

# La Covadonga Limited

## Statements of Financial Position

As of December 31, 2018 and 2019

(In thousands of US dollars)

### Assets

|                             | December 2019     | December 2018     |
|-----------------------------|-------------------|-------------------|
|                             | Unaudited         | Audited           |
| Current assets:             |                   |                   |
| Cash                        | \$ 75             | \$ 16             |
| Due from related parties    | 15,943            | 10,209            |
| Other accounts receivable   | 1,362             | 953               |
| Prepaid expenses, net       | 20                | 913               |
| Total current assets        | <u>17,400</u>     | <u>12,091</u>     |
| Non-current assets:         |                   |                   |
| Jack ups and equipment, net | 168,763           | 179,952           |
| Deferred income taxes       | 8,796             | 5,805             |
| Total non-current assets    | <u>177,559</u>    | <u>185,757</u>    |
| Total assets                | <u>\$ 194,959</u> | <u>\$ 197,848</u> |

### Liabilities and Stockholders' equity

|  |                   |                   |
|--|-------------------|-------------------|
| Current liabilities:                           |                   |                   |
| Due to related parties                         | \$ 148,926        | \$ 148,116        |
| Trade accounts payable                         | -                 | 949               |
| Other accounts payable and accrued liabilities | 3,001             | 2,924             |
| Total current liabilities                      | <u>151,927</u>    | <u>151,989</u>    |
| Stockholders' equity:                          |                   |                   |
| Capital stock                                  | 78,100            | 78,100            |
| Deficit  | (35,068)          | (32,241)          |
| Total stockholders' equity                     | <u>43,032</u>     | <u>45,859</u>     |
| Total stockholders' equity and liabilities     | <u>\$ 194,959</u> | <u>\$ 197,848</u> |

# La Covadonga Limited

## Statements of Operations

For the years ended December 31, 2018 and 2019  
(In thousands of US dollars)

|   | December 2019            | December 2018            |
|---|--------------------------|--------------------------|
|   | Unaudited                | Audited                  |
| Continuing operations:                        |                          |                          |
| Operating lease revenues                      | \$ 24,657                | \$ 25,734                |
| Operating cost                                | 326                      | 1,180                    |
| Depreciation of assets under operating leases | <u>15,667</u>            | <u>13,480</u>            |
| Gross profit                                  | 8,666                    | 11,074                   |
| Interest expenses, net                        | 14,476                   | 14,186                   |
| Exchange loss (gain), net                     | <u>6</u>                 | <u>(22)</u>              |
| Loss before income taxes                      | (5,818)                  | (3,090)                  |
| Deferred income tax benefit                   | <u>(2,991)</u>           | <u>(1,675)</u>           |
| Net loss                                      | \$ <u><u>(2,827)</u></u> | \$ <u><u>(1,415)</u></u> |

# La Covadonga Limited

## Statements of Cash Flows

For the years ended December 31, 2018 and 2019  
(In thousands of US dollars)

|  | December 2019   | December 2018   |
|--|-----------------|-----------------|
|  | Unaudited       | Audited         |
| Cash flows from operating activities           |                 |                 |
| Net loss                                       | \$ (2,827)      | \$ (1,415)      |
| Adjustments for:                               |                 |                 |
| Deferred income tax benefit                    | (2,991)         | (1,675)         |
| Depreciation                                   | 15,667          | 13,480          |
| Exchange loss (gain), net                      | 6               | (22)            |
| Interest expense                               | 14,476          | 14,178          |
|  | <u>24,331</u>   | <u>24,546</u>   |
| <b>Changes in working capital:</b>             |                 |                 |
| (Increase) decrease in:                        |                 |                 |
| Due from related parties                       | (5,734)         | (2,207)         |
| Other accounts receivable                      | (408)           | 290             |
| Prepaid expenses                               | 894             | (794)           |
| Increase (decrease) in:                        |                 |                 |
| Trade accounts payable                         | (949)           | 949             |
| Due to related parties                         | 810             | (5,603)         |
| Other accounts payable and accrued liabilities | 68              | 1,046           |
| Net cash flows by operating activities         | <u>19,012</u>   | <u>18,227</u>   |
| Cash flows from investing activities:          |                 |                 |
| Purchase of equipment                          | <u>(4,477)</u>  | <u>(4,055)</u>  |
| Net cash flows by investing activities         | (4,477)         | (4,055)         |
| Cash flows from financing activities:          |                 |                 |
| Interest paid                                  | <u>(14,476)</u> | <u>(14,178)</u> |
| Net cash flows in financing activities         | <u>(14,476)</u> | <u>(14,178)</u> |
| Net change in cash                             | 59              | (6)             |
| Cash at the beginning of the year              | <u>16</u>       | <u>22</u>       |
| Cash at end of the year                        | <u>\$ 75</u>    | <u>\$ 16</u>    |