

La Covadonga Limited

Statements of Financial Position

As of June 30, 2023 and December 31, 2022

(In thousands of US dollars)

Assets

	June 2023	December 2022
	Unaudited	Audited
Current assets:		
Cash	\$ 4	\$ 4
Due from related parties	13,559	14,123
Other accounts receivable	396	1,172
Prepaid expenses, net	11	23
Total current assets	<u>13,970</u>	<u>15,322</u>
Non-current assets:		
Jack-up and equipment, net	135,520	140,364
Deferred income taxes	20,138	17,497
Total non-current assets	<u>155,658</u>	<u>157,861</u>
Total assets	<u>\$ 169,628</u>	<u>\$ 173,183</u>

Liabilities and Partners' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 23
Other accounts payable and accrued liabilities	2,023	3,797
Total current liabilities	<u>2,023</u>	<u>3,820</u>
Non-current liabilities:		
Due to related parties	133,537	137,728
Total non-current liabilities	<u>133,537</u>	<u>137,728</u>
Total liabilities	135,560	141,548
Partners' equity:		
Capital stock	78,100	78,100
Accumulated deficit	(44,032)	(46,465)
Total partners' equity	<u>34,068</u>	<u>31,635</u>
Total partners' equity and liabilities	<u>\$ 169,628</u>	<u>\$ 173,183</u>

La Covadonga Limited

Statements of Operations

For the six months ended June, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	June 2023	December 2022
	Unaudited	Audited
Continuing operations:		
Revenue from operating lease	\$ 13,032	\$ 18,250
Operating cost	26	47
Depreciation of assets under operating leases	6,379	12,228
Gross profit	<u>6,627</u>	<u>5,975</u>
Interest expense	6,840	13,574
Exchange (profit) loss, net	(5)	5
Loss before income taxes	<u>(208)</u>	<u>(7,604)</u>
Deferred income tax benefit	<u>(2,641)</u>	<u>(4,822)</u>
Net profit (loss)	<u>\$ 2,433</u>	<u>\$ (2,782)</u>

La Covadonga Limited

Statements of Cash Flows

For the six months ended June, 2023 and for the year end December 31, 2022

(In thousands of US dollars)

	June 2023	December 2022
	Unaudited	Audited
Cash flows from operating activities		
Net profit (loss)	\$ 2,433	\$ (2,782)
Adjustments for:		
Deferred income tax benefit	(2,641)	(4,822)
Depreciation	6,379	12,228
Exchange loss	(5)	5
Interest expense	6,840	13,574
	<u>13,006</u>	<u>18,203</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	564	1,454
Other accounts receivable	776	(851)
Prepaid expenses	11	(2)
Increase (decrease) in:		
Trade accounts payable	(23)	2
Due to related parties	(4,192)	(150)
Other accounts payable and accrued liabilities	(1,768)	788
Net cash flows by operating activities	<u>8,374</u>	<u>19,444</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(1,534)</u>	<u>(6,118)</u>
Net cash flows by investing activities	(1,534)	(6,118)
Cash flows from financing activities:		
Interest paid	<u>(6,840)</u>	<u>(13,574)</u>
Net cash flows in financing activities	<u>(6,840)</u>	<u>(13,574)</u>
Net (decrease) increase in cash	(0)	(248)
Cash at the beginning of the year	<u>4</u>	<u>252</u>
Cash at end of the year	<u>\$ 4</u>	<u>\$ 4</u>