

Latina Modular Holding Limited and Subsidiary

Consolidated Statement of Financial Position

As of September 30, 2023 and December 31, 2022

(In thousands of US dollars)

Assets

	September 2023	December 2022
	Unaudited	Audited
Current assets:		
Cash	\$ 7	\$ 8
Due from related parties	4,865	4,626
Other accounts receivable	398	494
Prepaid expenses, net	17	46
Total current assets	<u>5,287</u>	<u>5,174</u>
Non-current assets:		
Modular rig and equipment	41,066	57,046
Deferred income taxes	21,895	11,934
Total non-current assets	<u>62,961</u>	<u>68,980</u>
Total assets	<u>\$ 68,248</u>	<u>\$ 74,154</u>

Liabilities and Partners' equity

Current liabilities:		
Due to related parties	\$ 1,313	\$ 1,313
Trade accounts payable	-	46
Other accounts payable and accrued liabilities	396	441
Total liabilities	<u>1,709</u>	<u>1,800</u>
Partners' equity:		
Capital stock	88,500	88,500
Accumulated deficit	(21,961)	(16,146)
Total partners' equity	<u>66,539</u>	<u>72,354</u>
Total liabilities and Partners' equity	<u>\$ 68,248</u>	<u>\$ 74,154</u>

Latina Modular Holding Limited and Subsidiary

Consolidated Statements of Operations

For the nine months ended September, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	September 2023	December 2022
	Unaudited	Audited
Continuing operations:		
Revenue from operating lease	\$ 61	\$ -
Operating cost	52	58
Depreciation of assets under operating leases	5,280	10,088
Impairment loss	10,700	7,488
Gross loss	<u>(15,971)</u>	<u>(17,634)</u>
Other expenses, net	-	89
Interest income	(209)	(354)
Exchange loss, net	1	13
Loss before income taxes	<u>(15,763)</u>	<u>(17,382)</u>
Deferred income tax benefit	<u>(9,948)</u>	<u>(6,586)</u>
Consolidated loss for the year	<u>\$ (5,815)</u>	<u>\$ (10,796)</u>

Latina Modular Holding Limited and Subsidiary

Consolidated Statement of Cash Flows

For the nine months ended September, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	September 2023	December 2022
	Unaudited	Audited
Cash flows from operating activities:		
Consolidated loss for the year	\$ (5,815)	\$ (10,796)
Adjustments for:		
Depreciation	5,280	10,088
Impairment loss	10,700	7,488
Interest income	(209)	(354)
Exchange loss	1	13
Deferred income tax benefit	(9,948)	(6,586)
	<u>9</u>	<u>(147)</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(239)	380
Other accounts receivable	97	(60)
Prepaid expenses	29	(3)
Increase (decrease) in:		
Trade accounts payable	(46)	3
Due to related parties	-	101
Other accounts payable and accrued liabilities	(60)	-
Net cash flows by operating activities	<u>(210)</u>	<u>274</u>
Cash flows from investing activities:		
Purchase of equipment	(0)	(630)
Interest income	209	354
Net cash flows in investing activities	<u>209</u>	<u>(276)</u>
Net change in cash	(1)	(2)
Cash at the beginning of the year	8	10
Cash at the end of the year	<u>\$ 7</u>	<u>\$ 8</u>