La Covadonga Limited

Statements of Financial Position

As of June 30, 2020 and December 31, 2019 (In thousands of US dollars)

Assets	J	une 2020		December 2019	
	Unaudited			Audited	
Current assets:					
Cash	\$	6	\$	75	
Due from related parties		17,217		15,943	
Other accounts receivable		600		1,361	
Prepaid expenses, net		9		19	
Total current assets		17,832		17,398	
Non-current assets:					
Jack ups and equipment, net		163,670		168,763	
Deferred income taxes		5,910		8,796	
Total non-current assets		169,580		177,559	
Total assets	\$	187,412	\$	194,957	
Current liabilities:					
Current liabilities:					
Due to related parties	\$	1	\$	1	
Other accounts payable and accrued liabilities		3,149		2,998	
Total current liabilities		3,150		2,999	
Non-current liabilities:					
Due to related parties		143,384		148,926	
Total non-current liabilities		143,384		148,926	
Total		146,534		151,925	
G. 11 11 1 1 1					
Stockholders' equity:					
Capital stock		78,100		78,100	
		78,100 (37,222)		78,100 (35,068)	
Capital stock			_	•	

La Covadonga Limited

Statements of Operations

For the six months ended June, 2020 and for the year end December 31, 2019 (In thousands of US dollars)

	June 2020 Unaudited			December 2019 Audited	
Continuing operations:					
Operating lease revenues	\$	14,924	\$	24,657	
Operating cost		26		325	
Depreciation of assets under operating leases		7,134		15,668	
Gross profit		7,764		8,664	
Interest expenses, net		7,043		14,475	
Exchange (gain) loss, net		(11)		7	
Gross (loss) before income taxes		732		(5,818)	
Deferred income tax		2,886	_	(2,991)	
Net loss	\$	(2,154)	\$_	(2,827)	

La Covadonga Limited

Statements of Cash Flows

For the six months ended June, 2020 and for the year end December 31, 2019 (In thousands of US dollars)

Cash flows from operating activities Unaudited Audited Net loss \$ (2,154) \$ (2,827) Adjustments for: \$ (2,991) Deferred income tax benefit 2,886 (2,991) Depreciation 7,134 15,668 Exchange loss (gain), net (11) 7 Interest expense 7,043 14,475 Interest expense 14,898 24,332 Changes in working capital: (Increase) decrease in: \$ (1,274) (5,734) Other activate parties (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: \$ (949) 9 Trade accounts payable \$ (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities: 9,015 19,011 Cash flows from investing activities: 9,015 19,011 Cash flows from financing activities: (2,041) (4,477) Net cash		June 2020 Unaudited		December 2019	
Adjustments for: 2,886 (2,991) Deferred income tax benefit 2,886 (2,991) Depreciation 7,134 15,668 Exchange loss (gain), net (11) 7 Interest expense 7,043 14,475 Interest expense 14,898 24,332 Changes in working capital: (Increase) decrease in: **** **** (1,274) (5,734) Other accounts receivable 761 (408) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: **** *** (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 163 66 Net cash flows by operating activities 2,041 (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: ** (2,041) (4,477) Cash flows from financing activities: ** (2,041) (4,477)	Cash flows from operating activities				Audited
Deferred income tax benefit 2,886 (2,991) Depreciation 7,134 15,668 Exchange loss (gain), net (11) 7 Interest expense 7,043 14,475 Interest expense 14,898 24,332 Changes in working capital: (Increase) decrease in: (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: - (949) Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities: 9,015 19,011 Cash flows from investing activities: - (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: - (2,041) (4,477) Cash flows from financing activities: - (7,043) (14,475) Net cash flows i	• •	\$	(2,154)	\$	(2,827)
Depreciation 7,134 15,668 Exchange loss (gain), net (11) 7 Interest expense 7,043 14,475 14,898 24,332 Changes in working capital: (Increase) decrease in: Due from related parties (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning	Adjustments for:				
Exchange loss (gain), net (11) 7 Interest expense 7,043 14,475 14,898 24,332 Changes in working capital: (Increase) decrease in: Use from related parties (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Deferred income tax benefit		2,886		(2,991)
Interest expense 7,043 14,475 14,898 24,332 Changes in working capital: (Increase) decrease in: Upen from related parties (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: 2,041 (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: (2,041) (4,475) Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Depreciation		7,134		15,668
Changes in working capital: (Increase) decrease in: (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: - (949) Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: (2,041) (4,475) Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Exchange loss (gain), net		(11)		7
Changes in working capital: (Increase) decrease in: (Increase) decrease in: Due from related parties (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: - (949) Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: (2,041) (4,475) Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Interest expense		7,043		14,475
(Increase) decrease in: (1,274) (5,734) Due from related parties (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: Purchase of equipment (2,041) (4,477) Net cash flows by investing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	•		14,898		
Due from related parties (1,274) (5,734) Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: (2,041) (4,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Changes in working capital:				
Other accounts receivable 761 (408) Prepaid expenses 9 894 Increase (decrease) in: - (949) Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: - (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: (2,041) (4,477) Cash flows from financing activities: (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	(Increase) decrease in:				
Prepaid expenses 9 894 Increase (decrease) in: Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Due from related parties		(1,274)		(5,734)
Prepaid expenses 9 894 Increase (decrease) in: Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities: 9,015 19,011 Cash flows from investing activities: Purchase of equipment (2,041) (4,477) Net cash flows by investing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Other accounts receivable		761		(408)
Increase (decrease) in: (949) Trade accounts payable - (949) Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: - - Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: - - Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Prepaid expenses		9		` ′
Due to related parties (5,542) 810 Other accounts payable and accrued liabilities 163 66 Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: (2,041) (4,477) Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16					
Other accounts payable and accrued liabilities Net cash flows by operating activities Cash flows from investing activities: Purchase of equipment Net cash flows by investing activities Cash flows from financing activities Cash flows from financing activities: Interest paid Net cash flows in financing activities Net cash flows in financing activities Net cash flows in financing activities Net change in cash Cash at the beginning of the year Cash flows from financing activities (7,043) (14,475) (14,475) (14,475) (15,043) (16,043) (16,043) (16,043) (16,043) (16,045) (16,043)	Trade accounts payable		-		(949)
Net cash flows by operating activities 9,015 19,011 Cash flows from investing activities: Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Due to related parties		(5,542)		810
Cash flows from investing activities: Purchase of equipment Net cash flows by investing activities Cash flows from financing activities: Interest paid Net cash flows in financing activities Net cash flows in financing activities (7,043) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) S9 Cash at the beginning of the year	Other accounts payable and accrued liabilities		163		66
Purchase of equipment (2,041) (4,477) Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 166	Net cash flows by operating activities		9,015		19,011
Net cash flows by investing activities (2,041) (4,477) Cash flows from financing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Cash flows from investing activities:				
Cash flows from financing activities: Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Purchase of equipment		(2,041)		(4,477)
Interest paid (7,043) (14,475) Net cash flows in financing activities (7,043) (14,475) Net change in cash (69) 59 Cash at the beginning of the year 75 16	Net cash flows by investing activities		(2,041)		(4,477)
Net cash flows in financing activities(7,043)(14,475)Net change in cash(69)59Cash at the beginning of the year7516	Cash flows from financing activities:				
Net change in cash Cash at the beginning of the year (69) 59 16	Interest paid		(7,043)		(14,475)
Cash at the beginning of the year 75 16	Net cash flows in financing activities		(7,043)	_	(14,475)
	Net change in cash		(69)		59
Cash at end of the year \$ 6 \$ 75	Cash at the beginning of the year		75		16
	Cash at end of the year	\$	6	\$	75