

Latina Modular 01 Limited

Statement of Financial Position

As of December 31, 2019 and 2020

(In thousands of US dollars)

Assets

	December 2020 Unaudited	December 2019 Audited
Current assets:		
Cash	\$ 3	\$ 2
Other accounts receivable	1,774	2,731
Prepaid expenses, net	20	20
Total current assets	<u>1,797</u>	<u>2,753</u>
Non-current assets:		
Modular rig and equipment, net	83,509	93,090
Deferred income taxes	2,863	3,319
Total non-current assets	<u>86,372</u>	<u>96,409</u>
Total assets	<u>\$ 88,169</u>	<u>\$ 99,162</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 2,686	\$ 12,224
Trade accounts payable	20	-
Other accounts payable and accrued liabilities	984	1,074
Total liabilities	<u>3,690</u>	<u>13,298</u>
Stockholders' equity:		
Capital stock	88,768	88,768
Deficit	(4,289)	(2,904)
Total stockholders' equity	<u>84,479</u>	<u>85,864</u>
Total stockholders' equity and liabilities	<u>\$ 88,169</u>	<u>\$ 99,162</u>

Latina Modular 01 Limited
Statements of Operations

For the years ended December 31, 2019 and 2020
(In thousands of US dollars)

	December 2020 Unaudited	December 2019 Audited
Continuing operations:		
Operating lease revenues	\$ 9,318	\$ 7,233
Operating cost	37	173
Depreciation of assets under operating leases	10,357	11,781
Loss profit	<u>(1,076)</u>	<u>(4,721)</u>
Interest income, net	\$ (142)	\$ (97)
Exchange gain, net	<u>(5)</u>	<u>(18)</u>
Loss before income taxes	(929)	(4,606)
Deferred income tax	<u>456</u>	<u>(3,255)</u>
Net result	<u>\$ (1,385)</u>	<u>\$ (1,351)</u>

Latina Modular 01 Limited

Statements of Cash Flows

For the years ended December 31, 2019 and 2020
(In thousands of US dollars)

	December 2020	December 2019
	Unaudited	Audited
Cash flows from operating activities:		
Net result	\$ (1,385)	\$ (1,351)
Adjustments for:		
Depreciation	10,357	11,781
Interest income	(142)	(97)
Exchange gain	(5)	(18)
Deferred income tax benefit	456	(3,255)
	<u>9,281</u>	<u>7,060</u>
Changes in working capital:		
(Increase) decrease in:		
Other accounts receivable	957	70
Prepaid expenses	-	479
Increase (decrease) in:		
Trade accounts payable	20	(510)
Due to related parties	(9,538)	(3,067)
Other accounts payables and accrued liabilities	(84)	732
Net cash flows by operating activities	<u>636</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	142	97
Net cash flows by financing activities	<u>142</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>