

Latina Modular 01 Limited

Statement of Financial Position

As of September 30, 2020 and December 31, 2019

(In thousands of US dollars)

Assets

	September 2020 Unaudited	December 2019 Audited
Current assets:		
Cash	\$ 3	\$ 2
Due from related parties	1,336	-
Other accounts receivable	1,780	2,731
Prepaid expenses, net	5	20
Total current assets	<u>3,124</u>	<u>2,753</u>
Non-current assets:		
Modular rig and equipment, net	86,100	93,090
Deferred income taxes	-	3,319
Total non-current assets	<u>86,100</u>	<u>96,409</u>
Total assets	<u>\$ 89,224</u>	<u>\$ 99,162</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 5,956	\$ 12,224
Other accounts payable and accrued liabilities	722	1,074
Total liabilities	<u>6,678</u>	<u>13,298</u>
Non-current liabilities:		
Deferred income taxes	518	-
Total liabilities	<u>7,196</u>	<u>13,298</u>
Stockholders' equity:		
Capital stock	88,768	88,768
Deficit	(6,740)	(2,904)
Total stockholders' equity	<u>82,028</u>	<u>85,864</u>
Total stockholders' equity and liabilities	<u>\$ 89,224</u>	<u>\$ 99,162</u>

Latina Modular 01 Limited

Statements of Operations

For the nine months ended September 30, 2020 and for the year end December 31, 2019

(In thousands of US dollars)

	September 2020 Unaudited	December 2019 Audited
Continuing operations:		
Operating lease revenues	\$ 7,662	\$ 7,233
Operating cost	28	173
Depreciation of assets under operating leases	7,767	11,781
Loss profit	<u>(133)</u>	<u>(4,721)</u>
Interest income, net	\$ (128)	\$ (97)
Exchange loss (gain), net	<u>(6)</u>	<u>(18)</u>
Gross (loss) before income taxes	1	(4,606)
Deferred income tax	<u>3,837</u>	<u>(3,255)</u>
Net result	\$ <u><u>(3,836)</u></u>	\$ <u><u>(1,351)</u></u>

Latina Modular 01 Limited

Statements of Cash Flows

For the nine months ended September 30, 2020 and for the year end December 31, 2019
(In thousands of US dollars)

	September 2020	December 2019
	Unaudited	Audited
Cash flows from operating activities:		
Net result	\$ (3,836)	\$ (1,351)
Adjustments for:		
Depreciation	7,767	11,781
Interest expenses (income)	(128)	(97)
Exchange (gain) loss	(6)	(18)
Deferred income tax benefit	3,837	(3,255)
	<u>7,634</u>	<u>7,060</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(1,336)	-
Other accounts receivable	951	70
Prepaid expenses	15	479
Increase (decrease) in:		
Trade accounts payable	-	(510)
Due to related parties	(6,268)	(3,067)
Other accounts payables and accrued liabilities	(346)	732
Net cash flows by operating activities	<u>650</u>	<u>4,764</u>
Cash flows from investing activities:		
Purchase of equipment	(777)	(5,129)
Net cash flows in investing activities	<u>(777)</u>	<u>(5,129)</u>
Cash flows from financing activities:		
Capital increase	-	268
Interest gain (paid)	128	97
Net cash flows by financing activities	<u>128</u>	<u>365</u>
Net change in cash	1	(0)
Cash at the beginning of the year	<u>2</u>	<u>2</u>
Cash at end of the year	<u>\$ 3</u>	<u>\$ 2</u>