

Latina Modular 01 Limited

Statement of Financial Position

As of September 30, 2021 and December 31, 2020

(In thousands of US dollars)

Assets

	September 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash	\$ 7	\$ 3
Due from related parties	3,241	-
Other accounts receivable	226	1,774
Prepaid expenses, net	5	20
Total current assets	<u>3,479</u>	<u>1,797</u>
Non-current assets:		
Modular rig and equipment, net	76,505	83,509
Deferred income taxes	4,313	2,863
Total non-current assets	<u>80,818</u>	<u>86,372</u>
Total assets	<u>\$ 84,297</u>	<u>\$ 88,169</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 819	\$ 2,686
Trade accounts payable	-	20
Other accounts payable and accrued liabilities	166	984
Total liabilities	<u>985</u>	<u>3,690</u>
Stockholders' equity:		
Capital stock	88,768	88,768
Deficit	(5,456)	(4,289)
Total stockholders' equity	<u>83,312</u>	<u>84,479</u>
Total stockholders' equity and liabilities	<u>\$ 84,297</u>	<u>\$ 88,169</u>

Latina Modular 01 Limited

Statements of Operations

For the nine months ended September 30, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	September 2021 Unaudited	December 2020 Audited
Continuing operations:		
Operating lease revenues	\$ 4,914	\$ 9,318
Operating cost	20	37
Depreciation of assets under operating leases	7,634	10,357
Loss profit	<u>(2,740)</u>	<u>(1,076)</u>
Interest income, net	\$ (122)	\$ (142)
Exchange loss (gain), net	0	(5)
Loss before income taxes	<u>(2,618)</u>	<u>(929)</u>
Deferred income tax	<u>(1,451)</u>	<u>456</u>
Net result	<u>\$ (1,167)</u>	<u>\$ (1,385)</u>

Latina Modular 01 Limited

Statements of Cash Flows

For the nine months ended September 30, 2021 and for the year end December 31, 2020
(In thousands of US dollars)

	September 2021	December 2020
	Unaudited	Audited
Cash flows from operating activities:		
Net result	\$ (1,167)	\$ (1,385)
Adjustments for:		
Depreciation	7,634	10,357
Interest income	(122)	(142)
Exchange (gain) loss	0	(5)
Deferred income tax benefit	(1,451)	456
	<u>4,894</u>	<u>9,281</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(3,241)	-
Other accounts receivable	1,548	957
Prepaid expenses	15	-
Increase (decrease) in:		
Trade accounts payable	(20)	20
Due to related parties	(1,867)	(9,538)
Other accounts payables and accrued liabilities	(818)	(84)
Net cash flows by operating activities	<u>511</u>	<u>636</u>
Cash flows from investing activities:		
Purchase of equipment	(629)	(777)
Net cash flows in investing activities	<u>(629)</u>	<u>(777)</u>
Cash flows from financing activities:		
Interest gain	122	142
Net cash flows by financing activities	<u>122</u>	<u>142</u>
Net change in cash	4	1
Cash at the beginning of the year	3	2
Cash at end of the year	<u>\$ 7</u>	<u>\$ 3</u>