

La Covadonga Limited

Statements of Financial Position

As of June 30, 2021 and December 31, 2020

(In thousands of US dollars)

Assets

	June 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash	\$ 4	\$ 2
Due from related parties	22,532	24,029
Other accounts receivable	530	819
Prepaid expenses, net	12	20
Total current assets	<u>23,078</u>	<u>24,870</u>
Non-current assets:		
Jack ups and equipment, net	150,951	156,349
Deferred income taxes	11,231	9,604
Total non-current assets	<u>162,182</u>	<u>165,953</u>
Total assets	<u>\$ 185,260</u>	<u>\$ 190,823</u>

Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 20
Other accounts payable and accrued liabilities	3,463	3,530
Total current liabilities	<u>3,463</u>	<u>3,550</u>
Non-current liabilities:		
Due to related parties	145,276	148,056
Total non-current liabilities	<u>145,276</u>	<u>148,056</u>
Total	148,739	151,606
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	(41,579)	(38,883)
Total stockholders' equity	<u>36,521</u>	<u>39,217</u>
Total stockholders' equity and liabilities	<u>\$ 185,260</u>	<u>\$ 190,823</u>

La Covadonga Limited

Statements of Operations

For the six months ended June, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	June 2021	December 2020
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 9,050	\$ 24,124
Operating cost	25	54
Depreciation of assets under operating leases	<u>6,172</u>	<u>14,460</u>
Gross profit	2,853	9,610
Interest expenses, net	7,170	14,235
Exchange loss (gain), net	<u>6</u>	<u>(2)</u>
Loss before income taxes	(4,323)	(4,623)
Deferred income tax	<u>(1,627)</u>	<u>(808)</u>
Net loss	\$ <u><u>(2,696)</u></u>	\$ <u><u>(3,815)</u></u>

La Covadonga Limited

Statements of Cash Flows

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

	June 2021	December 2020
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (2,696)	\$ (3,815)
Adjustments for:		
Deferred income tax benefit	(1,627)	(808)
Depreciation	6,172	14,460
Exchange loss (gain), net	6	(2)
Interest expense	7,170	14,235
	<u>9,025</u>	<u>24,070</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	1,497	(8,086)
Other accounts receivable	289	542
Prepaid expenses	9	(1)
Increase (decrease) in:		
Trade accounts payable	(20)	26
Due to related parties	(2,780)	(921)
Other accounts payable and accrued liabilities	(74)	578
Net cash flows by operating activities	<u>7,946</u>	<u>16,208</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(774)</u>	<u>(2,046)</u>
Net cash flows by investing activities	(774)	(2,046)
Cash flows from financing activities:		
Interest paid	<u>(7,170)</u>	<u>(14,235)</u>
Net cash flows in financing activities	<u>(7,170)</u>	<u>(14,235)</u>
Net change in cash	2	(73)
Cash at the beginning of the year	<u>2</u>	<u>75</u>
Cash at end of the year	<u>\$ 4</u>	<u>\$ 2</u>