

Latina Modular 01 Limited

Statement of Financial Position

As of June 30, 2023 and December 31, 2022

(In thousands of US dollars)

Assets

	June 2023 Unaudited	December 2022 Audited
Current assets:		
Cash	\$ 4	\$ 5
Due from related parties	4,742	4,626
Other accounts receivable	204	304
Prepaid expenses, net	11	23
Total current assets	<u>4,961</u>	<u>4,958</u>
Non-current assets:		
Modular rig and equipment, net	42,493	57,046
Deferred income taxes	19,668	11,928
Total non-current assets	<u>62,161</u>	<u>68,974</u>
Total assets	<u>\$ 67,122</u>	<u>\$ 73,932</u>

Liabilities and Partners' equity

Current liabilities:		
Due to related parties	\$ 882	\$ 874
Trade accounts payable	-	23
Other accounts payable and accrued liabilities	339	422
Total liabilities	<u>1,221</u>	<u>1,319</u>
Partners' equity:		
Capital stock	88,768	88,768
Accumulated deficit	(22,867)	(16,155)
Total partners' equity	<u>65,901</u>	<u>72,613</u>
Total partners' equity and liabilities	<u>\$ 67,122</u>	<u>\$ 73,932</u>

Latina Modular 01 Limited

Statements of Operations

For the six months ended June, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	June 2023 Unaudited	December 2022 Audited
Continuing operations:		
Operating cost	\$ 15	\$ 29
Depreciation of assets under operating leases	3,854	10,088
Impairment loss	10,700	7,488
Gross loss	<u>(14,569)</u>	<u>(17,605)</u>
Interest income, net	\$ (118)	\$ (290)
Exchange loss, net	1	13
Loss before income taxes	<u>(14,452)</u>	<u>(17,328)</u>
Deferred income tax benefit	<u>(7,740)</u>	<u>(6,582)</u>
Net loss	<u><u>\$ (6,712)</u></u>	<u><u>\$ (10,746)</u></u>

Latina Modular 01 Limited

Statements of Cash Flows

For the six months ended June, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	June 2023	December 2022
	Unaudited	Audited
Cash flows from operating activities:		
Net loss	\$ (6,712)	\$ (10,746)
Adjustments for:		
Depreciation	3,854	10,088
Impairment loss	10,700	7,488
Interest income	(118)	(290)
Exchange loss	1	13
Deferred income tax benefit	(7,740)	(6,582)
	<u>(15)</u>	<u>(29)</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(116)	380
Other accounts receivable	100	(46)
Prepaid expenses	11	(2)
Increase (decrease) in:		
Trade accounts payable	(23)	2
Due to related parties	9	42
Other accounts payables and accrued liabilities	(85)	(9)
Net cash flows by operating activities	<u>(119)</u>	<u>338</u>
Cash flows from investing activities:		
Interest income	118	290
Purchase of equipment	(0)	(630)
Net cash flows in investing activities	<u>118</u>	<u>(340)</u>
Net change in cash	(1)	(2)
Cash at the beginning of the year	5	7
Cash at end of the year	<u>\$ 4</u>	<u>\$ 5</u>