

Latina Modular Holding Limited and Subsidiary

Consolidated Statement of Financial Position

As of March 31, 2022 and December 31, 2021

(In thousands of US dollars)

Assets

	March 2022	December 2021
	Unaudited	Audited
Current assets:		
Cash	\$ 8	\$ 10
Due from related parties	6,425	5,006
Other accounts receivable	403	434
Prepaid expenses, net	32	43
Total current assets	<u>6,868</u>	<u>5,493</u>
Non-current assets:		
Modular rig and equipment, net	71,486	73,992
Deferred income taxes	6,175	5,348
Total non-current assets	<u>77,661</u>	<u>79,340</u>
Total assets	<u>\$ 84,529</u>	<u>\$ 84,833</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 2,567	\$ 1,212
Trade accounts payable	-	43
Other accounts payable and accrued liabilities	411	428
Total liabilities	<u>2,978</u>	<u>1,683</u>
Stockholders' equity:		
Capital stock	88,500	88,500
Deficit	<u>(6,949)</u>	<u>(5,350)</u>
Total stockholders' equity	<u>81,551</u>	<u>83,150</u>
Total stockholders' equity and liabilities	<u>\$ 84,529</u>	<u>\$ 84,833</u>

Latina Modular Holding Limited and Subsidiary

Consolidated 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	December 2021
	Unaudited	Audited
Continuing operations:		
Operating leases revenues	\$ -	\$ 6,426
Operating cost	14	57
Depreciation of assets under operating leases	2,507	10,155
Loss profit	<u>(2,521)</u>	<u>(3,786)</u>
Interest income	(96)	(151)
Exchange gain, net	2	0
Loss before income taxes	<u>(2,427)</u>	<u>(3,635)</u>
Deferred income tax	<u>(825)</u>	<u>(2,486)</u>
Consolidated net result	<u>\$ (1,602)</u>	<u>\$ (1,149)</u>

Latina Modular Holding Limited and Subsidiary

Consolidated Statement 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:		
Consolidated net profit	\$ (1,602)	\$ (1,149)
Adjustments for:		
Depreciation	2,507	10,155
Interest gain	(96)	(220)
Exchange (gain) loss	2	-
Deferred income tax benefit	(825)	(2,487)
	<u>(14)</u>	<u>6,299</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(1,419)	(5,006)
Other accounts receivable	31	1,665
Prepaid expenses	11	(2)
Increase (decrease) in:		
Trade accounts payable	(43)	2
Due to related parties	1,355	(1,816)
Income tax	-	-
Other accounts payable and accrued liabilities	(18)	(720)
Net cash flows by operating activities	<u>(97)</u>	<u>422</u>
Cash flows from investing activities:		
Purchase of equipment	(1)	(638)
Net cash flows in investing activities	<u>(1)</u>	<u>(638)</u>
Cash flows from financing activities:		
Interest paid	96	220
Net cash flows by financing activities	<u>96</u>	<u>220</u>
Net change in cash	(2)	4
Cash at the beginning of the year	10	6
Cash at end of the year	<u>\$ 8</u>	<u>\$ 10</u>