

La Covadonga Limited

Statements of Financial Position

As of March 31, 2021 and December 31, 2020

(In thousands of US dollars)

Assets

	March 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash	\$ 3	\$ 2
Due from related parties	24,236	24,029
Other accounts receivable	725	819
Prepaid expenses, net	<u>17</u>	<u>20</u>
Total current assets	24,981	24,870
Non-current assets:		
Jack ups and equipment, net	153,178	156,349
Deferred income taxes	<u>9,947</u>	<u>9,604</u>
Total non-current assets	163,125	165,953
Total assets	<u>\$ 188,106</u>	<u>\$ 190,823</u>

Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 20
Other accounts payable and accrued liabilities	<u>3,574</u>	<u>3,530</u>
Total current liabilities	3,574	3,550
Non-current liabilities:		
Due to related parties	<u>147,338</u>	<u>148,056</u>
Total non-current liabilities	147,338	148,056
Total	150,912	151,606
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	<u>(40,906)</u>	<u>(38,883)</u>
Total stockholders' equity	37,194	39,217
Total stockholders' equity and liabilities	<u>\$ 188,106</u>	<u>\$ 190,823</u>

La Covadonga Limited

Statements of Operations

For the three months ended March, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	March 2021	December 2020
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 4,500	\$ 24,124
Operating cost	12	54
Depreciation of assets under operating leases	<u>3,256</u>	<u>14,460</u>
Gross profit	1,232	9,610
Interest expenses, net	3,596	14,235
Exchange loss (gain), net	<u>2</u>	<u>(2)</u>
Loss before income taxes	(2,366)	(4,623)
Deferred income tax	<u>(343)</u>	<u>(808)</u>
Net loss	\$ <u><u>(2,023)</u></u>	\$ <u><u>(3,815)</u></u>

La Covadonga Limited

Statements of Cash Flows

For the three months ended March, 2021 and for the year end December 31, 2020
(In thousands of US dollars)

	March 2021	December 2020
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (2,023)	\$ (3,815)
Adjustments for:		
Deferred income tax benefit	(343)	(808)
Depreciation	3,256	14,460
Exchange loss (gain), net	2	(2)
Interest expense	3,596	14,235
	<u>4,488</u>	<u>24,070</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(207)	(8,086)
Other accounts receivable	94	542
Prepaid expenses	3	(1)
Increase (decrease) in:		
Trade accounts payable	(20)	26
Due to related parties	(718)	(921)
Other accounts payable and accrued liabilities	42	578
Net cash flows by operating activities	<u>3,682</u>	<u>16,208</u>
Cash flows from investing activities:		
Purchase of equipment	(85)	(2,046)
Net cash flows by investing activities	<u>(85)</u>	<u>(2,046)</u>
Cash flows from financing activities:		
Interest paid	(3,596)	(14,235)
Net cash flows in financing activities	<u>(3,596)</u>	<u>(14,235)</u>
Net change in cash	1	(73)
Cash at the beginning of the year	2	75
Cash at end of the year	<u>\$ 3</u>	<u>\$ 2</u>