

Latina Modular 01 Limited

Statement of Financial Position

As of March 31, 2022 and December 31, 2021

(In thousands of US dollars)

Assets

	March 2022 Unaudited	December 2021 Audited
Current assets:		
Cash	\$ 4	\$ 7
Due from related parties	6,425	5,006
Other accounts receivable	228	258
Prepaid expenses, net	16	21
Total current assets	<u>6,673</u>	<u>5,292</u>
Non-current assets:		
Modular rig and equipment, net	71,486	73,992
Deferred income taxes	6,174	5,346
Total non-current assets	<u>77,660</u>	<u>79,338</u>
Total assets	<u>\$ 84,333</u>	<u>\$ 84,630</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 2,180	\$ 832
Trade accounts payable	-	21
Other accounts payable and accrued liabilities	399	418
Total liabilities	<u>2,579</u>	<u>1,271</u>
Stockholders' equity:		
Capital stock	88,768	88,768
Deficit	(7,014)	(5,409)
Total stockholders' equity	<u>81,754</u>	<u>83,359</u>
Total stockholders' equity and liabilities	<u>\$ 84,333</u>	<u>\$ 84,630</u>

Latina Modular 01 Limited

Statements of Operations

For the three months ended March, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	March 2022 Unaudited	December 2021 Audited
Continuing operations:		
Operating lease revenues	\$ -	\$ 6,426
Operating cost	7	29
Depreciation of assets under operating leases	2,507	10,155
Loss profit	<u>(2,514)</u>	<u>(3,758)</u>
Interest income, net	\$ (80)	\$ (155)
Exchange loss (gain), net	<u>(0)</u>	<u>0</u>
Loss before income taxes	(2,434)	(3,603)
Deferred income tax	<u>(828)</u>	<u>(2,483)</u>
Net result	<u>\$ (1,606)</u>	<u>\$ (1,120)</u>

Latina Modular 01 Limited

Statements of Cash Flows

For the three months ended March, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	March 2022	December 2021
	Unaudited	Audited
Cash flows from operating activities:		
Net result	\$ (1,606)	\$ (1,120)
Adjustments for:		
Depreciation	2,507	10,155
Interest income	(80)	(155)
Exchange (gain) loss	(0)	0
Deferred income tax benefit	(828)	(2,483)
	<u>(7)</u>	<u>6,397</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(1,419)	(5,006)
Other accounts receivable	30	1,517
Prepaid expenses	5	(1)
Increase (decrease) in:		
Trade accounts payable	(21)	1
Due to related parties	1,348	(1,854)
Other accounts payables and accrued liabilities	(18)	(567)
Net cash flows by operating activities	<u>(82)</u>	<u>487</u>
Cash flows from investing activities:		
Interest gain collected	80	155
Purchase of equipment	(1)	(638)
Net cash flows in investing activities	<u>79</u>	<u>(483)</u>
Net change in cash	(3)	4
Cash at the beginning of the year	<u>7</u>	<u>3</u>
Cash at end of the year	<u>\$ 4</u>	<u>\$ 7</u>