

La Covadonga Limited

Statements of Financial Position

As of March 31, 2023 and December 31, 2022

(In thousands of US dollars)

Assets

	March 2023	December 2022
	Unaudited	Audited
Current assets:		
Cash	\$ 3	\$ 4
Due from related parties	10,024	14,123
Other accounts receivable	1,506	1,172
Prepaid expenses, net	17	23
Total current assets	<u>11,550</u>	<u>15,322</u>
Non-current assets:		
Jack-up and equipment, net	138,527	140,364
Deferred income taxes	21,256	17,497
Total non-current assets	<u>159,783</u>	<u>157,861</u>
Total assets	<u>\$ 171,333</u>	<u>\$ 173,183</u>

Liabilities and Partners' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 23
Other accounts payable and accrued liabilities	2,953	3,797
Total current liabilities	<u>2,953</u>	<u>3,820</u>
Non-current liabilities:		
Due to related parties	133,156	137,728
Total non-current liabilities	<u>133,156</u>	<u>137,728</u>
Total liabilities	136,109	141,548
Partners' equity:		
Capital stock	78,100	78,100
Accumulated deficit	(42,876)	(46,465)
Total partners' equity	<u>35,224</u>	<u>31,635</u>
Total partners' equity and liabilities	<u>\$ 171,333</u>	<u>\$ 173,183</u>

La Covadonga Limited

Statements of Operations

For the three months ended March, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	March 2023	December 2022
	Unaudited	Audited
Continuing operations:		
Revenue from operating lease	\$ 6,480	\$ 18,250
Operating cost	13	47
Depreciation of assets under operating leases	3,177	12,228
Gross profit	<u>3,290</u>	<u>5,975</u>
Interest expense	3,365	13,574
Exchange loss, net	95	5
Loss before income taxes	<u>(170)</u>	<u>(7,604)</u>
Deferred income tax benefit	<u>(3,759)</u>	<u>(4,822)</u>
Net profit (loss)	<u>\$ 3,589</u>	<u>\$ (2,782)</u>

La Covadonga Limited

Statements of Cash Flows

For the three months ended March, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	March 2023	December 2022
	Unaudited	Audited
Cash flows from operating activities		
Net profit (loss)	\$ 3,589	\$ (2,782)
Adjustments for:		
Deferred income tax benefit	(3,759)	(4,822)
Depreciation	3,177	12,228
Exchange loss	95	5
Interest expense	3,365	13,574
	<u>6,467</u>	<u>18,203</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	4,100	1,454
Other accounts receivable	(334)	(851)
Prepaid expenses	6	(2)
Increase (decrease) in:		
Trade accounts payable	(23)	2
Due to related parties	(4,572)	(150)
Other accounts payable and accrued liabilities	(940)	788
Net cash flows by operating activities	<u>4,703</u>	<u>19,444</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(1,339)</u>	<u>(6,118)</u>
Net cash flows by investing activities	(1,339)	(6,118)
Cash flows from financing activities:		
Interest paid	<u>(3,365)</u>	<u>(13,574)</u>
Net cash flows in financing activities	<u>(3,365)</u>	<u>(13,574)</u>
Net (decrease) increase in cash	(1)	(248)
Cash at the beginning of the year	<u>4</u>	<u>252</u>
Cash at end of the year	<u>\$ 3</u>	<u>\$ 4</u>