

La Covadonga Limited

Statements of Financial Position

As of December 31, 2023 and 2022

(In thousands of US dollars)

Assets

	December 2023	December 2022
	Unaudited	Audited
Current assets:		
Cash	\$ 4	\$ 4
Due from related parties	17,871	14,123
Other accounts receivable	1,978	1,172
Prepaid expenses, net	<u>27</u>	<u>23</u>
Total current assets	19,880	15,322
Non-current assets:		
Jack-up and equipment, net	135,296	140,364
Deferred income taxes	<u>21,663</u>	<u>17,497</u>
Total non-current assets	<u>156,959</u>	<u>157,861</u>
Total assets	<u>\$ 176,839</u>	<u>\$ 173,183</u>

Liabilities and Partners' equity

Current liabilities:		
Trade accounts payable	\$ 26	\$ 23
Other accounts payable and accrued liabilities	<u>5,524</u>	<u>3,797</u>
Total current liabilities	5,550	3,820
Non-current liabilities:		
Due to related parties	<u>135,047</u>	<u>137,728</u>
Total non-current liabilities	<u>135,047</u>	<u>137,728</u>
Total liabilities	140,597	141,548
Partners' equity:		
Capital stock	78,100	78,100
Accumulated deficit	<u>(41,858)</u>	<u>(46,465)</u>
Total partners' equity	<u>36,242</u>	<u>31,635</u>
Total partners' equity and liabilities	<u>\$ 176,839</u>	<u>\$ 173,183</u>

La Covadonga Limited

Statements of Operations

For the years ended December 31, 2023 and 2022

(In thousands of US dollars)

	December 2023	December 2022
	Unaudited	Audited
Continuing operations:		
Revenue from operating lease	\$ 27,016	\$ 18,250
Operating cost	60	47
Depreciation of assets under operating leases	12,901	12,228
Gross profit	<u>14,055</u>	<u>5,975</u>
Interest expense	13,460	13,574
Exchange (profit) loss, net	9	5
Profit (loss) before income taxes	<u>586</u>	<u>(7,604)</u>
Income tax benefit	<u>(4,021)</u>	<u>(4,822)</u>
Net profit (loss)	<u>\$ 4,607</u>	<u>\$ (2,782)</u>

La Covadonga Limited

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(In thousands of US dollars)

	December 2023		December 2022	
	Unaudited		Audited	
Cash flows from operating activities				
Net profit (loss)	\$	4,607	\$	(2,782)
Adjustments for:				
Income tax benefit		(4,021)		(4,822)
Depreciation		12,901		12,228
Exchange loss		9		5
Interest expense		13,460		13,574
		<u>26,956</u>		<u>18,203</u>
Changes in working capital:				
(Increase) decrease in:				
Due from related parties		(3,748)		1,454
Other accounts receivable		(806)		(851)
Prepaid expenses		(4)		(2)
Increase (decrease) in:				
Trade accounts payable		3		2
Due to related parties		(2,681)		(150)
Other accounts payable and accrued liabilities		1,573		788
Net cash flows by operating activities		<u>21,293</u>		<u>19,444</u>
Cash flows from investing activities:				
Purchase of equipment		<u>(7,833)</u>		<u>(6,118)</u>
Net cash flows by investing activities		<u>(7,833)</u>		<u>(6,118)</u>
Cash flows from financing activities:				
Interest paid		<u>(13,460)</u>		<u>(13,574)</u>
Net cash flows in financing activities		<u>(13,460)</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>