

La Covadonga Limited

Statements of Financial Position

As of December 31, 2019 and 2020

(In thousands of US dollars)

Assets

	December 2020	December 2019
	Unaudited	Audited
Current assets:		
Cash	\$ 2	\$ 75
Due from related parties	24,030	15,943
Other accounts receivable	819	1,361
Prepaid expenses, net	20	19
Total current assets	<u>24,871</u>	<u>17,398</u>
Non-current assets:		
Jack ups and equipment, net	156,349	168,763
Deferred income taxes	9,604	8,796
Total non-current assets	<u>165,953</u>	<u>177,559</u>
Total assets	<u>\$ 190,824</u>	<u>\$ 194,957</u>

Liabilities and Stockholders' equity

Current liabilities:		
Due to related parties	\$ 1	\$ 1
Trade accounts payable	20	-
Other accounts payable and accrued liabilities	3,530	2,998
Total current liabilities	<u>3,551</u>	<u>2,999</u>
Non-current liabilities:		
Due to related parties	148,056	148,926
Total non-current liabilities	<u>148,056</u>	<u>148,926</u>
Total	<u>151,607</u>	<u>151,925</u>
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	(38,883)	(35,068)
Total stockholders' equity	<u>39,217</u>	<u>43,032</u>
Total stockholders' equity and liabilities	<u>\$ 190,824</u>	<u>\$ 194,957</u>

La Covadonga Limited

Statements of Operations

For the years ended December 31, 2019 and 2020

(In thousands of US dollars)

	December 2020	December 2019
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 24,124	\$ 24,657
Operating cost	54	325
Depreciation of assets under operating leases	<u>14,460</u>	<u>15,668</u>
Gross profit	9,610	8,664
Interest expenses, net	14,235	14,475
Exchange (gain) loss, net	<u>(2)</u>	<u>7</u>
Loss before income taxes	(4,623)	(5,818)
Deferred income tax	<u>(808)</u>	<u>(2,991)</u>
Net loss	\$ <u><u>(3,815)</u></u>	\$ <u><u>(2,827)</u></u>

La Covadonga Limited

Statements of Cash Flows

For the years ended December 31, 2019 and 2020
(In thousands of US dollars)

	December 2020	December 2019
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (3,815)	\$ (2,827)
Adjustments for:		
Deferred income tax benefit	(808)	(2,991)
Depreciation	14,460	15,668
Exchange loss (gain), net	(2)	7
Interest expense	14,235	14,475
	<u>24,070</u>	<u>24,332</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(8,087)	(5,734)
Other accounts receivable	541	(408)
Prepaid expenses	(2)	894
Increase (decrease) in:		
Trade accounts payable	20	(949)
Due to related parties	(867)	810
Other accounts payable and accrued liabilities	533	66
Net cash flows by operating activities	<u>16,208</u>	<u>19,011</u>
Cash flows from investing activities:		
Purchase of equipment	(2,046)	(4,477)
Net cash flows by investing activities	<u>(2,046)</u>	<u>(4,477)</u>
Cash flows from financing activities:		
Interest paid	(14,235)	(14,475)
Net cash flows in financing activities	<u>(14,235)</u>	<u>(14,475)</u>
Net change in cash	(73)	59
Cash at the beginning of the year	75	16
Cash at end of the year	<u>\$ 2</u>	<u>\$ 75</u>