

La Covadonga Limited

Statements of Financial Position

As of June 30, 2024 and December 31, 2023

(In thousands of US dollars)

Assets

	June 2024	December 2023
	Unaudited	Audited
Current assets:		
Cash	\$ 4	\$ 4
Due from related parties	27,554	17,871
Other accounts receivable	1,014	1,978
Prepaid expenses, net	17	27
Total current assets	28,589	19,880
Non-current assets:		
Jack-up and equipment, net	130,219	135,296
Deferred income taxes	18,883	21,663
Total non-current assets	149,102	156,959
Total assets	\$ 177,691	\$ 176,839

Liabilities and Partners' equity

Current liabilities:		
Trade accounts payable	\$ -	\$ 26
Other accounts payable and accrued liabilities	3,987	5,524
Total current liabilities	3,987	5,550
Non-current liabilities:		
Due to related parties	137,039	135,047
Total non-current liabilities	137,039	135,047
Total liabilities	141,026	140,597
Partners' equity:		
Capital stock	78,100	78,100
Accumulated deficit	(41,435)	(41,858)
Total partners' equity	36,665	36,242
Total partners' equity and liabilities	\$ 177,691	\$ 176,839

La Covadonga Limited

Statements of Operations

For the six months ended June, 2024 and for the year end December 31, 2023

(In thousands of US dollars)

	June 2024	December 2023
	Unaudited	Audited
Continuing operations:		
Revenue from operating lease	\$ 16,744	\$ 27,016
Operating cost	41	60
Depreciation of assets under operating leases	6,709	12,901
Gross profit	9,994	14,055
Interest expense	6,762	13,460
Exchange loss, net	30	9
Profit before income taxes	3,202	586
Deferred loss (income) tax benefit	2,780	(4,021)
Net profit	\$ 422	\$ 4,607

La Covadonga Limited

Statements of Cash Flows

For the six months ended June, 2024 and for the year end December 31, 2023

(In thousands of US dollars)

	June 2024	December 2023
	Unaudited	Audited
Cash flows from operating activities		
Net profit	\$ 422	\$ 4,607
Adjustments for:		
Deferred loss (income) tax benefit	2,780	(4,021)
Depreciation	6,709	12,901
Exchange loss	30	9
Interest expense	6,762	13,460
	<u>16,703</u>	<u>26,956</u>
Changes in working capital:		
(Increase) decrease in:		
Due from related parties	(9,683)	(3,748)
Other accounts receivable	964	(806)
Prepaid expenses	10	(4)
Increase (decrease) in:		
Trade accounts payable	(26)	3
Due to related parties	1,992	(2,681)
Other accounts payable and accrued liabilities	(1,566)	1,573
Net cash flows by operating activities	<u>8,394</u>	<u>21,293</u>
Cash flows from investing activities:		
Purchase of equipment	<u>(1,632)</u>	<u>(7,833)</u>
Net cash flows by investing activities	<u>(1,632)</u>	<u>(7,833)</u>
Cash flows from financing activities:		
Interest paid	<u>(6,762)</u>	<u>(13,460)</u>
Net cash flows in financing activities	<u>(6,762)</u>	<u>(13,460)</u>
Net (decrease) increase in cash	0	0
Cash at the beginning of the year	<u>4</u>	<u>4</u>
Cash at end of the year	<u>\$ 4</u>	<u>\$ 4</u>