

La Covadonga Limited

Statements of Financial Position

As of September 30, 2022 and December 31, 2021

(In thousands of US dollars)

Assets

	September 2022	December 2021
	Unaudited	Audited
Current assets:		
Cash	\$ 6	\$ 252
Due from related parties	12,380	15,577
Other accounts receivable	947	321
Prepaid expenses, net	5	21
Total current assets	<u>13,338</u>	<u>16,171</u>
Non-current assets:		
Jack ups and equipment, net	143,546	146,474
Deferred income taxes	15,635	12,675
Total non-current assets	<u>159,181</u>	<u>159,149</u>
Total assets	<u>\$ 172,519</u>	<u>\$ 175,320</u>

Liabilities and Stockholders' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 21
Other accounts payable and accrued liabilities	3,587	3,004
Total current liabilities	<u>3,587</u>	<u>3,025</u>
Non-current liabilities:		
Due to related parties	137,200	137,878
Total non-current liabilities	<u>137,200</u>	<u>137,878</u>
Total	140,787	140,903
Stockholders' equity:		
Capital stock	78,100	78,100
Deficit	(46,368)	(43,683)
Total stockholders' equity	<u>31,732</u>	<u>34,417</u>
Total stockholders' equity and liabilities	<u>\$ 172,519</u>	<u>\$ 175,320</u>

La Covadonga Limited

Statements of Operations

For the nine months ended September 30, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	September 2022	December 2021
	Unaudited	Audited
Continuing operations:		
Operating lease revenues	\$ 13,650	\$ 18,250
Operating cost	37	51
Depreciation of assets under operating leases	9,046	11,988
Gross profit	<u>4,567</u>	<u>6,211</u>
Interest expenses, net	10,209	14,101
Exchange loss (gain), net	3	(19)
Loss before income taxes	<u>(5,645)</u>	<u>(7,871)</u>
Deferred income tax	<u>(2,960)</u>	<u>(3,071)</u>
Net loss	<u><u>\$ (2,685)</u></u>	<u><u>\$ (4,800)</u></u>

La Covadonga Limited

Statements of Cash Flows

For the nine months ended September 30, 2022 and for the year end December 31, 2021

(In thousands of US dollars)

	September 2022	December 2021
	Unaudited	Audited
Cash flows from operating activities		
Net loss	\$ (2,685)	\$ (4,800)
Adjustments for:		
Deferred income tax benefit	(2,960)	(3,071)
Depreciation	9,046	11,988
Exchange loss (gain), net	3	(19)
Interest expense	10,209	14,101
	<u>13,613</u>	<u>18,199</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	3,197	8,452
Other accounts receivable	(626)	498
Prepaid expenses	16	(1)
Increase (decrease) in:		
Trade accounts payable	(21)	1
Due to related parties	(678)	(10,178)
Other accounts payable and accrued liabilities	581	(507)
Net cash flows by operating activities	<u>16,082</u>	<u>16,464</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(6,119)</u>	<u>(2,113)</u>
Net cash flows by investing activities	(6,119)	(2,113)
Cash flows from financing activities:		
Interest paid	<u>(10,209)</u>	<u>(14,101)</u>
Net cash flows in financing activities	<u>(10,209)</u>	<u>(14,101)</u>
Net change in cash	(246)	250
Cash at the beginning of the year	<u>252</u>	<u>2</u>
Cash at end of the year	<u>\$ 6</u>	<u>\$ 252</u>