

PARADISE GAS CARRIERS CORP.

Financial Statements for the period Ended June 30, 2019

Athens, Greece, August 27th, 2019, Paradise Gas Carriers Corp (“PGC” or the “Company”, today reported its audited consolidated operating and financial results for three-months ended **June 30th, 2019**. All amounts reported are in US Dollars unless otherwise stated).

Key Developments during the 2019q1

- During the 2nd quarter of 2019 the tanker market lost its q1 momentum and tanker rates dropped considerably, below 14,000 \$/pd, also due partly to a seasonality effect.
- On the other hand, the LPG market remained more or less stable; PGC Patreas and Periklis have changed charterers to Vitol and OTI respectively, the other LPG carriers continued their standard coastal trading.
- The above have resulted to quarterly losses of approx. \$1.3 million during this quarter.
- PGC Ikaros bareboat charter has ended in late June, the vessel was redelivered to the Owning company, however PGC re-invested in a minority stake of 18.4% in this vessel.

Financial Highlights during 2019q1:

- **Net TCE Earnings** stood at approx. **\$8.6 million** during 2019q2, compared to **\$10 million** during the first quarter, that is a decrease of approx. 15%, mainly attributed to the downturn of the tanker market.
- **EBITDA** has also **decreased** from \$4.05m in 2019q1 to **\$2.22m** in 2019q2.
- During this quarter, the company has made losses of of **\$1.3 million** during the first quarter, compared to marginal profits of the first quarter.
- The **Fair Market Value** of PGC’s fleet was estimated at **\$141 million** as of 30/6/2019 according to brokers’ valuation certificates.
- Outstanding **Bank Debt** stood at **\$90.1 million as of 30/6/2019**, i.e. a **leverage¹ of approx. 60%**.
- **Group’s cash** stood at **\$8 million** as of 30/6/2019, comfortably above minimum liquidity covenants.

Income Statement (in USD thous)

Three months ended June 30th

	2019 (q2)	2018 (q2)
Operating Revenue	9,510	9,959
<i>Less: Voyage Expenses</i>	(541)	(853)
<i>Less: Commissions & Chartering Fees</i>	(363)	(340)
TCE Earnings (net)	8,606	8,766
Operating expenses (excl. man fees)	(5,145)	(4,436)
Management Fees (related parties)	(543)	(517)
Charter hire expenses	(671)	(683)
G+A Expenses	(27)	(10)
EBITDA	2,220	3,120
Depreciation	(1,875)	(1,894)
Amortisation	(371)	(522)
<i>Gain on Vessels' disposal, net*</i>	104	165
EBIT	78	869
Interest expenses, net	(1,404)	(1,268)
Other finance expenses,	(19)	(58)
Extraordinary income/expense, net	20	(32)
Net Income adjusted	(1,325)	(489)

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

Balance Sheet (in USD thous)	June 30, 2019	June 30, 2018
Current Assets	17,049	14,153
Non-current assets	157,301	165,790
Current Liabilities	11,152	12,893
Non-current liabilities (1)	84,840	87,662
Paid-in capital (2)	80,094	78,900
Shareholders' Equity	77,628	79,388

(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 shareholders.

Operating Stats	2018q3	2018q4	2019q1	2019q2
Average # of Ships Owned* during Period	9	9	9	9
Average Age of Fleet at end of Period	8.9	9.2	9.4	9.7
ShipYears Left	135.8	127.6	125.6	123.6
Ownership Days (average)	91	91	90	91
Available Days efficiency (1)	98.5%	100%	99.3%	98.0%
Operating Days efficiency (2)	96.1%	100%	95.7%	94.7%

(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)	133.4	146.9	146.5	141.0
Leverage	55.7%	57.2%	58.9%	60.5%
Paid-in capital (\$mill)	78.9	78.6	78.1	80.1
Book NAV (\$mill)	77.4	77.1	77.0	8.6
Market NAV (\$mill) (1)	65.8	64.4	66.2	77.6
Enterprise Value (EV) (2)	142.7	149.3	149.4	144.5
Book NAV per 100 usd invested (\$)	98.1	98.1	98.5	96.9
Market NAV per 100 usd invested (\$)	83.4	81.9	84.8	77.4
Average TCE per Ship, net (\$/pd)	9,539	12,365	12,428	10,724
Average Opex per Ship, net (\$/pd)	6,669	6,505	6,502	6,945
Cashflow TCE Breakeven per Ship (\$/pd)	9,381	9,211	9,125	9,512
Income Statement TCE Breakeven per Ship (\$/pd)	12,237	12,300	12,127	12,253

(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, redelivered in July 2019

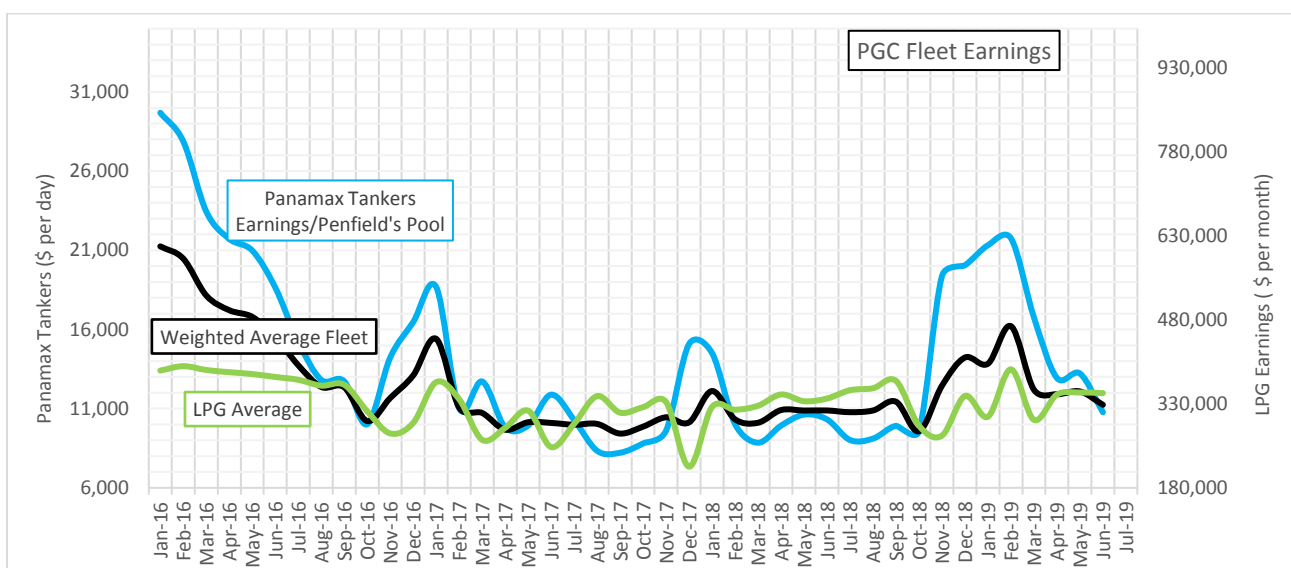
(3) PGC Aratos and Strident Force financed through a Sale and Lease Back scheme in Japan.

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 2019q2: 12,700 \$/pd
PGC Ikaros	Penfield Marine Pool	n/a	Pool	Floating, avg 2019q2: 12,700 \$/pd
PGC Aspropyrgos	Penfield Marine Pool	n/a	Pool	Floating, avg 2019q2: 12,700 \$/pd /d)
PGC Aratos	Gaschem/Gasmare Pool	n/a	Pool	Floating, avg 2019q2: 12,700 \$/pd
PGC Strident Force	Spot Market	n/a	Spot	Floating with avg 2019q2 abt \$290k/month
PGC Patreas	Cepsa / Aygaz	-	Spot	\$336k/month
PGC Periklis	OTI	-	TC	\$336k/month
PGC Taormina	ENI		TC	\$380k/month
PGC Eirini	REPSOL/Oilmar		Spot	\$370k/month

Graph: PGC fleet earnings since January 2016



Source: PGC Research & Analysis department



**2019/Q2 CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)**

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

	<u>As of June 30, 2019</u>	<u>As of December 31, 2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8,019	9,219
Trade and other receivables	4,780	3,793
Inventories	1,093	1,008
Due from related parties	114	10
Right of use asset	33	1,295
Seller's credit	2,000	2,000
Prepaid expenses	1,010	386
Total current assets	<u>17,049</u>	<u>17,711</u>
NON-CURRENT ASSETS		
Vessels, net	153,329	156,975
Investment in associate	1,004	-
Deferred charges, net	2,238	2,575
Total non-current assets	<u>156,571</u>	<u>159,550</u>
Total assets	<u>173,620</u>	<u>177,261</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts and other payable	3,708	3,166
Accrued liabilities	1,670	1,092
Current portion of long-term debt	5,269	8,585
Lease Liability	33	1,295
Dividends payable	-	57
Related parties' loan	108	108
Shareholders' loan	364	838
Total current liabilities	<u>11,152</u>	<u>15,141</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	84,840	84,783
Deferred gain on sale of vessel, net of current portion	-	266
Total long-term liabilities	<u>84,840</u>	<u>85,049</u>
Total liabilities	<u>95,992</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	8,594	7,094
Retained earnings	(2,466)	(1,523)
Total shareholders' equity	<u>77,628</u>	<u>77,071</u>
Total liabilities and shareholders' equity	<u>173,620</u>	<u>177,261</u>

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

	Period ended June 30, 2019	Period ended June 30, 2018
	<u>2019</u>	<u>2018</u>
Operating revenue	<u>20,543</u>	<u>18,716</u>
Total operating revenue-net	<u>20,543</u>	<u>18,716</u>
 Operating expenses		
Voyage expenses	(1,329)	(1,825)
Vessels' operating expenses	(9,874)	(8,786)
Depreciation	(3,750)	(3,556)
Amortization of deferred dry-docking and S/S costs	(877)	(958)
Amortization of right of use asset	(1,322)	-
Commissions	(610)	(628)
Management fees	(1,081)	(1,011)
General and administrative expenses	(55)	(48)
Charter hire expenses	-	(1,358)
Gain on sale of vessel	266	329
Net operating expenses	<u>(18,632)</u>	<u>(17,841)</u>
Operating profit	<u>1,911</u>	<u>875</u>
 Other income/ (expenses)		
Interest income	67	43
Interest expense	(2,916)	(2,254)
Other finance expenses	(37)	(143)
Other income, net	(13)	(72)
Total other expenses, net	<u>(2,899)</u>	<u>(2,426)</u>
 Loss for the year	 <u>(988)</u>	 <u>(1,551)</u>
 Other comprehensive income for the year	 -	 -
 Total comprehensive loss for the year	 <u>(988)</u>	 <u>(1,551)</u>