

La Covadonga Limited

Statements of Financial Position

As of March 31, 2022 and December 31, 2021

(In thousands of US dollars)

Assets

	March 2022	December 2021
	Unaudited	Audited
Current assets:		
Cash	\$ 8	\$ 252
Due from related parties	9,826	15,577
Other accounts receivable	235	321
Prepaid expenses, net	16	21
Total current assets	<u>10,085</u>	<u>16,171</u>
Non-current assets:		
Jack ups and equipment, net	147,027	146,474
Deferred income taxes	13,266	12,675
Total non-current assets	<u>160,293</u>	<u>159,149</u>
Total assets	<u>\$ 170,378</u>	<u>\$ 175,320</u>

Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 21
Other accounts payable and accrued liabilities	2,035	3,004
Total current liabilities	<u>2,035</u>	<u>3,025</u>
Non-current liabilities:		
Due to related parties	135,321	137,878
Total non-current liabilities	<u>135,321</u>	<u>137,878</u>
Total	<u>137,356</u>	<u>140,903</u>
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	(45,078)	(43,683)
Total stockholders' equity	<u>33,022</u>	<u>34,417</u>
Total stockholders' equity and liabilities	<u>\$ 170,378</u>	<u>\$ 175,320</u>

La Covadonga Limited

Statements of Operations

For the three months ended March, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	March 2022	December 2021
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 4,500	\$ 18,250
Operating cost	12	51
Depreciation of assets under operating leases	<u>2,986</u>	<u>11,988</u>
Gross profit	1,502	6,211
Interest expenses, net	3,446	14,101
Exchange (gain) loss, net	<u>43</u>	<u>(19)</u>
Loss before income taxes	(1,987)	(7,871)
Deferred income tax	<u>(592)</u>	<u>(3,071)</u>
Net loss	\$ <u><u>(1,395)</u></u>	\$ <u><u>(4,800)</u></u>

La Covadonga Limited

Statements of Cash Flows

For the three months ended March, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	March 2022	December 2021
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (1,395)	\$ (4,800)
Adjustments for:		
Deferred income tax benefit	(592)	(3,071)
Depreciation	2,986	11,988
Exchange loss (gain), net	43	(19)
Interest expense	3,446	14,101
	<u>4,488</u>	<u>18,199</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	5,751	8,452
Other accounts receivable	86	498
Prepaid expenses	5	(1)
Increase (decrease) in:		
Trade accounts payable	(21)	1
Due to related parties	(2,557)	(10,178)
Other accounts payable and accrued liabilities	(1,011)	(507)
Net cash flows by operating activities	<u>6,741</u>	<u>16,464</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(3,539)</u>	<u>(2,113)</u>
Net cash flows by investing activities	(3,539)	(2,113)
Cash flows from financing activities:		
Interest paid	<u>(3,446)</u>	<u>(14,101)</u>
Net cash flows in financing activities	<u>(3,446)</u>	<u>(14,101)</u>
Net change in cash	(244)	250
Cash at the beginning of the year	<u>252</u>	<u>2</u>
Cash at end of the year	<u>\$ 8</u>	<u>\$ 252</u>