

La Covadonga Limited

Statements of Financial Position

As of September 30, 2021 and December 31, 2020

(In thousands of US dollars)

Assets

	September 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash	\$ 5	\$ 2
Due from related parties	16,148	24,029
Other accounts receivable	245	819
Prepaid expenses, net	6	20
Total current assets	<u>16,404</u>	<u>24,870</u>
Non-current assets:		
Jack ups and equipment, net	149,061	156,349
Deferred income taxes	11,633	9,604
Total non-current assets	<u>160,694</u>	<u>165,953</u>
Total assets	<u>\$ 177,098</u>	<u>\$ 190,823</u>

Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ 1	\$ 20
Other accounts payable and accrued liabilities	2,274	3,530
Total current liabilities	<u>2,275</u>	<u>3,550</u>
Non-current liabilities:		
Due to related parties	139,685	148,056
Total non-current liabilities	<u>139,685</u>	<u>148,056</u>
Total	<u>141,960</u>	<u>151,606</u>
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	(42,962)	(38,883)
Total stockholders' equity	<u>35,138</u>	<u>39,217</u>
Total stockholders' equity and liabilities	<u>\$ 177,098</u>	<u>\$ 190,823</u>

La Covadonga Limited

Statements of Operations

For the nine months ended September 30, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	September 2021	December 2020
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 13,650	\$ 24,124
Operating cost	39	54
Depreciation of assets under operating leases	<u>9,073</u>	<u>14,460</u>
Gross profit	4,538	9,610
Interest expenses, net	10,655	14,235
Exchange (gain) loss, net	<u>(10)</u>	<u>(2)</u>
Loss before income taxes	(6,107)	(4,623)
Deferred income tax	<u>(2,028)</u>	<u>(808)</u>
Net loss	\$ <u><u>(4,079)</u></u>	\$ <u><u>(3,815)</u></u>

La Covadonga Limited

Statements of Cash Flows

For the nine months ended September 30, 2021 and for the year end December 31, 2020

(In thousands of US dollars)

	September 2021	December 2020
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (4,079)	\$ (3,815)
Adjustments for:		
Deferred income tax benefit	(2,028)	(808)
Depreciation	9,073	14,460
Exchange loss (gain), net	(10)	(2)
Interest expense	10,655	14,235
	<u>13,611</u>	<u>24,070</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	7,881	(8,086)
Other accounts receivable	574	542
Prepaid expenses	14	(1)
Increase (decrease) in:		
Trade accounts payable	(20)	26
Due to related parties	(8,371)	(921)
Other accounts payable and accrued liabilities	(1,245)	578
Net cash flows by operating activities	<u>12,444</u>	<u>16,208</u>
Cash flows from investing activities:		
Purchase of equipment	(1,786)	(2,046)
Net cash flows by investing activities	<u>(1,786)</u>	<u>(2,046)</u>
Cash flows from financing activities:		
Interest paid	(10,655)	(14,235)
Net cash flows in financing activities	<u>(10,655)</u>	<u>(14,235)</u>
Net change in cash	3	(73)
Cash at the beginning of the year	2	75
Cash at end of the year	<u>\$ 5</u>	<u>\$ 2</u>