

PARADISE GAS CARRIERS CORP.

Financial Statements for the period Ended March 31, 2019

Athens, Greece, June 7th, 2019, Paradise Gas Carriers Corp (“PGC” or the “Company”, today reported its audited consolidated operating and financial results for three-months ended March 31, 2019. All amounts reported are in US Dollars unless otherwise stated).

Key Developments during the 2019q1

- In the first 2 months of 2019 tanker rates exceeded 20,000 \$/pd, a positive trend which began in 2018q4; however, starting from March, rates dropped to levels below 16-17k \$/pd.
- On the other hand, the LPG market remained more or less stable; 50% of our LPG carriers were fixed in time charters, whereas the other half is either on pool employment or trading in the spot market.
- PGC has managed to make a profit of \$0.3 million during this quarter, strengthening its cashflows, hence the management has decided to prepay most of its shareholders’ loans.

Financial Highlights during 2019q1:

- **Net TCE Earnings** stood at approx. **\$10 million** during 2019q1, compared to **\$7.5 million** in 2018q1, that is an increase of approx. 33%, mainly attributed to the strong tanker market.
- **EBITDA has also increased from** 1.94m in 2018q1 to 4.05m in 2019q1.
- The company has made a marginal **Net Profit of \$0.3 million** during the first quarter, compared to losses of 1m during the same period in FY 2018.
- The Fair Market Value of PGC’s fleet was estimated at **\$146.5 million** as of 31/3/2019 according to brokers’ valuation certificates.
- Outstanding **Bank Debt** stood at **\$91.5 million as of 31.3/2019**, i.e. a **leverage¹ of approx. 59%**.
- **Group’s cash** stood at **\$8.6 million** as of 31/3/2019, comfortably above minimum liquidity covenants.

Income Statement (in USD thous)

Three months ended March 31st

	2019q1	2018q1
Operating Revenue	11,033	8,757
<i>Less: Voyage Expenses</i>	(788)	(972)
<i>Less: Commissions & Chartering Fees</i>	(247)	(288)
TCE Earnings (net)	9,998	7,497
Operating expenses (excl. man fees)	(4,729)	(4,350)
Management Fees (related parties)	(538)	(494)
Charter hire expenses	(651)	(675)
G+A Expenses	(28)	(38)
EBITDA	4,052	1,940
Depreciation	(1,875)	(1,662)
Amortisation	(506)	(436)
<i>Gain on Vessels' disposal, net*</i>	162	164
EBIT	1,833	6
Interest expenses, net	(1,445)	(943)
Other finance expenses,	(18)	(85)
Extraordinary income/expense, net	(33)	(40)
Net Income adjusted	337	(1,062)

¹ Leverage = Total outstanding Debt / (FMV of fleet + Cash in banks)

Balance Sheet (in USD thous)	March 31, 2019	March 31, 2018
Current Assets	16,487	12,548
Non-current assets	157,301	167,946
Current Liabilities	12,040	13,966
Non-current liabilities (1)	84,783	86,779
Paid-in capital (2)	78,094	78,621
Shareholders' Equity	76,965	79,749

(1) ASU (Accounting Standards Update) 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability.

(2) Paid-in Capital includes also preferred stock of approx. \$7 million.

Operating Stats	2018q2	2018q3	2018q4	2019q1
Average # of Ships Owned* during Period	9	9	9	9
Average Age of Fleet at end of Period	8.7	8.9	9.2	9.4
ShipYears Left	138	135.8	127.6	125.6
Ownership Days (average)	91	91	91	90
Available Days efficiency (1)	100%	98.5%	100%	99.3%
Operating Days efficiency (2)	99.7%	96.1%	100%	95.7%

(1) Available Days Efficiency is the ratio of the days that the fleet was available for revenue generating;

(2) Operating Days Efficiency is the ratio of the days the ships were actually employed (TC or Spot) and generating revenues (after deducting the off-hire days); divided to the Ownership days

Financial Ratios & Stats	2018q2	2018q3	2018q4	2019q1
Fleet Valuation (\$mill) - end period (1)	150.7	133.4	146.9	146.5
Leverage	55.5%	55.7%	57.2%	58.9%
Paid-in capital (\$mill)	78.9	78.9	78.6	78.1
Book NAV (\$mill)	79.4	77.4	77.1	77.0
Market NAV (\$mill) (1)	66.3	65.8	64.4	66.2
Enterprise Value (EV) (2)	152.7	142.7	149.3	149.4
Book NAV per 100 usd invested (\$)	100.6	98.1	98.1	98.5
Market NAV per 100 usd invested (\$)	84.1	83.4	81.9	84.8
Average TCE per Ship, net (\$/pd)	10,703	9,539	12,365	12,428
Average Opex per Ship, net (\$/pd)	6,048	6,669	6,505	6,502
Cashflow TCE Breakeven per Ship (\$/pd)	10,464	9,381	9,211	9,125
Income Statement TCE Breakeven per Ship (\$/pd)	11,502	12,237	12,300	12,127

(1) Fleet Valuation and Market NAV are calculated as follows: In the event that the average brokers' valuations (MV) shows higher values than our books (BV) we account 75% of that premium, otherwise we account for the full difference if MV is lower than BV. Hence, Market NAV= Book NAV + FMV - BV;

(2) EV = Market NAV plus Debt less Cash;

Fleet Profile

PGC had during 2019q1 a fleet of 9 vessels, 3 LR1/Panamax Tankers and 6 Gas Carriers. More specifically

Vessel	Built	Type	Delivered	DWT /cbm(1)	Flag	Ownership
PGC Marina	China	Product Tanker	07/2013	72,800	Bahamas	100%
PGC Ikaros (2)	China	Product Tanker	12/2014	72,900	Bahamas	BB charter
PGC Aspropyrgos	China	Product Tanker	12/2014	72,900	Bahamas	100%
PGC Aratos (3)	Italy	Ethylene Carrier	10/2013	9,000	Malta	100%
PGC Strident Force (3)	Japan	LPG (SR) carrier	03/2014	6,500	Portugal	100%
PGC Patreas	Japan	LPG (FP) carrier	05/2017	7,500	Malta	100%
PGC Periklis	Japan	LPG (FP) carrier	07/2017	7,500	Malta	100%
PGC Taormina	Japan	LPG (SR) carrier	10/2017	7,000	Malta	100%
PGC Eirini	Japan	LPG (SR) carrier	03/2018	7,000	Malta	100%
Totals						

(1) Cubic meters for LPGs, all others in dead weight tons;

(2) PGC Ikaros is on a bareboat charter until June 2019)

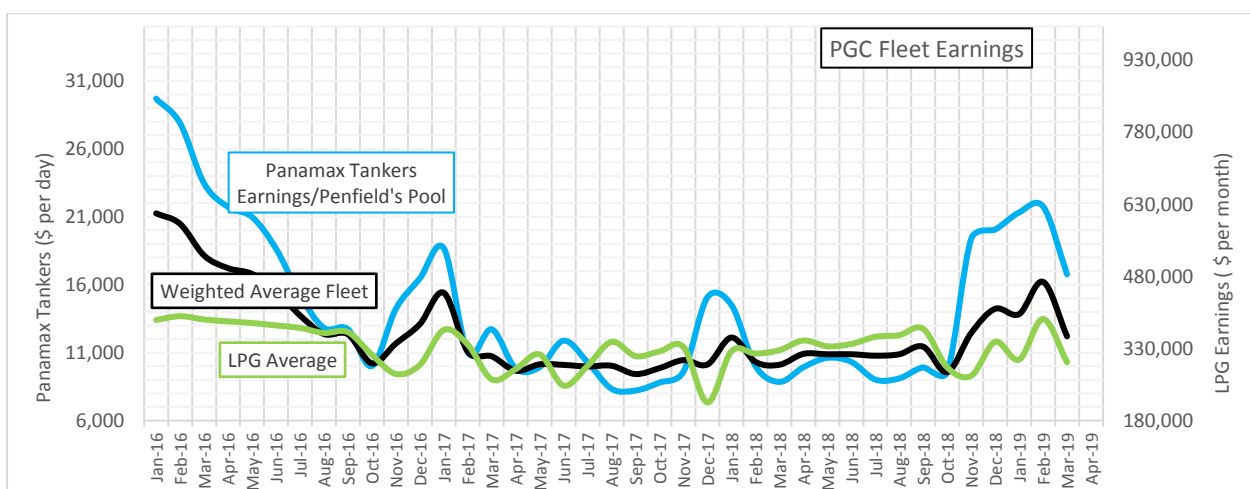
(3) PGC Aratos and Strident Force financed through a Sale and Lease Back scheme in Japan.

Fleet Employment

PGC vessels are usually trading either on well-established pools (Penfield or GGP) or T/Cs. Sometimes though, our smaller LPGs are also trading in the spot market under Gasmare's commercial management.

Vessel	Charterer	Expiration Date	Type	Gross Daily rate
PGC Marina	Penfield Marine Pool	n/a	Pool	Floating, avg 2019q1 \$20k/d,
PGC Ikaros	Penfield Marine Pool	n/a	Pool	Floating, avg 2019q1 \$20k/d
PGC Aspropyrgos	Penfield Marine Pool	n/a	Pool	Floating, avg 2019q1 \$20k/d
PGC Aratos	Gaschem/Gasmare Pool	n/a	Pool	Floating, average 2019q1 abt \$410k/month
PGC Strident Force	Spot Market	n/a	Spot	Floating with avg 2019q1 abt \$280k/month
PGC Patreas	VITOL	-	Spot	\$336k/month
PGC Periklis	OTI	-	TC	\$336k/month
PGC Taormina	ENI		TC	\$380k/month
PGC Eirini	Spot Market		Spot	\$370k/month

Graph: PGC fleet earnings since January 2016



Source: PGC Research & Analysis department



**2019/Q1 CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEET (unaudited)
(Expressed in thousands of United States Dollars)

	<u>As of March 31, 2019</u>	<u>As of December 31, 2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8,593	9,219
Trade and other receivables	2,747	3,793
Inventories	923	1,008
Due from related parties	134	10
Right of use asset	620	1,295
Seller's credit	2,000	2,000
Prepaid expenses	1,470	386
Total current assets	<u>16,487</u>	<u>17,711</u>
NON-CURRENT ASSETS		
Vessels, net	155,204	156,975
Deferred charges, net	2,097	2,575
Total non-current assets	<u>157,301</u>	<u>159,550</u>
Total assets	<u><u>173,788</u></u>	<u><u>177,261</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts and other payable	2,912	3,166
Accrued liabilities	1,301	1,092
Current portion of long-term debt	6,631	8,585
Lease Liability	620	1,295
Dividends payable	-	57
Related parties' loan	108	108
Shareholders' loan	364	838
Deferred gain on sale of vessel	104	-
Total current liabilities	<u>12,040</u>	<u>15,141</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	84,783	84,783
Deferred gain on sale of vessel, net of current portion	-	266
Total long-term liabilities	<u>84,783</u>	<u>85,049</u>
Total liabilities	<u>96,678</u>	<u>100,190</u>
Commitments and Contingencies	-	-
SHAREHOLDERS' EQUITY		
Common stock (1,000 common shares with no par value, authorized and issued)	-	-
Additional paid-in capital	71,500	71,500
Preferred Stock	6,594	7,094
Retained earnings	(1,129)	(1,523)
Total shareholders' equity	<u>76,965</u>	<u>77,071</u>
Total liabilities and shareholders' equity	<u><u>174,249</u></u>	<u><u>177,261</u></u>

PARADISE GAS CARRIERS CORP.
CONSOLIDATED INCOME STATEMENT (unaudited)
(Expressed in thousands of United States Dollars)

	Period ended March 31, 2019	Period ended March 31, 2018
	<u>2019</u>	<u>2018</u>
Operating revenue	11,033	8,757
Total operating revenue-net	<u>11,033</u>	<u>8,757</u>
Operating expenses		
Voyage expenses	(788)	(972)
Vessels' operating expenses	(4,729)	(4,350)
Depreciation	(1,875)	(1,662)
Amortization of deferred dry-docking and special survey costs	(506)	(436)
Amortization of right of use asset	(651)	-
Commissions	(247)	(288)
Management fees	(538)	(494)
General and administrative expenses	(28)	(38)
Charter hire expenses	-	(675)
Gain on sale of vessel	162	164
Net operating expenses	<u>(9,200)</u>	<u>(8,751)</u>
Operating profit/(loss)	<u>1,833</u>	<u>6</u>
Other income/ (expenses)		
Interest income	21	8
Interest expense	(1,466)	(946)
Other finance expenses	(18)	(85)
Other income, net	(33)	(40)
Total other expenses, net	<u>(1,496)</u>	<u>(1,062)</u>
Profit/ (Loss) for the year	<u><u>337</u></u>	<u><u>(1,062)</u></u>
Other comprehensive income for the year	-	-
Total comprehensive profit/ (loss) for the year	<u><u>337</u></u>	<u><u>(1,062)</u></u>