

## Latina Modular Holding Limited and Subsidiary

# Consolidated Statement of Financial Position

As of September 30, 2019 and December 31, 2018

(In thousands of US dollars)

### Assets

	September 2019	December 2018
	Unaudited	Audited
Current assets:		
Cash	\$ 11	\$ 5
Other accounts receivable	3,065	3,455
Due from related parties	132	-
Prepaid expenses, net	12	499
Total current assets	<u>3,220</u>	<u>3,959</u>
Non-current assets:		
Modular rig and equipment, net	97,341	99,745
Deferred income taxes	580	65
Total non-current assets	<u>97,921</u>	<u>99,810</u>
Total assets	<u>\$ 101,141</u>	<u>\$ 103,769</u>

### Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 510
Due to related parties	15,173	15,468
Other accounts payable and accrued liabilities	688	762
Deferred income taxes	1	-
Total liabilities	<u>15,862</u>	<u>16,740</u>
Stockholders' equity:		
Capital stock	88,500	88,500
Deficit	(3,221)	(1,471)
Total stockholders' equity	<u>85,279</u>	<u>87,029</u>
Total stockholders' equity and liabilities	<u>\$ 101,141</u>	<u>\$ 103,769</u>

# Latina Modular Holding Limited and Subsidiary

## Consolidated Statements of Operations

For the nine months ended September, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	September 2019	December 2018
	Unaudited	Audited
Continuing operations:		
Operating leases revenues	\$ 4,565	\$ 5,971
Operating cost	188	700
Depreciation of assets under operating leases	<u>6,751</u>	<u>8,538</u>
Gross loss	(2,374)	(3,267)
Interest income	(96)	(152)
Exchange (gain) loss, net	<u>(19)</u>	<u>20</u>
Loss before income taxes	(2,259)	(3,135)
Income taxes	<u>(509)</u>	<u>(2,008)</u>
Consolidated net result	<u>\$ (1,750)</u>	<u>\$ (1,127)</u>

# Latina Modular Holding Limited and Subsidiary

## Consolidated Statement of Cash Flows

For the nine months ended September, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	September 2019	December 2018
	Unaudited	Audited
Cash flows from operating activities:		
Consolidated net profit	\$ (1,750)	\$ (1,127)
Adjustments for:		
Depreciation	6,751	8,538
Interest gain	(96)	(152)
Exchange (gain) loss	(19)	20
Deferred income tax benefit	(514)	(2,010)
	<u>4,372</u>	<u>5,269</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	(132)	-
Other accounts receivable	391	(115)
Prepaid expenses	487	(409)
Increase (decrease) in:		
Trade accounts payable	(510)	499
Due to related parties	(295)	(1,118)
Income tax	5	2
Other accounts payable and accrued liabilities	(61)	205
Net cash flows by operating activities	<u>4,257</u>	<u>4,333</u>
Cash flows from investing activities:		
Purchase of equipment	(4,347)	(4,493)
Net cash flows in investing activities	<u>(4,347)</u>	<u>(4,493)</u>
Cash flows from financing activities:		
Interest paid	96	152
Net cash flows by financing activities	<u>96</u>	<u>152</u>
Net change in cash	6	(8)
Cash at the beginning of the year	5	13
Cash at end of the year	<u>\$ 11</u>	<u>\$ 5</u>