

# La Covadonga Limited

## Statements of Financial Position

As of September 30, 2019 and December 31, 2018

(In thousands of US dollars)

### Assets

	September 2019	December 2018
	Unaudited	Audited
Current assets:		
Cash	\$ 12	\$ 16
Due from related parties	16,704	10,209
Other accounts receivable	1,095	953
Prepaid expenses, net	7	913
Total current assets	<u>17,818</u>	<u>12,091</u>
Non-current assets:		
Jack ups and equipment, net	173,144	179,952
Deferred income taxes	6,618	5,805
Total non-current assets	<u>179,762</u>	<u>185,757</u>
Total assets	<u>\$ 197,580</u>	<u>\$ 197,848</u>

### Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 151,432	\$ 148,116
Trade accounts payable	-	949
Other accounts payable and accrued liabilities	2,500	2,924
Total current liabilities	<u>153,932</u>	<u>151,989</u>
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	(34,452)	(32,241)
Total stockholders' equity	<u>43,648</u>	<u>45,859</u>
Total stockholders' equity and liabilities	<u>\$ 197,580</u>	<u>\$ 197,848</u>

## La Covadonga Limited

# Statements of Operations

For the nine months ended September, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	September 2019	December 2018
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 17,849	\$ 25,734
Operating cost	307	1,180
Depreciation of assets under operating leases	<u>10,249</u>	<u>13,480</u>
Gross profit	7,293	11,074
Interest expenses, net	10,322	14,186
Exchange gain, net	<u>(6)</u>	<u>(22)</u>
Loss before income taxes	(3,023)	(3,090)
Deferred income tax benefit	<u>(813)</u>	<u>(1,675)</u>
Net loss	\$ <u><u>(2,210)</u></u>	\$ <u><u>(1,415)</u></u>

## La Covadonga Limited

# Statements of Cash Flows

For the nine months ended September, 2019 and for the year end December 31, 2018

(In thousands of US dollars)

	September 2019	December 2018
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (2,210)	\$ (1,415)
Adjustments for:		
Deferred income tax benefit	(813)	(1,675)
Depreciation	10,249	13,480
Exchange gain, net	(6)	(22)
Interest expense	10,322	14,178
	<u>17,542</u>	<u>24,546</u>
<b>Changes in working capital:</b>		
(Increase) decrease in:		
Due from related parties	(6,495)	(2,207)
Other accounts receivable	(141)	290
Prepaid expenses	906	(794)
Increase (decrease) in:		
Trade accounts payable	(949)	949
Due to related parties	3,316	(5,603)
Other accounts payable and accrued liabilities	(420)	1,046
Net cash flows by operating activities	<u>13,759</u>	<u>18,227</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(3,441)</u>	<u>(4,055)</u>
Net cash flows by investing activities	<u>(3,441)</u>	<u>(4,055)</u>
Cash flows from financing activities:		
Interest paid	<u>(10,322)</u>	<u>(14,178)</u>
Net cash flows in financing activities	<u>(10,322)</u>	<u>(14,178)</u>
Net change in cash	(4)	(6)
Cash at the beginning of the year	<u>16</u>	<u>22</u>
Cash at end of the year	<u>\$ 12</u>	<u>\$ 16</u>