of such information in this Presentation is not intended, and should not be regarded, as a representation by any person that the results reflected in such forecasts will be achieved. Further, the metrics referenced in this Presentation regarding select aspects of the operations of Southland were selected by Legato II and Southland on a subjective basis. Such metrics are provided solely for illustrative purposes to demonstrate elements of the business of Southland, are incomplete, and are not necessarily indicative of its performance or future performance or overall operations. There can be no assurance that historical trends will continue.

Industry and Market Data

Industry and market data used in this Presentation have been obtained from third-party industry publications and sources as well as from research reports prepared for other purposes. None of Legato II, Southland nor any of their respective Representatives has independently verified the data obtained from these sources and cannot assure you of the data's accuracy or completeness. This data is subject to change.

In furnishing this Presentation, each of Legato II, Southland and their respective representatives expressly disclaims any obligation to update any information contained herein or to correct any omissions, inaccuracies, or errors.

Important Disclosures (Cont.)

Non-GAAP Financial Measures

This Presentation includes certain unaudited financial measures not presented in accordance with generally accepted accounting principles, including but not limited to earnings before interest, taxes, depreciation, and amortization (“EBITDA”) and certain ratios and other metrics derived therefrom. Note that other companies may calculate these non-GAAP financial measures differently, and therefore such financial measures may not be directly comparable to similarly titled measures of other companies. Further, these non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the presentation of these measures may not be comparable to similarly-titled measures used by other companies. Legato II and Southland believe that these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Southland’ financial condition and results of operations. The parties believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends, and in comparing Southland’ financial measures with those of other similar companies. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which items of expense and income are excluded or included in determining these non-GAAP financial measures. In the course of the review by the SEC of the preliminary proxy statement filed by Legato II with the SEC, Legato II may make changes to the information presented in this Presentation, including, without limitation, the description of Southland’ business and the financial information and other data (including the prospective financial information and other data) included in this Presentation. Comments by the SEC on information in the proxy statement may require modification or reformulation of the information we present in this Presentation, and any such modification or reformulation could be significant.

Additional Information concerning the Proposed Transaction

Legato II has filed with the SEC a registration statement on Form S-4 that includes a proxy statement/prospectus relating to the Proposed Transaction, which will be mailed to its stockholders once definitive. Legato II’s stockholders and other interested persons are advised to read the preliminary proxy statement/prospectus and the amendments thereto and the definitive proxy statement/prospectus and other documents filed in connection with the Proposed Transaction, as these materials will contain important information about Legato II, Southland and the Proposed Transaction. When available, these materials will be mailed to stockholders of Legato II as of a record date to be established for voting on the Proposed Transaction. Stockholders will also be able to obtain copies of the preliminary proxy statement, the definitive proxy statement and other documents filed with the SEC, without charge, once available, at the SEC’s website at www.sec.gov, or by directing a written request to Legato II at 777 Third Avenue, 37th Floor, New York, New York 10017.

Participants in the Solicitation for the Proposed Transaction

Legato II and its directors and executive officers may be deemed participants in the solicitation of proxies from Legato II’s stockholders with respect to the Proposed Transaction. A list of the names of those directors and executive officers and a description of their interests in Legato II is contained in Legato II’s filings with the SEC and are available free of charge at the SEC’s web site at www.sec.gov, or by directing a written request to Legato II at the address set forth above. Additional information regarding the interests of such participants will be contained in the proxy statement for the Proposed Transaction when available. Southland and its executive officers may also be deemed to be participants in the solicitation of proxies from the stockholders of Legato II in connection with the Proposed Transaction. A list of the names of such members and executive officers and information regarding their interests in the Proposed Transaction will be included in the proxy statement for the Proposed Transaction when available.

Important Disclosures (Cont.)

Forward-Looking Statements

This Presentation includes certain statements that are not historical facts but are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of revenue and other financial and performance metrics and projections of market opportunity and expectations. These statements are based on various assumptions and on the current expectations of Legato II, Southland and/or their management. Any projected revenue and EBITDA are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor or other person as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Legato II and/or Southland. These forward-looking statements are subject to a number of risks and uncertainties, including general economic, financial, legal, political and business conditions and changes in domestic markets; the potential effects and impact of the global COVID-19 pandemic; risks related to the business of Southland and the timing of expected business milestones; changes in the assumptions underlying the expectations of Southland regarding its future business; the effects of competition on Southland’ future business; the outcome of any legal proceedings that may be instituted against Legato II, Southland, the combined company or others following the announcement of the Proposed Transaction and any definitive agreements with respect thereto; the inability to complete the Proposed Transaction, including, without limitation, the inability obtain approval of the stockholders of Legato II or to satisfy other conditions to closing; the ability to meet stock exchange listing standards in connection with and following the consummation of the Proposed Transaction; the risk that the Proposed Transaction disrupts current plans and operations of Southland or Legato II as a result of the announcement and consummation of the Proposed Transaction; the ability to recognize the anticipated benefits of the Proposed Transaction, which may be affected by, among other things, competition, the ability of the combined company to grow and manage growth profitably, maintain relationships with customers and suppliers and retain its management and key employees; costs related to the Proposed Transaction; changes in applicable laws or regulations and delays in obtaining, adverse conditions contained in, or the inability to obtain regulatory approvals required to complete the Proposed Transaction; the parties’ estimates of expenses and profitability and underlying assumptions with respect to stockholder redemptions and purchase price and other adjustments; the possibility that the combined company may be adversely affected by other economic, business, and/or competitive factors; and other risks and uncertainties set forth in the filings made by Legato II with the SEC, including the proxy statement/prospectus relating to the Proposed Transaction. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks about which Southland and/or Legato II presently does not know or that Southland and/or Legato II currently believe are immaterial that could also cause actual results to differ materially from those contained in the forward-looking statements. In addition, forward-looking statements reflect Southland’ and Legato II’s expectations, plans or forecasts of future events and views as of the date of this Presentation. Southland and Legato II anticipate that subsequent events and developments may cause these assessments to change. However, while they may elect to update these forward-looking statements at some point in the future, each of Southland and Legato II specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing Southland’s and/or Legato II’s assessments as of any date subsequent to the date of this Presentation. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Speakers

LEGATO II



Brian Pratt
Chairman

LEGATO II



Gregory Monahan
Chief Executive Officer

SOUTHLAND



Frank Renda
Chief Executive Officer

SOUTHLAND



Cody Gallarda
Chief Financial Officer



About Southland



With roots dating back to 1900, Southland Holdings and its subsidiaries form **one of the largest infrastructure construction companies in North America**, with experience throughout the world. We have built transportation infrastructure that connects our nation, constructed water pipelines and built treatment facilities to carry water across vast regions, bored tunnels through some of the world's most challenging geology, and completed some of the nation's most iconic structural landmarks. We **build great things** that shape our landscape and foster reliable infrastructure for future generations. We do this with integrity, never compromising our ethics, and putting the safety and well being of our employees, and stakeholders, first.

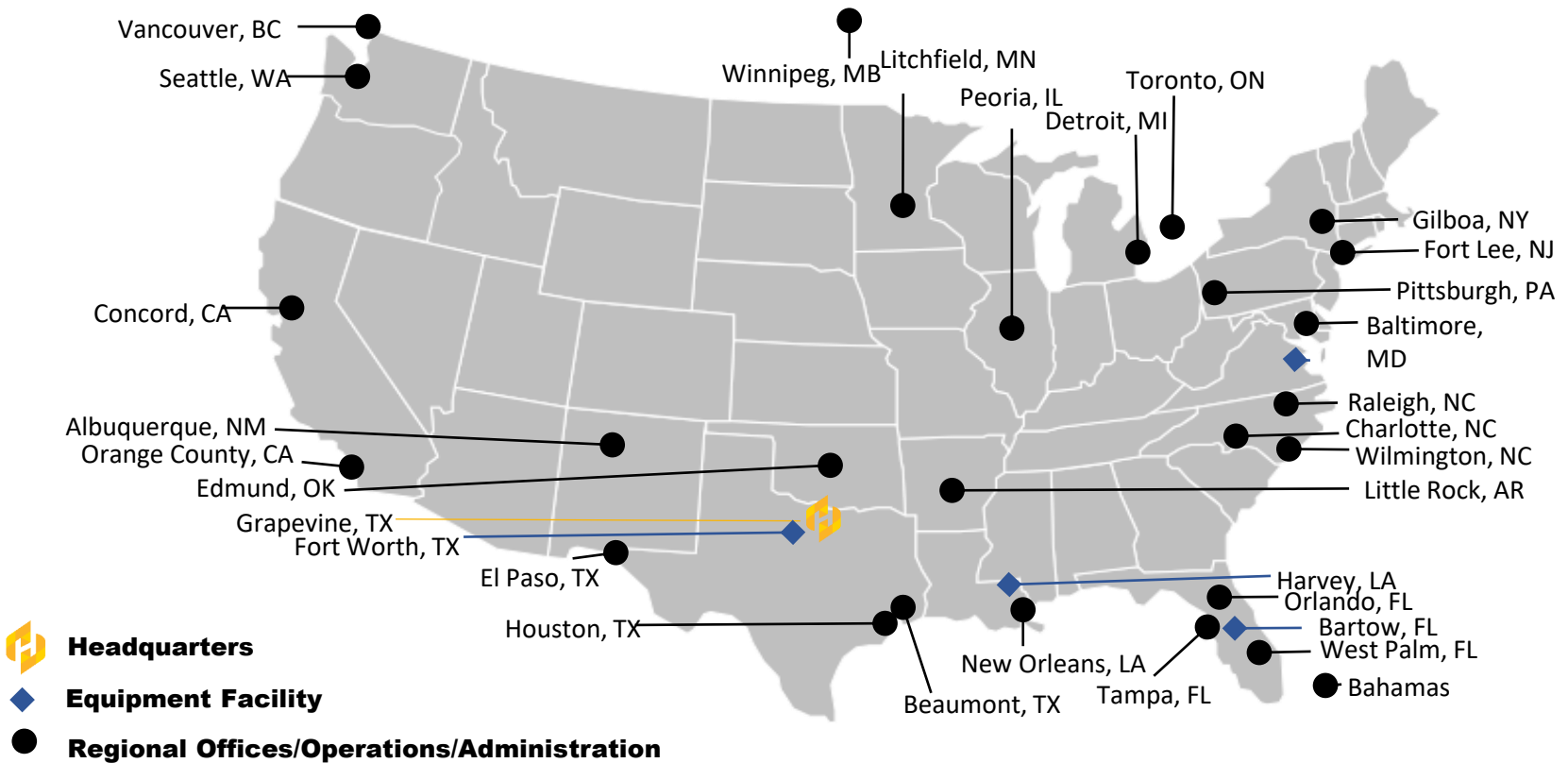
Today, Southland Holdings, LLC. is based in Grapevine, Texas. It is the parent company of Johnson Bros. Corporation, American Bridge Company, Oscar Renda Contracting, Southland Contracting, Mole Constructors, and Heritage Materials. With the combined capabilities of these six subsidiaries, Southland has become a **diversified industry leader**. The end markets our groups serve include bridges, tunneling, transportation and facilities, marine, steel structures, water and sewer treatment, and water pipelines.

The Southland Holdings family of companies are innovators in construction technology and means-and-methods engineering; bringing **unique solutions to challenging construction projects worldwide**.

Today, we are made up of employees who don't just have Southland on their résumé, but in their blood. We continue to build on the **hard work, dedication and success of generations before us with unwavering commitment, clarity, and continuity of purpose**.

\$2.4B BACKLOG **~2,700** EMPLOYEES ENR⁽¹⁾ RANKED **#19** DOMESTIC HEAVY CONTRACTORS

ENR RANKED **#3** IN WATER TRANSMISSION LINES ENR RANKED **#7** IN BRIDGES



(1) Engineering News-Record

Executive Team



Frank Renda

President & Chief Executive Officer

Frank Renda is responsible for identifying and establishing all necessary initiatives to achieve short-term and long-term corporate goals. Mr. Renda has nearly 30 years of experience across various disciplines within the construction industry and has spent the last 20 years as CEO of Southland.



Cody Gallarda

EVP & Chief Financial Officer

Cody has more than 15 years of experience in leading and developing finance, accounting, IT, and HR functions while overseeing various strategic initiatives. Prior to joining Southland, Cody spent over a decade with another large, publicly-traded E&C company. He is a CPA in Texas.



Tim Winn

EVP & Chief Operating Officer

Tim Winn has approximately 30 years of experience in technical infrastructure project execution. Tim has successfully integrated numerous strategic acquisitions to strengthen Southland Holdings operational capabilities.



Rudy Renda

EVP & Chief Operating Officer, Strategy & Special Projects

Rudy Renda oversees various plant and conveyance projects for Southland Holdings and has been instrumental in the company's completion of some of the most complex projects in the US. Rudy has nearly 30 years of construction experience.

Civil Segment

WATER PIPELINE

PUMP STATIONS

LIFT STATIONS

WATER & WASTEWATER TREATMENT
PLANTS

CONCRETE & STRUCTURAL STEEL

OUTFALL

TUNNELING

Constructed over 12 million linear feet of large diameter water pipeline

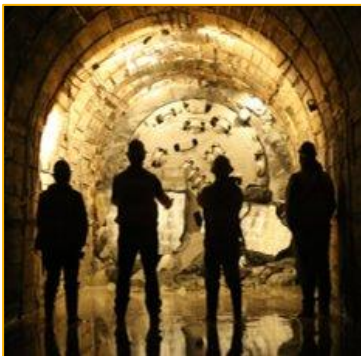
Bored over 1 million linear feet of tunnel

Currently constructing one of the largest hard rock tunnels in the US (38 ft diameter)

Built and expanded water/wastewater treatments plants and systems throughout the United States

Trusted and known for our safety and resourcefulness with large scale projects including complex systems integrations

Currently completing the largest wastewater outfall in Canada.



Transportation Segment

- BRIDGES
- ROADWAYS
- MARINE
- DREDGING
- SHIP TERMINALS / PIERS
- SPECIALITY STRUCTURES & FACILITIES

Iconic bridges and structures all around the world

Over 20,000+ bridges and structures worldwide

Diverse experience and capabilities in Suspension, Cable-Stayed, Precast, Moveable, Utility and Rail bridges

In-house construction engineering excellence

Constructed over 9,000 lane miles of highway in the United States

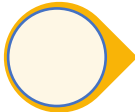


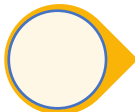

One of the largest civil marine fleets in the United States

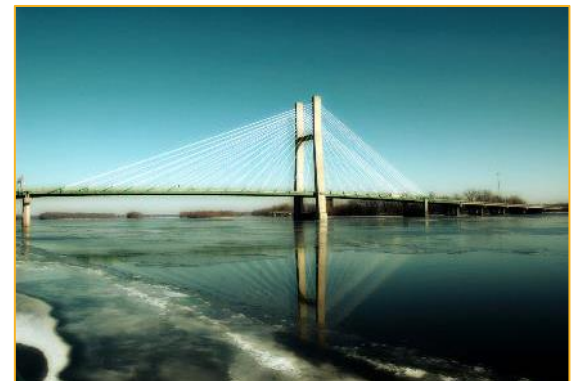
Recognized expertise in steel structures

Specialty structures includes some of the most recognizable convention centers, sports stadiums, ferris wheels in the United States



Competitive Advantages

-  **STRONG BALANCE SHEET & BONDING CAPACITY**
-  **SELF PERFORMING & TECHNICAL EXPERTS**
-  **WIDE BREADTH OF CAPABILITIES**
-  **GEOGRAPHY**
-  **SIGNIFICANTLY OWNED EQUIPMENT FLEET**



Equipment Overview

CRANES

SUPPORT EQUIPMENT
(EXCAVATORS/BACKHOES/LOADERS)

HEAVY DUTY TRUCKS

ASPHALT/CONCRETE

STORAGE

TUNNELING BORING SYSTEMS

Southland primarily purchases equipment, which enables the Company to expand margins by having equipment available when needed and lowers the overall cost of equipment vs. renting.

Southland's competitors, on the other hand, primarily rent equipment, losing out on the potential margin expansion Southland is capturing.

Southland's fleet consists of more than 3,500 active pieces of equipment with an estimated total fair market value of more than \$300M.⁽¹⁾

Much of Southland's equipment base can be used on projects across a range of services, which gives the Company the ability to shift its project mix without incurring extra costs.



(1) As of April 2021

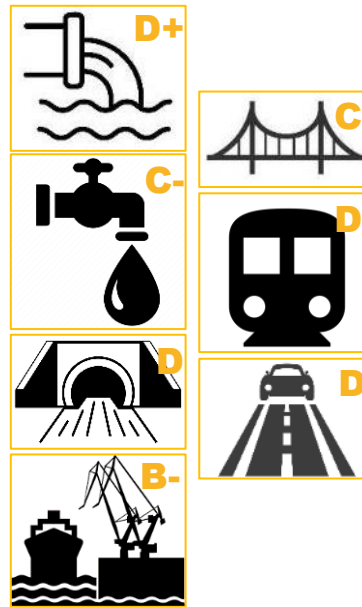
America's Infrastructure **C-**

Water Pipeline

Every two minutes, there is a water main break, and an estimated 6 billion gallons of treated water lost each day in the U.S. Nationwide, the drinking water and wastewater pipes in the ground are on avg 45 years old.

Facilities

Most of the nation's WWTPs are designed with an average lifespan of 40 to 50 years, so the systems that were constructed in the 1970s, around the passing of the Clean Water Act in 1972, are reaching the end of their service lives.



Bridges

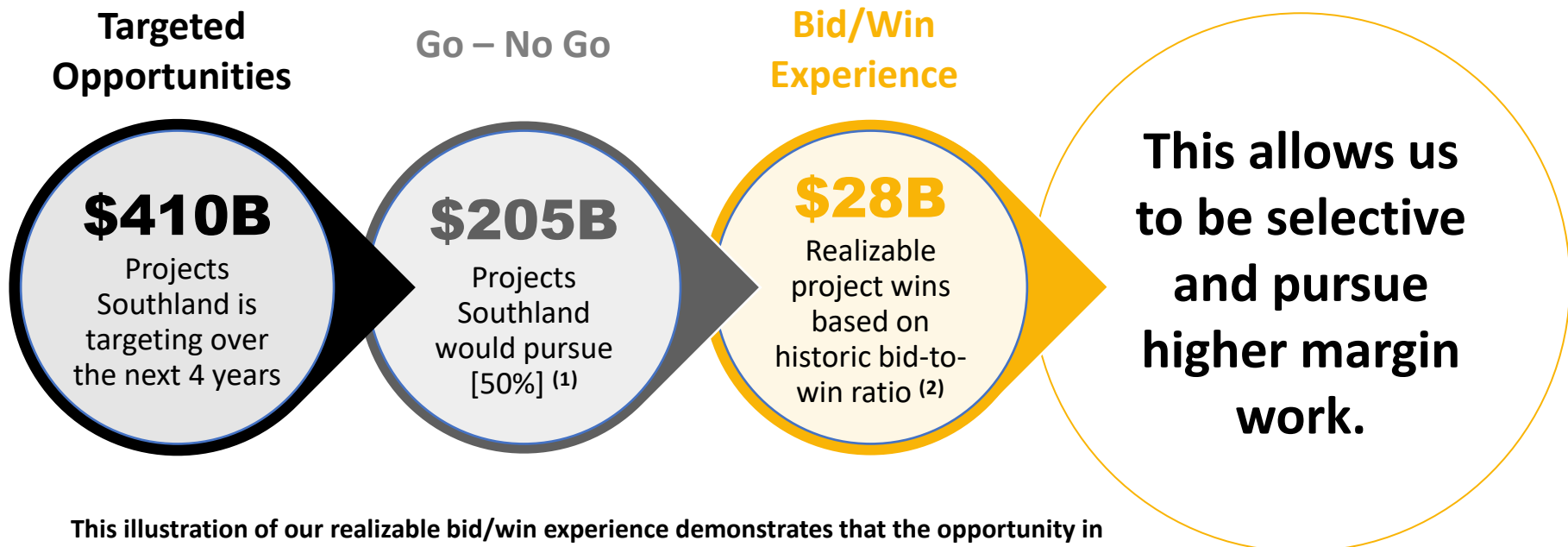
There are more than 617,000 bridges across the United States. Currently, 42% of all bridges are at least 50 years old, and 46,154, or 7.5% of the nation's bridges, are considered structurally deficient, meaning they are in "poor" condition.

Roadways

Growing wear and tear on our nation's roads have left 43% of our public roadways in poor or mediocre condition, a number that has remained stagnant over the past several years.

Targeted Opportunities

Between now and 2039, the ASCE report estimates that **nearly \$13 trillion** is needed across 11 infrastructure areas: highways, bridges, rail, transit, drinking water, stormwater, wastewater, electricity, airports, seaports and inland waterways. \$4.59 trillion of this investment is required by 2025.



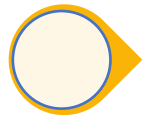
This illustration of our realizable bid/win experience demonstrates that the opportunity in front of us is well in excess of what Southland needs to support our current growth trajectory.

Source: Infrastructure Report Card provided by American Society of Civil Engineers

(1) Assumes go-no-go rate of 50%

(2) Assumes 13.7% bid-to-win ratio which is Southland Holdings' average for past 3 years (2019-2021)

Looking Ahead



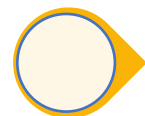
LARGEST AMOUNT OF NEW WORK OPPORTUNITY WE'VE SEEN IN RECENT HISTORY



NEW PROJECTS ACROSS ALL END MARKETS AND GEOGRAPHIES



SIGNIFICANT INCREASE IN PROJECTED FUTURE INFRASTRUCTURE SPEND



FEWER BIDDERS ON NEW WORK VS PRIOR YEARS



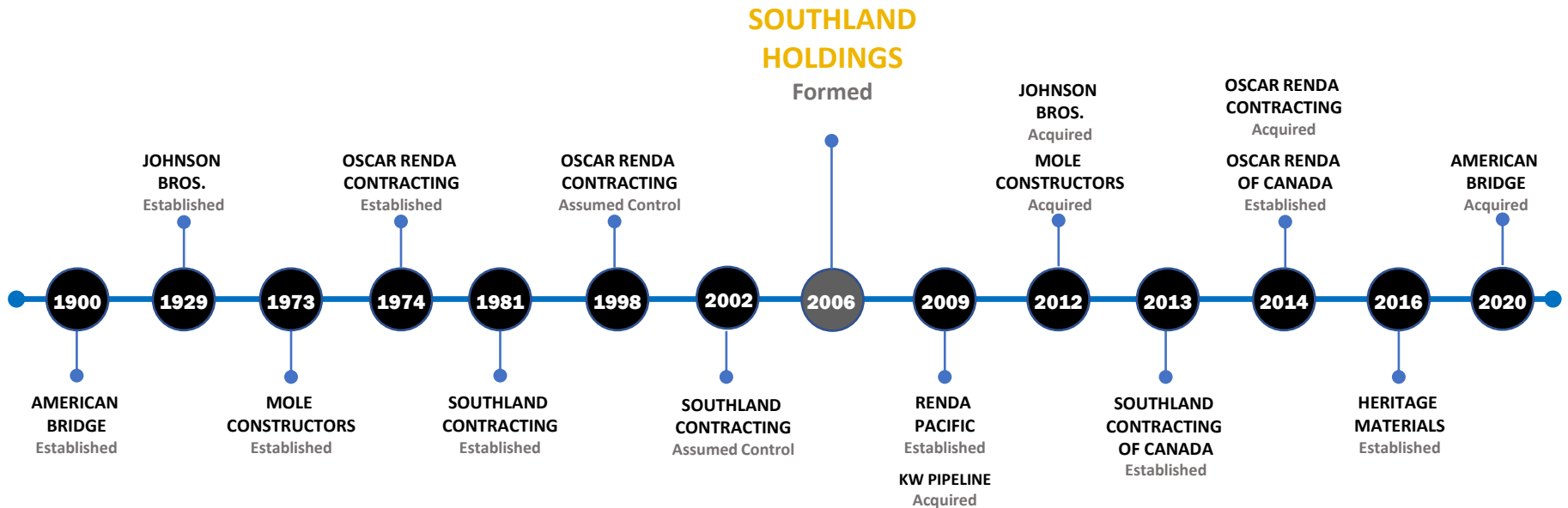
FEWER BIDDERS LENDS TO INCREASED BID MARGINS

Client Mix

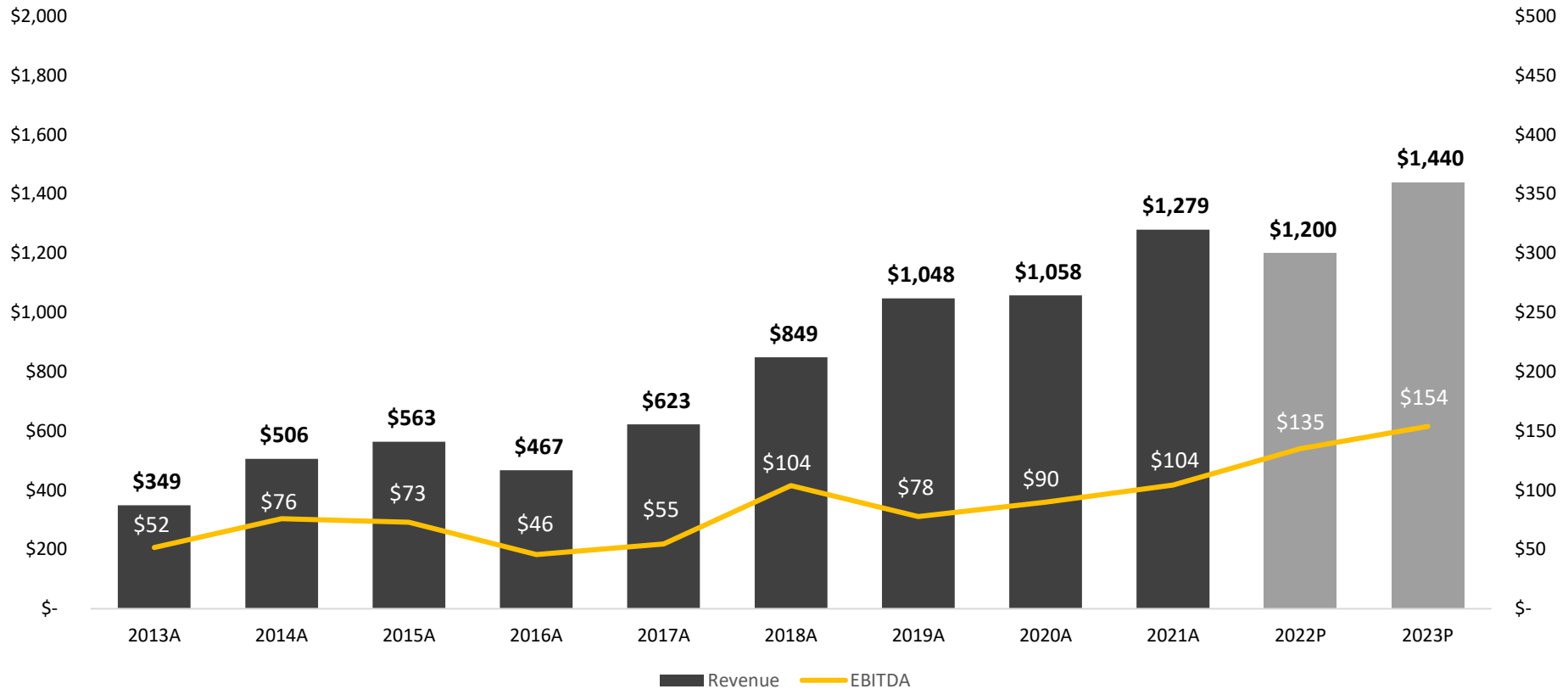
Southland Holdings has a diverse customer base with a significant amount of work coming from recurring customers.



Company Timeline

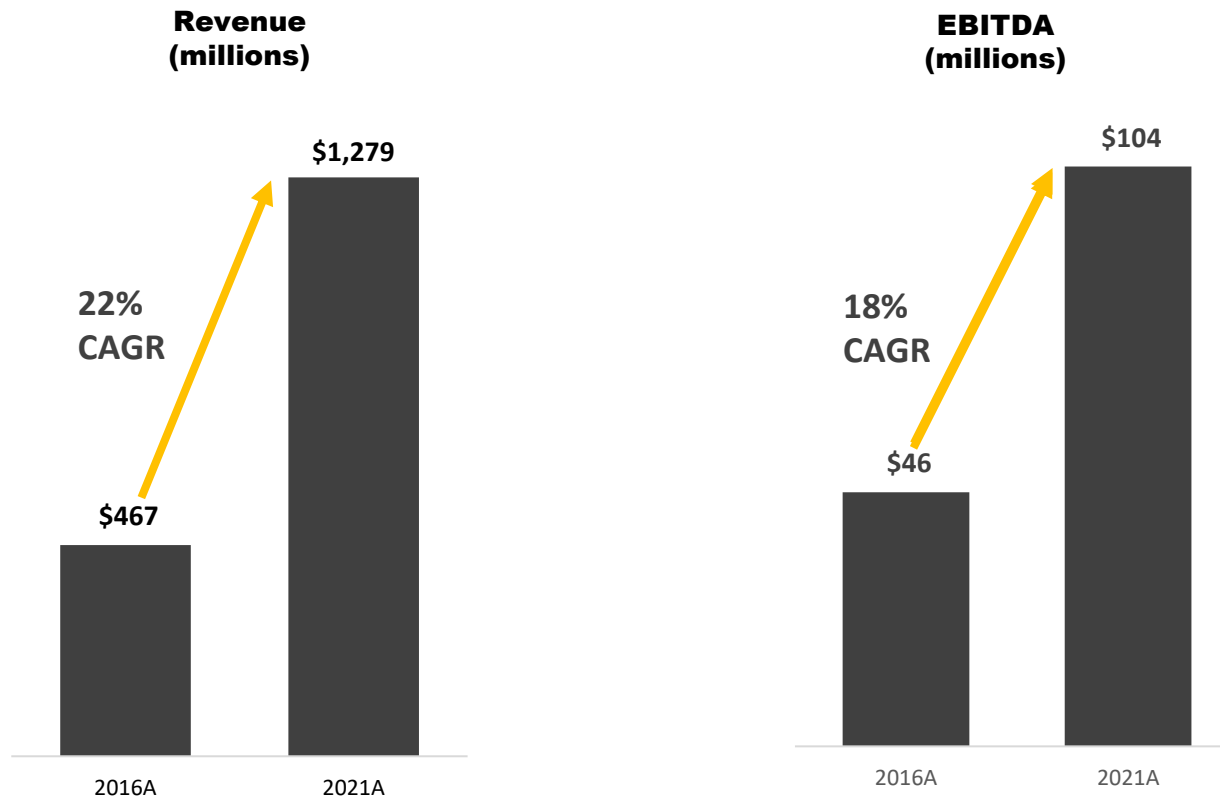


Financial Performance (\$ millions)



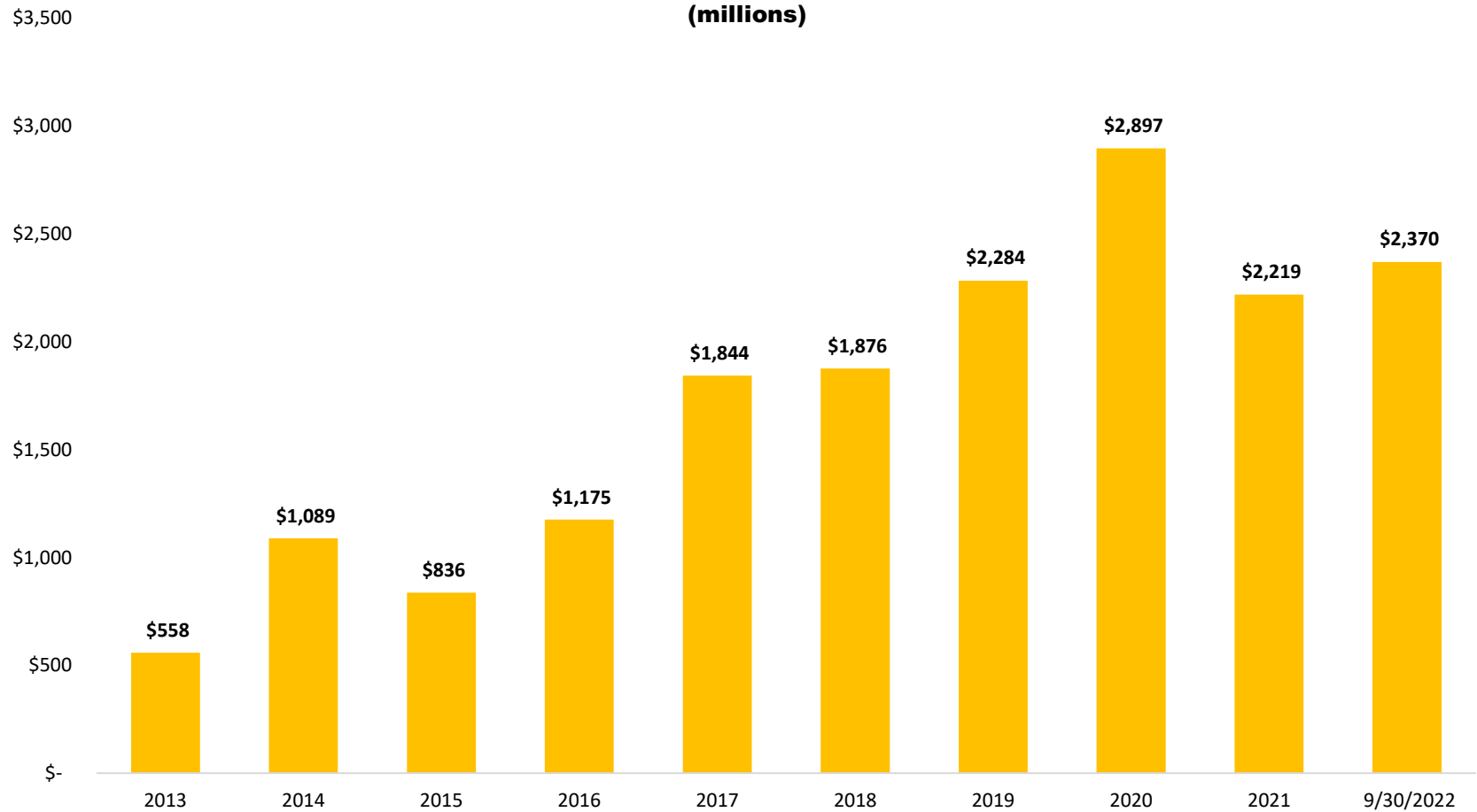
Note: The 2019-2021 annual financial statements were audited in accordance with PCAOB standards. Information on this page prior to 2019 was not audited in accordance with PCAOB standards. The company is not setting a precedent for future guidance. The company defines EBITDA as earnings before interest expense, interest expense, income taxes, depreciation, and amortization and it is a non-GAAP measure. For fiscal year ended 2022, EBITDA will be presented net of transaction expenses from the Merger with Legato II as defined in the merger agreement.

2016 – 2021 CAGR



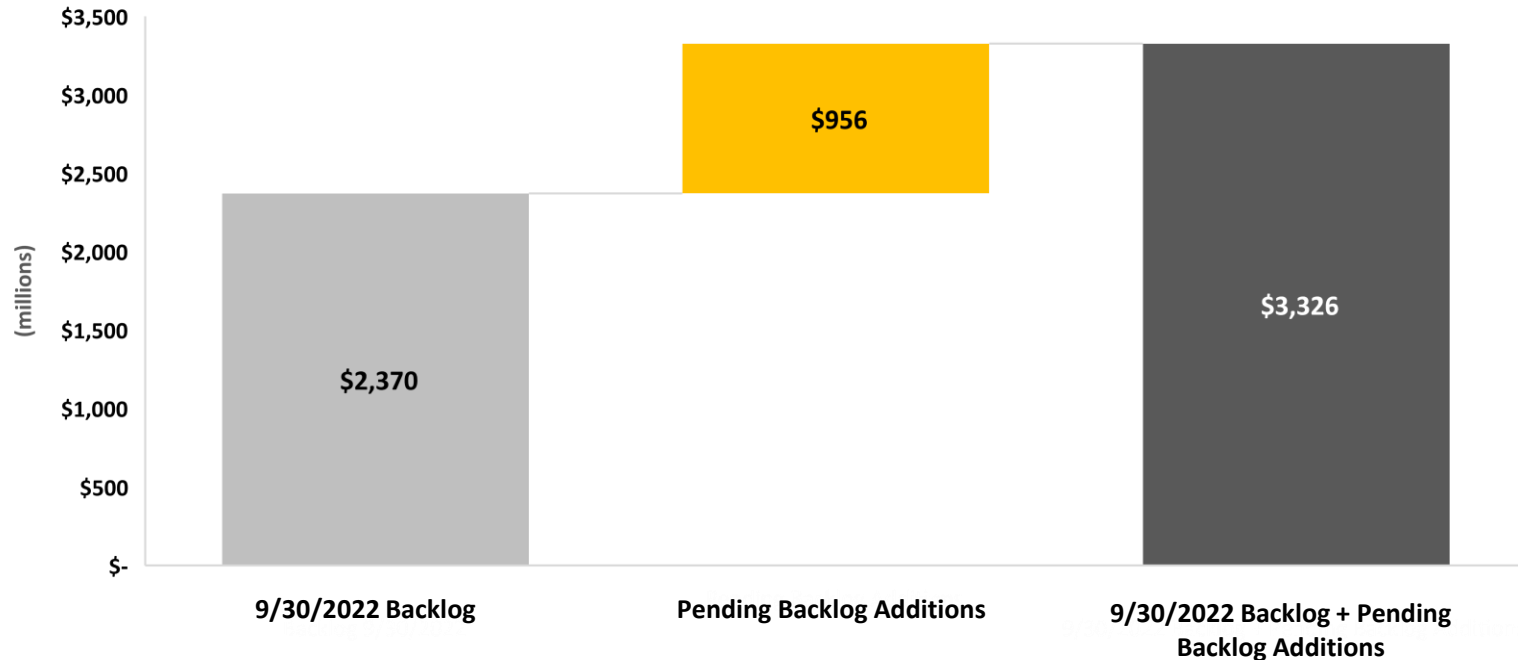
Note: The 2016 amounts on this page were not audited in accordance with PCAOB standards. The 2021 annual financial statements were audited in accordance with PCAOB standards. The company defines EBITDA as earnings before interest expense, income taxes, depreciation and amortization and it is a non-GAAP measure.

Backlog (millions)



Note: Information on this page prior to 2019 is not audited in accordance with PCAOB standards.

Backlog & New Awards



 **New Awards of \$1.6 billion YTD 2022, an increase of 154% compared with prior year**

Note: Backlog consists of amounts from contracts that are fully executed. Pending backlog additions includes projects the company was awarded or was apparent low bidder on after 9/30/2022. Pending backlog additions after 9/30/2022 are not included in 9/30/2022 backlog. The company is not setting a precedent for future announcements.

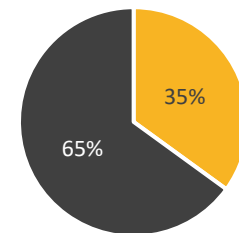
Segments

Revenue

(In thousands)	Year Ended		
	December 31, 2019	December 31, 2020	December 31, 2021
Civil	\$ 423,698	\$ 368,588	\$ 391,629
Transportation	623,978	689,348	887,557
Total revenue	\$ 1,047,676	\$ 1,057,936	\$ 1,279,186

Revenue 3 Year Average

- Civil
- Transportation

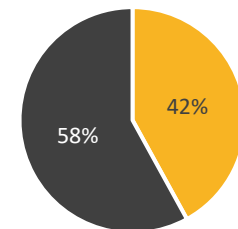


Gross Profit

(In thousands)	Year Ended		
	December 31, 2019	December 31, 2020	December 31, 2021
Civil	\$ 21,875	\$ 58,314	\$ 40,913
Transportation	58,629	35,086	73,275
Gross profit	\$ 80,504	\$ 93,400	\$ 114,188

Gross Profit 3 Year Average



- Civil
- Transportation



Note: The 2019-2021 annual financial statements were audited in accordance with PCAOB standards.

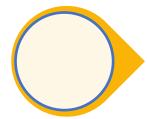
YOY Income Statements

(In thousands)	Nine Months Ended	
	September 30, 2021	September 30, 2022
Revenue	\$ 915,560	\$ 866,627
Cost of construction	840,950	761,549
Gross profit	74,610	105,078
Selling, general, and administrative expenses	42,021	43,395
Operating income	32,589	61,683
Gain on investments, net	752	(79)
Other expense (income), net	1,570	936
Interest expense	(5,321)	(6,317)
Earnings before income taxes	29,590	56,223
Income tax expense	2,215	13,745
Net income	27,375	42,478
Net income attributable to noncontrolling interests	3,489	1,474
Net income attributable to Southland Holdings	\$ 23,886	\$ 41,004
EBITDA	\$ 66,609	\$ 96,200

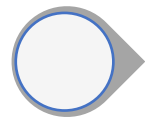
-  **Gross Profit Margin of 12% in first nine months vs. 8% same period in 2021**
-  **EBITDA increased 44% to \$96.2 million for the nine months vs. \$66.6 million in the same period in 2021**

Note: The quarterly financial statements are not audited in accordance with PCAOB, but have been reviewed by the company's external auditor. The company defines EBITDA as earnings before interest expense, interest expense, income taxes, depreciation, and amortization and it is a non-GAAP measure.

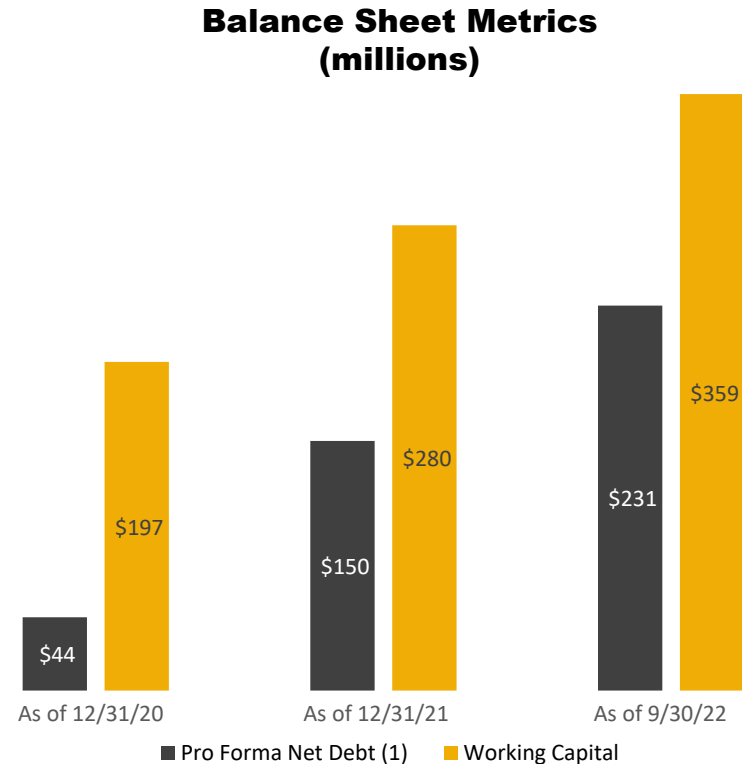
Historical Balance Sheet Metrics



70% of pro forma debt was fixed rate as of 9/30/2022



Weighted average interest rate on pro forma debt as of 12/31/20, 12/31/21, and 9/30/2022 was 3.20%, 2.96%, and 3.72% respectively.



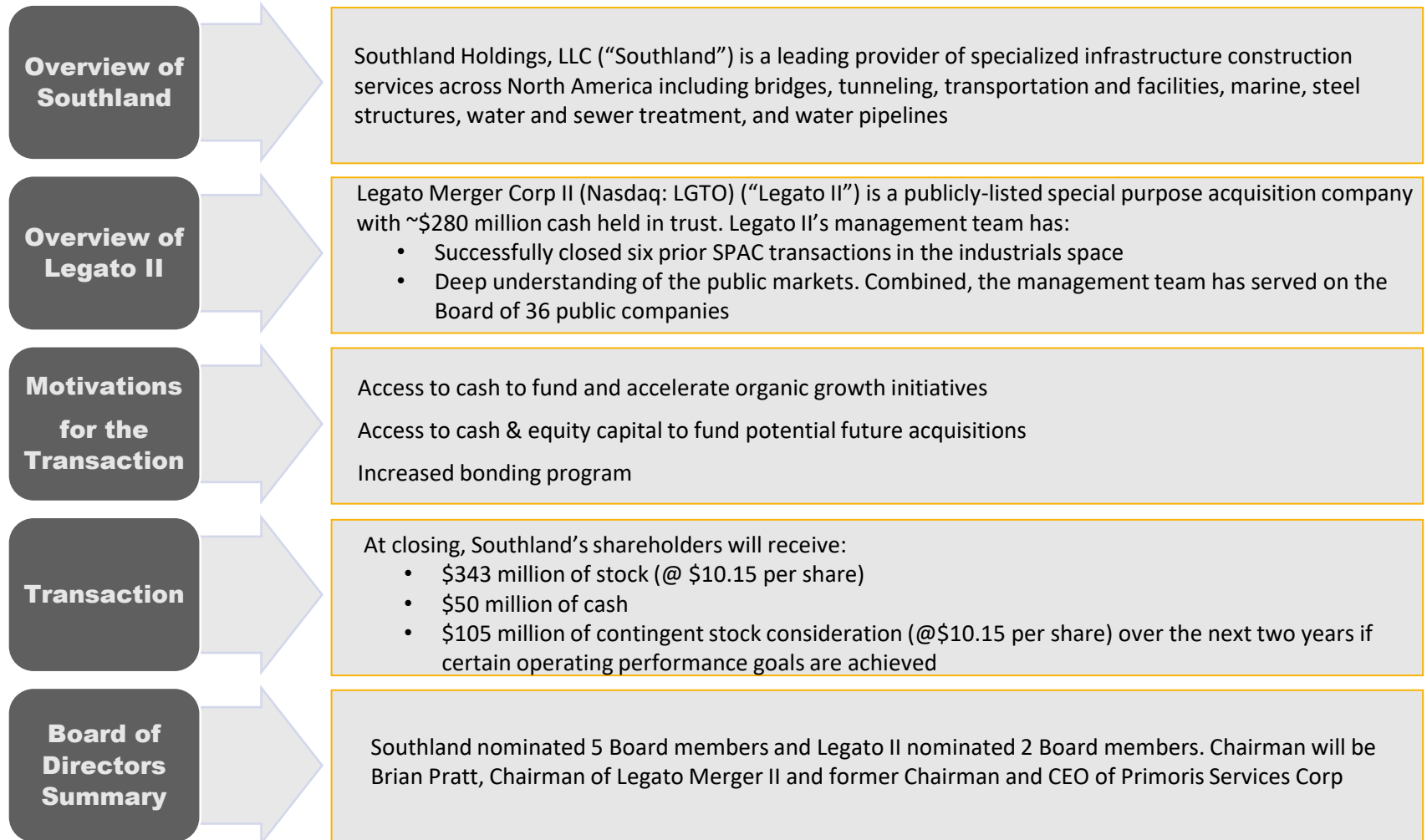
Note: 2019-2021 annual financial statements were audited in accordance with PCAOB standards. The quarterly financial statements were not audited in accordance with PCAOB, but have been reviewed by the company's external auditor.

(1) The company expects to convert its preferred stock to debt prior to closing of the deal. The pro forma net debt assumes the preferred stock was debt as of the balance sheet date



Transaction Summary

Transaction Summary



Key Investment Highlights

Top Tier Engineering & Construction Services Firm

Leading provider of specialized infrastructure construction services across North America including bridges, tunneling, transportation and facilities, marine, steel structures, water and sewer treatment, and water pipelines

Established track record of accretive acquisitions

Southland has a long-term track record of successfully acquiring businesses and successfully integrating them within its business

Diverse Set of Customers

Customers include federal, state, local and private organizations. A significant amount of work comes from recurring clients

Experienced Management Team

Southland's executive management team has significant experience building and operating E&C companies

Strong Industry Tailwinds

Over the next 17 years, the ACSE⁽¹⁾ estimates \$13 trillion of infrastructure spending across key categories (including highways, bridges, marine, etc.) is required with \$4.6 trillion required by 2025. In 2021, the US passed a \$1 trillion infrastructure bill

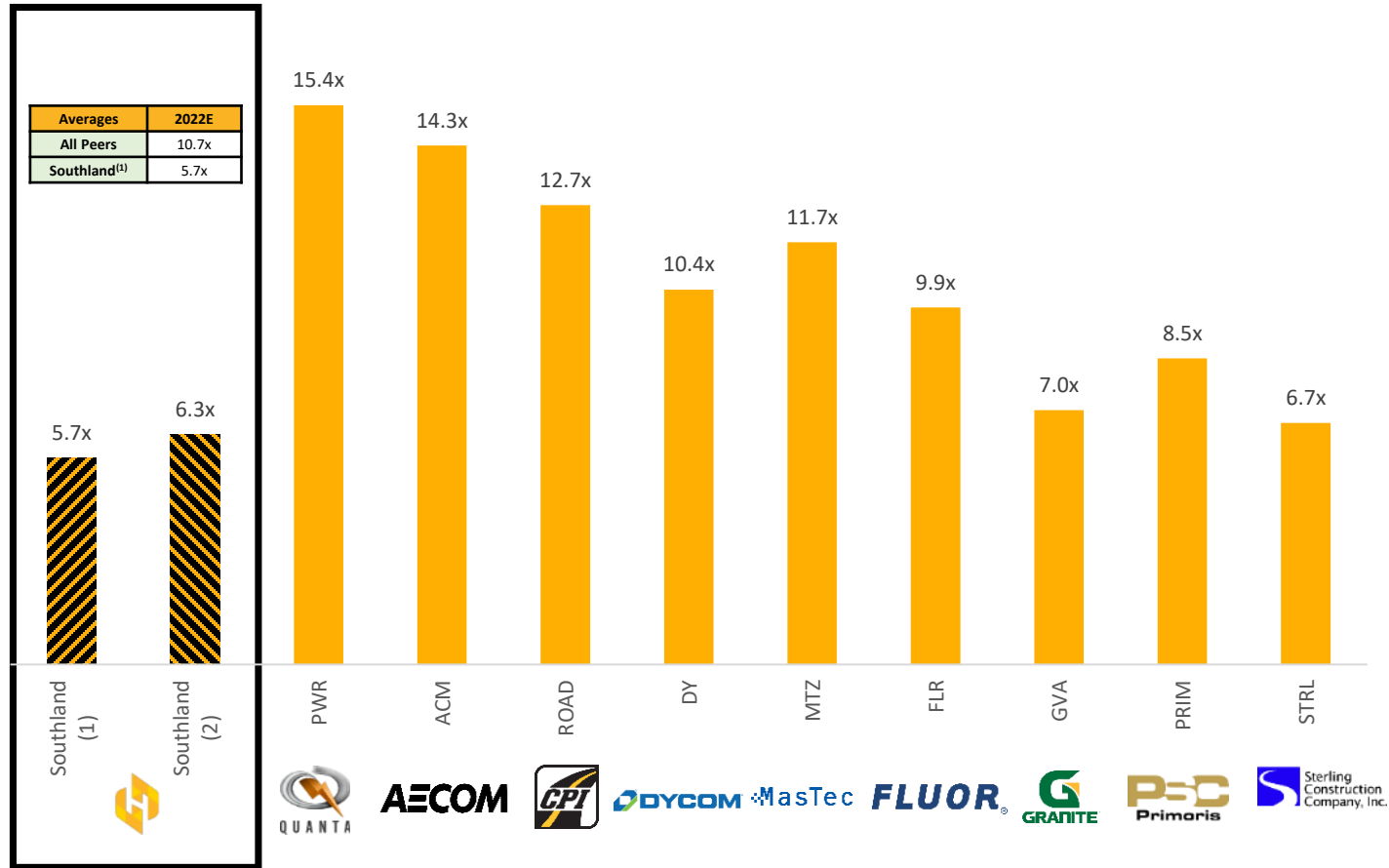
Attractive Valuation

Valued at an EBITDA multiple of 5.7x 2022 "Bonus"⁽³⁾ Adjusted EBITDA and 6.3x 2022 "Base"⁽⁴⁾ Adjusted EBITDA. This represents a discount of 47% and 41%, respectively compared to an average of its peers (10.7x)

(1) ACSE is the American Society of Civil Engineers, and the data that is cited above is from their latest report card on American Infrastructure
 (2) Source of Information: S&P Capital IQ. Market data as of December 2, 2022. Estimates based on consensus estimates
 (3) Assumes \$145 million of EBITDA while TEV includes 6.9mm "Base" (2022 and 2023) and 3.4mm "Bonus" (2022 and 2023) earnout shares. Refer to page 34 for further details.
 (4) Assumes \$125 million of EBITDA while TEV only includes 6.9mm "Base" (2022 and 2023) earnout shares. Refer to page 34 for further details.

2022E Valuation

2022 EV / EBITDA



Source: Company filings, S&P Capital IQ. Note: Market data as of December 2, 2022. Estimates based on consensus estimates. Refer to page 33 for additional details on transaction structure.

(1) Assumes \$145 million of EBITDA or above while TEV includes 6.9mm "Base" (2022 and 2023) and 3.4mm "Bonus" (2022 and 2023) earnout shares. Refer to page 34 for further details.

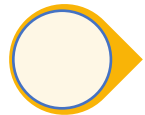
(2) Assumes \$125 million of EBITDA or above while TEV only includes 6.9mm "Base" (2022 and 2023) earnout shares. Refer to page 34 for further details.

(3) TPC was removed from 2022 calculations since it is trading at 31x 2022E EBITDA



Executive Summary

Summary



**CLOSE ALIGNMENT OF
MANAGEMENT AND SHAREHOLDER
INTERESTS**



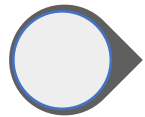
STRONG BALANCE SHEET



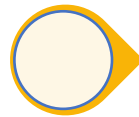
FINANCIAL PERFORMANCE



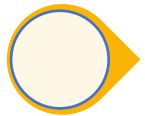
**INDUSTRY KNOWLEDGE AND
EXPERIENCE / COMPETITIVE
ADVANTAGE**



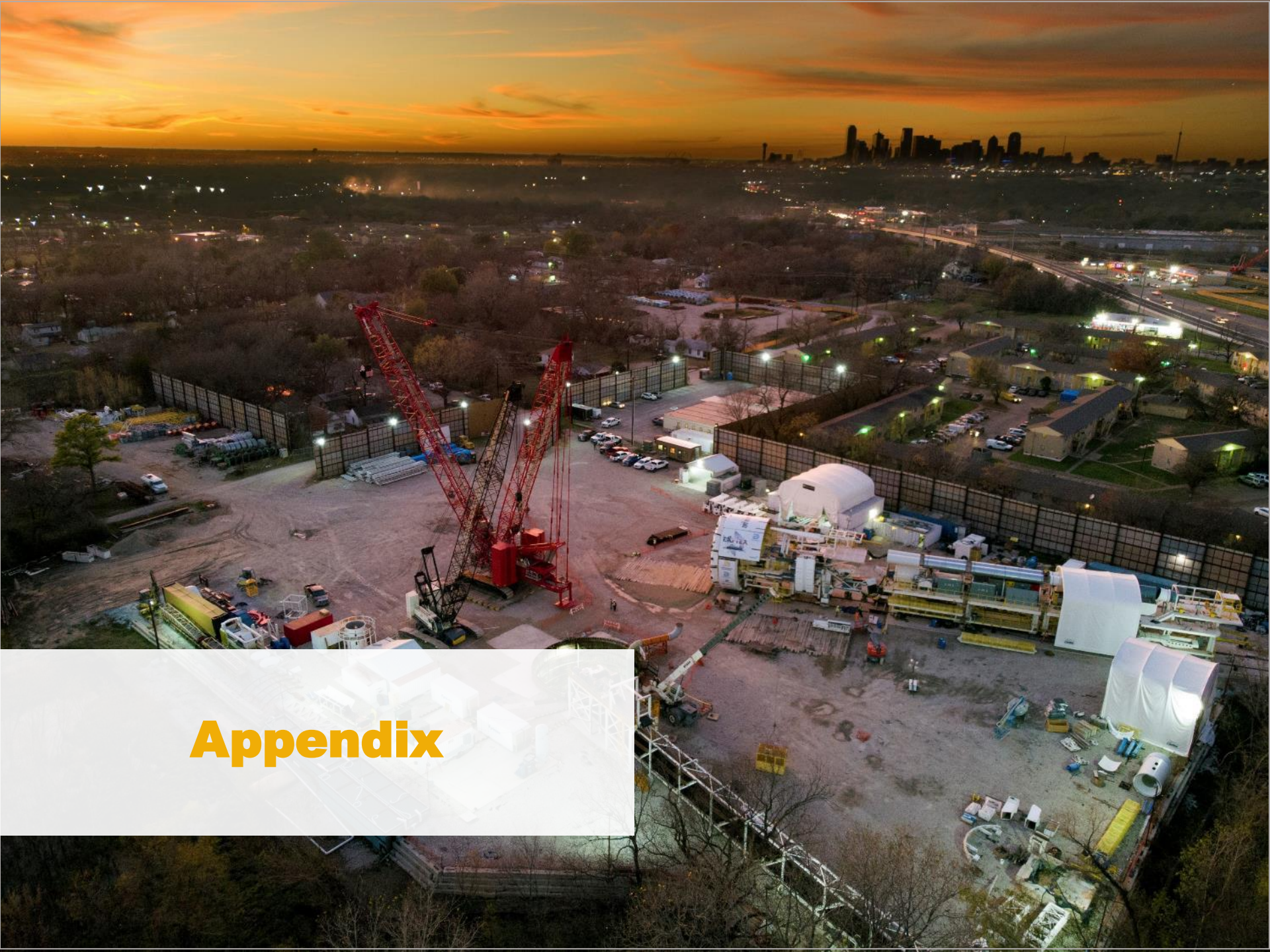
SOLID BACKLOG



**ATTRACTIVE VALUATION
COMPARED TO PEERS**



GROWING ROBUST MARKETS



Appendix

Transaction Overview

Estimated Sources & Uses (\$mm)

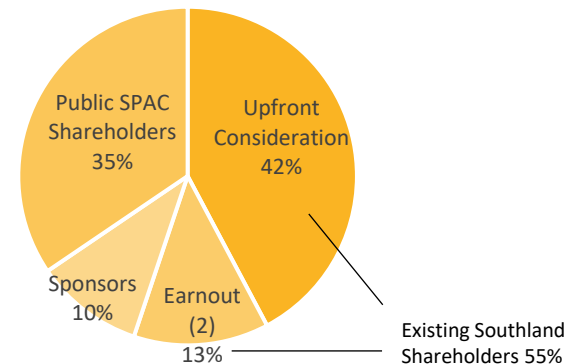
Sources:	
Upfront Equity Consideration to Southland Shareholders	\$343
Contingent Shares to Southland Shareholders ⁽²⁾	\$105
Estimated SPAC Cash in Trust ⁽¹⁾	\$280
Total Sources	\$728
Uses:	
Upfront Equity Consideration to Southland Shareholders	\$343
Contingent Shares to Southland Shareholders ⁽²⁾	\$105
Estimated Business Combination Fees & Expenses ⁽³⁾	\$10
Cash to Southland's Balance Sheet ⁽⁵⁾	\$220
Cash to Southland	\$50
Total Uses	\$728

Illustrative Pro Forma Ownership (mm shares)

Southland Shareholders (Upfront)	33.8
Southland Shareholders (Earnout) ⁽²⁾	10.3
Total Southland Shareholders	44.1
Sponsor Shareholders ⁽⁴⁾	8.3
Public Shareholders ⁽¹⁾	27.6
Total Shares Outstanding	80.0

Illustrative Pro Forma Valuation (\$mm, except per share)

Share Price:	\$10.15
Total Shares Outstanding ⁽⁶⁾	80.0
Equity Value	\$812
Less: Pro Forma Cash ⁽⁶⁾	(\$220)
Plus: Debt	\$231
Total Enterprise Value (TEV)	\$823



- (1) Cash in Trust and Pro Forma Ownership reflects 27.6m Public Shares issued during Legato II's IPO. Assumes no redemptions.
 (2) Transaction structure inclusive of full earn-out consideration based on the 2022 Bonus Adjusted EBITDA target of \$145mm & 2023 Bonus Adjusted EBITDA target of 165mm. See page 34 for further details
 (3) Estimated fees and expenses inclusive of all fees and expenses related to the business combination
 (4) Legato II insider ownership inclusive of 6.9m Founder Shares, 1.17m Private Shares and 0.24m Representative Shares.
 (5) Business combination cash to the balance sheet (assuming no redemptions)
 (6) Assumes no redemptions and full earnout is realized based on 2022 Bonus Adjusted EBITDA Earnout Target of \$145mm and 2023 Bonus Adjusted EBITDA Earnout Target of \$165mm

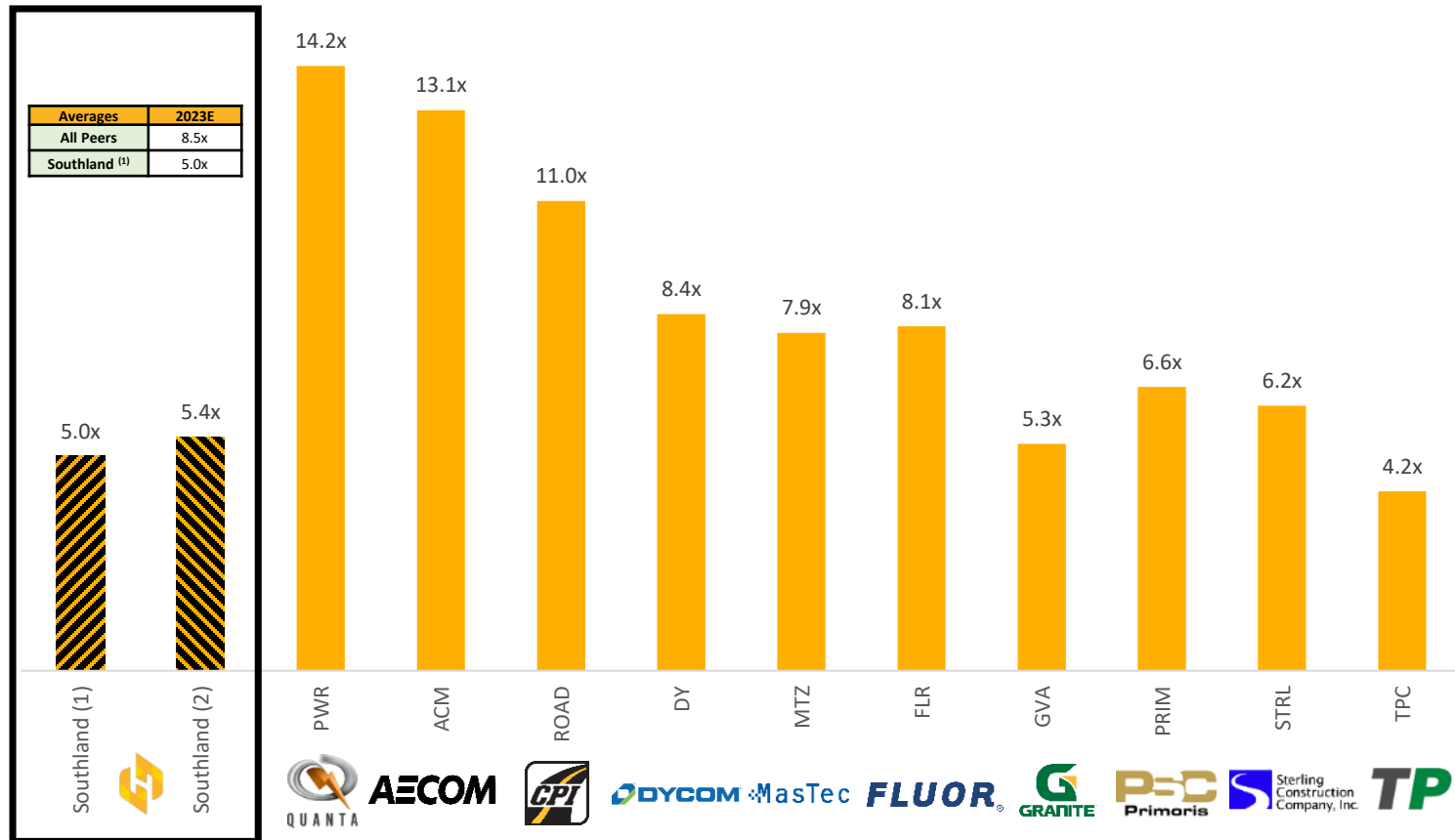
Note: All figures in USD. All shares valued at \$10.15/share. Analysis excludes warrants (Legato II has 13.8mm public warrants and 0.585mm private warrants outstanding, all exercisable at \$11.50/share). All balance sheet figures as of September 30, 2022

Contingent Consideration

	Size (Shares)	Structure	Rationale
2022 Earnings Based Incentive	3.45mm	Receive if 2022 Adjusted EBITDA is \$125 million or above (2022 “Base” Earnout)	<ul style="list-style-type: none"> Compensates Southland shareholders for delivering upon stated earnings targets in 2022 & 2023 “Bonus” Earnouts provide Southland shareholders with compensation for outperformance of “Base” targets in 2022 & 2023
	5.17mm	Receive if 2022 Adjusted EBITDA is \$145 million or above (2022 “Bonus” Earnout)	
2023 Earnings Based Incentive	3.45mm	Receive if 2023 Adjusted EBITDA is \$145 million or above (2023 “Base” Earnout)	<ul style="list-style-type: none"> Aligns Southland shareholders and public shareholders for the long-term upside and delivery of key initiatives
	5.17mm	Receive if 2023 Adjusted EBITDA is \$165 million or above (2023 “Bonus” Earnout)	

2023E Valuation

2023 EV / EBITDA



Source: Company filings, S&P Capital IQ. Note: Market data as of December 2, 2022. Estimates based on consensus estimates. Refer to page 33 for additional details on transaction structure.

(1) Assumes \$165 million of EBITDA or above while TEV includes 6.9mm "Base" (2022 and 2023) and 3.4mm "Bonus" (2022 and 2023) earnout shares. Refer to page 34 for further details.

(2) Assumes \$145 million of EBITDA or above while TEV only includes 6.9mm "Base" (2022 and 2023) earnout shares. Refer to page 34 for further details.

Annual Income Statements

(In thousands)	Year Ended		
	December 31, 2019	December 31, 2020	December 31, 2021
Revenue	\$ 1,047,676	\$ 1,057,936	\$ 1,279,186
Cost of construction	967,172	964,536	1,164,998
Gross profit	80,504	93,400	114,188
Selling, general, and administrative expenses	45,180	49,653	58,136
Operating income	35,324	43,747	56,052
Gain on investments, net	(4,500)	(2,068)	(898)
Other income, net	(2,005)	(1,839)	(2,780)
Interest expense	9,127	8,096	7,255
Earnings before income taxes	32,702	39,558	52,475
Income tax expense	2,278	9,406	10,945
Net income	30,424	30,152	41,530
Net income (loss) attributable to noncontrolling interests	(22)	(3,516)	2,810
Net income attributable to Southland Holdings	<u>\$ 30,446</u>	<u>\$ 33,668</u>	<u>\$ 38,720</u>

Note: The 2019-2021 annual financial statements were audited in accordance with PCAOB standards.

Annual Balance Sheets

(In thousands)	December 31, 2020	December 31, 2021
Cash and cash equivalents	\$ 30,889	\$ 63,342
Restricted cash	149,507	47,900
Accounts receivable, net	142,675	126,702
Retainage receivables	87,786	110,971
Contract assets	372,359	374,624
Other current assets	21,906	22,977
Total current assets	805,122	746,516
Property and equipment, net	182,756	156,031
Right-of-use assets	21,807	15,816
Investments - unconsolidated entities	96,373	103,610
Investments - limited liability companies	1,339	1,926
Investments - private equity	2,575	3,925
Goodwill	1,528	1,528
Intangible assets, net	5,014	3,215
Other noncurrent assets	4,123	3,186
Total noncurrent assets	315,515	289,237
Total assets	1,120,637	1,035,753

(In thousands)	December 31, 2020	December 31, 2021
Accounts payable	\$ 126,912	\$ 146,455
Retainage payable	21,905	32,706
Accrued liabilities	120,142	115,057
Current portion of long-term debt	35,652	41,333
Short-term lease liabilities	18,331	20,048
Contract liabilities	284,752	111,286
Total current liabilities	607,694	466,885
Long-term debt	162,685	195,597
Long-term lease liabilities	22,245	13,496
Deferred tax liabilities	6,234	5,962
Other noncurrent liabilities	59,148	51,462
Total long-term liabilities	250,312	266,517
Total liabilities	858,006	733,402
Noncontrolling interest	3,615	11,057
Members' capital	234,752	267,831
Preferred stock	26,000	24,400
Accumulated other comprehensive income	(1,736)	(937)
Total equity	262,631	302,351
Total liabilities and equity	\$ 1,120,637	\$ 1,035,753

Note: The 2020-2021 annual financial statements were audited in accordance with PCAOB standards.

Annual Statement of Cash Flows

(In thousands)	Year Ended		
	December 31, 2019	December 31, 2020	December 31, 2021
Cash flows from operating activities:			
Net income	\$ 30,424	\$ 30,152	\$ 41,530
Adjustments to reconcile net income to net cash used in operating activities			
Depreciation and amortization	35,872	39,370	47,468
Deferred taxes	(1,607)	476	(271)
Gain on sale of assets	(1,753)	(2,562)	(5,168)
Foreign currency remeasurement loss (gain)	-	(6)	136
Gain on trading securities, net	(4,589)	(2,354)	(1,145)
(Increase) decrease in accounts receivable	6,538	15,739	(7,412)
Increase in contract assets	(137,039)	(58,523)	(2,116)
Increase in prepaid expenses and other current assets	(5,737)	(10,016)	(765)
Increase (decrease) in ROU assets	(13,363)	(8,443)	5,990
Increase in accounts payable and accrued expenses	75,125	(752)	26,480
Decrease in contract liabilities	(30,473)	(59,945)	(188,654)
Increase (decrease) in lease liabilities	13,249	8,219	(5,974)
Other	11,230	(1,526)	(1,509)
Net cash used in operating activities	(22,123)	(50,171)	(91,410)
Cash flows from investing activities:			
Purchase of property and equipment	(55,438)	(30,995)	(18,797)
Proceeds from sale of property and equipment	7,180	7,232	11,251
Loss on investment in limited liability company	695	-	248
Purchase of interest in limited liability company	-	(534)	-
Purchase of trading securities	(8,936)	(743)	(391)
Proceeds from the sale of trading securities	42,319	4,645	175
Purchase of interest of other investments	-	-	(150)
Receipt of funds from sureties	-	231,893	-
Acquisitions, net of cash acquired	-	(5,038)	-
Capital contribution to investees	-	(10,643)	(835)
Net cash (used in) provided by investing activities	(14,180)	195,817	(8,499)

(In thousands)	Year Ended		
	December 31, 2019	December 31, 2020	December 31, 2021
Cash flows from financing activities:			
Borrowings on line of credit	75,736	57,000	67,000
Payments on line of credit	(69,886)	(77,000)	(82,000)
Borrowings on notes payable	185,894	34,370	206,172
Payments on notes payable	(84,022)	(51,185)	(153,587)
Payments of deferred financing costs	(700)	(45)	(260)
Advances to related parties	(7,411)	(836)	(734)
Payments from related parties	113	74	1,260
Other	-	150	-
Payments on capital lease	(5,515)	(4,124)	(4,716)
Capital contributions from noncontrolling members	1,725	-	926
Distributions	(18,239)	(6,169)	(2,620)
Preferred stock dividends	(1,593)	(188)	-
Net cash provided by (used in) financing activities	76,102	(47,953)	31,441
Effect of exchange rate on cash	(1,765)	968	(686)
Net (decrease) increase in cash and cash equivalents and restricted cash	38,034	98,661	(69,154)
Beginning of year	43,701	81,735	180,396
End of year	\$ 81,735	\$ 180,396	\$ 111,242

Supplemental cash flow information

Cash paid for income taxes	\$ 1,184	\$ 1,851	\$ 14,093
Cash paid for interest	\$ 9,485	\$ 8,580	\$ 7,519
Non-cash investing and financing activities:			
Lease assets obtained in exchange for new lease	\$ 9,958	\$ 35,333	\$ 16,051
Non-cash investing and financing activities:			
Lease assets obtained in exchange for new lease	\$ 9,958	\$ 35,333	\$ 16,051

Note: The 2019-2021 annual financial statements were audited in accordance with PCAOB standards.

YOY Income Statements

(In thousands)	Nine Months Ended	
	September 30, 2021	September 30, 2022
Revenue	\$ 915,560	\$ 866,627
Cost of construction	840,950	761,549
Gross profit	74,610	105,078
Selling, general, and administrative expenses	42,021	43,395
Operating income	32,589	61,683
Gain on investments, net	752	(79)
Other expense (income), net	1,570	936
Interest expense	(5,321)	(6,317)
Earnings before income taxes	29,590	56,223
Income tax expense	2,215	13,745
Net income	27,375	42,478
Net income attributable to noncontrolling interests	3,489	1,474
Net income attributable to Southland Holdings	\$ 23,886	\$ 41,004

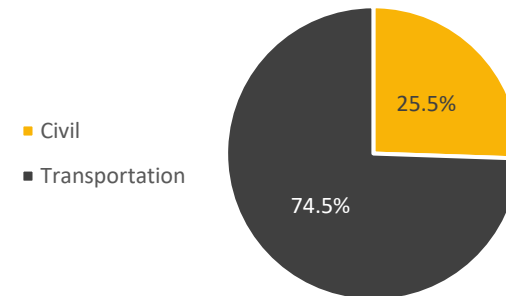
Note: The quarterly financial statements were not audited in accordance with PCAOB, but have been reviewed by the company's external auditor.

Segments

Revenue

Nine Month Ended				
(In thousands)	September 30, 2021		September 30, 2022	
Segment	Revenue	% of Total Revenue	Revenue	% of Total Revenue
Civil	\$ 293,282	32.0 %	\$ 221,303	25.5 %
Transportation	622,278	68.0 %	645,324	74.5 %
Total revenue	\$ 915,560	100.0 %	\$ 866,627	100.0 %

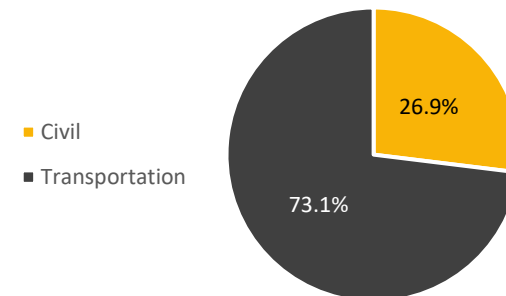
First Nine Month Revenue



Gross Profit

Nine Month Ended				
(In thousands)	September 30, 2021		September 30, 2022	
Segment	Gross Profit	Segment Revenue	Gross Profit	Segment Revenue
Civil	\$ 42,713	14.6 %	\$ 28,315	12.8 %
Transportation	31,897	5.1 %	76,763	11.9 %
Gross profit	\$ 74,610	8.1 %	\$ 105,078	12.1 %

First Nine Month Gross Profit



Note: The quarterly financial statements were not audited in accordance with PCAOB, but have been reviewed by the company's external auditor.

Balance Sheet

(In thousands)	As of September 30, 2022
Cash and cash equivalents	\$ 43,306
Restricted cash	14,218
Accounts receivable, net	148,125
Retainage receivables	116,122
Contract assets	447,549
Other current assets	23,976
Total current assets	793,296
Property and equipment, net	126,893
Right-of-use assets	14,636
Investments - unconsolidated entities	110,395
Investments - limited liability companies	2,590
Investments - private equity	3,345
Goodwill	1,528
Intangible assets, net	2,470
Other noncurrent assets	3,626
Total noncurrent assets	265,483
Total assets	1,058,779

(In thousands)	As of September 30, 2022
Accounts payable	\$ 132,806
Retainage payable	34,533
Accrued liabilities	124,371
Current portion of long-term debt	44,678
Short-term lease liabilities	16,444
Contract liabilities	81,930
Total current liabilities	434,762
Long-term debt	219,713
Long-term lease liabilities	9,750
Deferred tax liabilities	5,601
Other noncurrent liabilities	48,579
Total long-term liabilities	283,643
Total liabilities	718,405
Noncontrolling interest	10,155
Members' capital	308,422
Preferred stock	24,400
Accumulated other comprehensive income	(2,603)
Total equity	340,374
Total liabilities and equity	\$ 1,058,779

Note: The quarterly financial statements were not audited in accordance with PCAOB, but have been reviewed by the company's external auditor.

YOY Statement of Cash Flows

(Amounts in thousands)	Nine Months Ended	
	September 30, 2021	September 30, 2022
Cash flows from operating activities:		
Net income	\$ 27,375	\$ 42,478
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	35,251	35,163
Deferred taxes	(77)	(440)
Gain on sale of assets	(4,225)	(1,343)
Earnings from equity method investments	(5,439)	(7,346)
Foreign currency remeasurement loss (gain)	108	746
Gain on trading securities, net	(1,285)	(257)
(Increase) decrease in accounts receivable	(46,111)	(24,167)
Increase (decrease) in contract assets	25,677	(72,703)
Decrease in prepaid expenses and other current assets	5,839	(1,001)
Increase (decrease) in ROU assets	3,621	930
Increase (decrease) in accounts payable and accrued expenses	23,469	(6,997)
Decrease in contract liabilities	(126,297)	(29,591)
Increase in operating lease liabilities	(3,663)	(1,206)
Other	173	(5,202)
Net cash used in operating activities	(65,584)	(70,936)
Cash flows from investing activities:		
Purchase of fixed assets	(16,104)	(4,384)
Proceeds from sale of fixed assets	10,066	3,897
Loss on investment in limited liability company	248	336
Proceeds from the sale of trading securities	-	840
Purchase of interest of other investments	(150)	-
Capital contribution to investees	(835)	(1,000)
Net cash (used in) provided by investing activities	(6,775)	(311)

(Amounts in thousands)	Nine Months Ended	
	September 30, 2021	September 30, 2022
Cash flows from financing activities:		
Borrowings on line of credit	41,000	55,000
Payments on line of credit	(72,000)	-
Borrowings on notes payable	204,819	115
Payments on notes payable	(141,785)	(31,161)
Payments of deferred financing costs	412	-
Advances to related parties	(674)	(405)
Payments from related parties	1,225	-
Payments on capital lease	(3,585)	(6,298)
Capital contributions from noncontrolling members	926	-
Distributions	(573)	(1,556)
Preferred stock dividends	(97)	-
Net cash provided by (used in) financing activities	29,668	15,695
Effect of exchange rate on cash	(1,769)	1,834
Net (decrease) increase in cash and cash equivalents and restricted cash	(44,460)	(53,718)
Beginning of year	180,396	111,242
End of year	\$ 135,936	\$ 57,524

Supplemental cash flow information

Cash paid for income taxes	\$ 13,882	\$ 6,153
Cash paid for interest	\$ 5,538	\$ 6,464
Non-cash investing and financing activities:		
Lease assets obtained in exchange for new leases	\$ 10,296	\$ 12,537

Note: The quarterly financial statements are not audited in accordance with PCAOB, but have been reviewed by the company's external auditor.

Financial Performance

(In thousands)	2019A	2020A	2021A	2022P	2023P
Revenue	\$ 1,047,676	\$ 1,057,936	\$ 1,279,186	\$ 1,200,000	\$ 1,440,000
Cost of Construction	967,172	964,536	1,164,998	1,041,530	1,256,700
Gross Profit	80,504	93,400	114,188	158,470	183,300
SG&A	45,180	49,653	58,136	68,470	79,510
Operating Income	35,324	43,747	56,052	90,000	103,790
EBITDA ⁽¹⁾	\$ 77,723	\$ 89,070	\$ 104,341	\$ 135,000	\$ 153,790

Note: The company defines EBITDA as earnings before interest expense, interest expense, income taxes, depreciation, and amortization and it is a non-GAAP measure. The company is not setting a precedent for future guidance. The 2019-2021 annual financial statements were audited in accordance with PCAOB standards.

(1) For fiscal year ended 2022, EBITDA will be presented net of transaction expenses from the Merger with Legato II as defined in the merger agreement