

La Covadonga Limited

Statements of Financial Position

As of December 31, 2021 and 2020

(In thousands of US dollars)

Assets

	December 2021	December 2020
	Unaudited	Audited
Current assets:		
Cash	\$ 252	\$ 2
Due from related parties	15,577	24,029
Other accounts receivable	321	819
Prepaid expenses, net	<u>21</u>	<u>20</u>
Total current assets	16,171	24,870
Non-current assets:		
Jack ups and equipment, net	146,474	156,349
Deferred income taxes	<u>12,675</u>	<u>9,604</u>
Total non-current assets	159,149	165,953
Total assets	<u>\$ 175,320</u>	<u>\$ 190,823</u>

Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ 21	\$ 20
Other accounts payable and accrued liabilities	<u>3,004</u>	<u>3,530</u>
Total current liabilities	3,025	3,550
Non-current liabilities:		
Due to related parties	<u>137,878</u>	<u>148,056</u>
Total non-current liabilities	137,878	148,056
Total	140,903	151,606
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	<u>(43,683)</u>	<u>(38,883)</u>
Total stockholders' equity	34,417	39,217
Total stockholders' equity and liabilities	<u>\$ 175,320</u>	<u>\$ 190,823</u>

La Covadonga Limited

Statements of Operations

For the years ended December 31, 2021 and 2020

(In thousands of US dollars)

	December 2021	December 2020
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 18,250	\$ 24,124
Operating cost	51	54
Depreciation of assets under operating leases	11,988	14,460
Gross profit	<u>6,211</u>	<u>9,610</u>
Interest expenses, net	14,101	14,235
Exchange (gain) loss, net	(20)	(2)
Loss before income taxes	<u>(7,870)</u>	<u>(4,623)</u>
Deferred income tax	<u>(3,070)</u>	<u>(808)</u>
Net loss	<u>\$ (4,800)</u>	<u>\$ (3,815)</u>

La Covadonga Limited

Statements of Cash Flows

For the years ended December 31, 2021 and 2020
(In thousands of US dollars)

	December 2021	December 2020
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (4,800)	\$ (3,815)
Adjustments for:		
Deferred income tax benefit	(3,070)	(808)
Depreciation	11,988	14,460
Exchange loss (gain), net	(20)	(2)
Interest expense	14,101	14,235
	<u>18,199</u>	<u>24,070</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	8,452	(8,086)
Other accounts receivable	498	542
Prepaid expenses	(1)	(1)
Increase (decrease) in:		
Trade accounts payable	1	26
Due to related parties	(10,178)	(921)
Other accounts payable and accrued liabilities	(507)	578
Net cash flows by operating activities	<u>16,464</u>	<u>16,208</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(2,113)</u>	<u>(2,046)</u>
Net cash flows by investing activities	(2,113)	(2,046)
Cash flows from financing activities:		
Interest paid	<u>(14,101)</u>	<u>(14,235)</u>
Net cash flows in financing activities	<u>(14,101)</u>	<u>(14,235)</u>
Net change in cash	250	(73)
Cash at the beginning of the year	<u>2</u>	<u>75</u>
Cash at end of the year	<u>\$ 252</u>	<u>\$ 2</u>