

Latina Modular Holding Limited and Subsidiary

Consolidated 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	\$ 10	\$ 6
Due from related parties	3,241	-
Other accounts receivable	391	2,098
Prepaid expenses, net	10	41
Total current assets	<u>3,652</u>	<u>2,145</u>
Non-current assets:		
Modular rig and equipment, net	76,505	83,509
Deferred income taxes	4,312	2,862
Total non-current assets	<u>80,817</u>	<u>86,371</u>
Total assets	<u>\$ 84,469</u>	<u>\$ 88,516</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 1,136	\$ 3,028
Trade accounts payable	-	41
Other accounts payable and accrued liabilities	183	1,148
Total liabilities	<u>1,319</u>	<u>4,217</u>
Stockholders' equity:		
Capital stock	88,500	88,500
Deficit	<u>(5,350)</u>	<u>(4,201)</u>
Total stockholders' equity	<u>83,150</u>	<u>84,299</u>
Total stockholders' equity and liabilities	<u>\$ 84,469</u>	<u>\$ 88,516</u>

Latina Modular Holding Limited and Subsidiary

Consolidated 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	December 2020
	Unaudited	Audited
Continuing operations:		
Operating leases revenues	\$ 4,914	\$ 9,318
Operating cost	40	95
Depreciation of assets under operating leases	7,634	10,357
Loss profit	<u>(2,760)</u>	<u>(1,134)</u>
Interest income	(171)	(204)
Exchange gain, net	(0)	(5)
Loss before income taxes	<u>(2,589)</u>	<u>(925)</u>
Deferred income tax	<u>(1,440)</u>	<u>457</u>
Consolidated net result	<u>\$ (1,149)</u>	<u>\$ (1,382)</u>

Latina Modular Holding Limited and Subsidiary

Consolidated Statement 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:		
Consolidated net profit	\$ (1,149)	\$ (1,382)
Adjustments for:		
Depreciation	7,634	10,357
Interest gain	(171)	(204)
Exchange (gain) loss	(0)	(5)
Deferred income tax benefit	(1,451)	457
	<u>4,863</u>	<u>9,223</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(3,241)	-
Other accounts receivable	1,707	1,092
Prepaid expenses	30	(1)
Increase (decrease) in:		
Trade accounts payable	(41)	41
Due to related parties	(1,893)	(9,538)
Income tax	11	(0)
Other accounts payable and accrued liabilities	(974)	(242)
Net cash flows by operating activities	<u>462</u>	<u>575</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 paid	171	204
Net cash flows by financing activities	<u>171</u>	<u>204</u>
Net change in cash	4	2
Cash at the beginning of the year	6	4
Cash at end of the year	<u>\$ 10</u>	<u>\$ 6</u>