PARADISE GAS CARRIERS CORP.

Consolidated Financial Statements for the year ended December 31, 2021 prepared under US GAAP

These financial statements set out on pages 5 to 38 have been approved by the Board of Directors of Paradise Gas Carriers Corp. on June 17, 2022

Signed on behalf of the Board of Directors

CEO

INDEX

	Page
Report of Independent Auditors	3
Consolidated Balance Sheets as at December 31, 2021 and 2020	5
Consolidated Statements of Comprehensive Income for the Years ended December 31, 2021 and 2020	6
Consolidated Statements of Changes in Shareholders Equity for the Years ended December 31, 2021 and 2020	7
Consolidated Statements of Cash Flows for the Years ended December 31, 2021 and 2020	8
Notes to the Consolidated Financial Statements	9-38

Report of Independent Auditors

To the Management and Board of Directors of Paradise Gas Carriers Corp.

Opinion

We have audited the accompanying consolidated financial statements of Paradise Gas Carriers Corp. and its subsidiaries (together "the Group"), which comprise the consolidated balance sheets as of December 31, 2021 and December 31, 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and December 31, 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

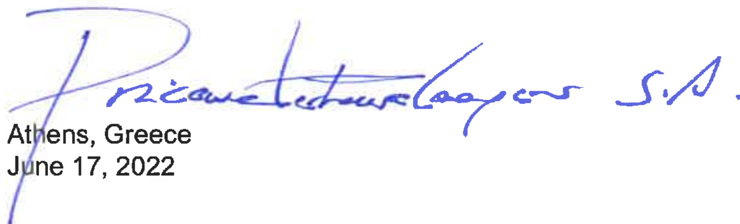
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always

detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Athens, Greece
June 17, 2022

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2021 and 2020
(Expressed in thousands of United States dollars or unless otherwise stated)

	Notes	As of December 31, 2021	As of December 31, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	7,123	5,687
Trade receivables		2,603	2,448
Inventories	4	892	887
Insurance and other claims		-	517
Right of use asset	6	-	3,345
Other receivables		600	558
Prepaid expenses		262	294
Lease Receivable	6	-	1,481
Total current assets		**11,480**	**15,217**
NON-CURRENT ASSETS			
Vessels, net	5	145,430	149,695
Lease receivable, net of current portion	6	-	4,627
Investments in affiliates	10	5,005	4,432
Deferred charges, net	7	5,777	5,295
Total non-current assets		**156,212**	**164,049**
Total assets		**167,692**	**179,266**
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	8	5,304	4,178
Accrued liabilities	11	545	466
Current portion of long-term debt	9	11,534	15,226
Lease Liability	6	-	3,345
Unearned revenue		1,418	77
Dividends payable	12	548	188
Due to related parties	13	137	271
Shareholders' loan	13	-	589
Other current liabilities		541	702
Total current liabilities		**20,027**	**25,042**
LONG-TERM LIABILITIES			
Long-term debt, net of current portion and deferred financing costs	9	74,090	76,399
Total long-term liabilities		**74,090**	**76,399**
Total liabilities		**94,117**	**101,441**
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	12	9,150	6,300
Retained earnings		(7,075)	25
Total shareholders' equity		**73,575**	**77,825**
Total liabilities and shareholders' equity		**167,692**	**179,266**

The accompanying notes on pages 9 to 38 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
(Expressed in thousands of United States dollars or unless otherwise stated)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
Operating revenue	17	36,871	39,940
Total operating revenue-net		**36,871**	**39,940**
Operating expenses			
Voyage expenses	19	(1,762)	(2,646)
Vessels' operating expenses	18	(18,998)	(14,763)
Depreciation	5	(7,684)	(6,897)
Amortization of deferred dry-docking and special survey costs	7	(1,802)	(1,202)
Vessel impairment loss	5	(3,470)	-
Time charter expenses	6	(2,089)	(4,010)
Commissions	13	(1,203)	(1,181)
Management fees	13	(2,126)	(1,800)
General and administrative expenses		(64)	(102)
Net operating expenses		**(39,198)**	**(32,601)**
Operating (loss)/profit		**(2,327)**	**7,339**
Other income/ (expenses)			
Interest income		45	136
Interest expense and finance cost		(3,867)	(4,244)
(Loss)/ gain from change in fair value of investments	10	(186)	(31)
Other finance expenses		(250)	(386)
Other (losses)/ income, net		(143)	(333)
Total other expenses, net		**(4,401)**	**(4,858)**
(Loss)/ gain for the year		**(6,728)**	**2,481**
Other comprehensive income for the year		**-**	**-**
Total comprehensive income/ (loss) for the year		**(6,728)**	**2,481**

The accompanying notes on pages 9 to 38 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020
(Expressed in thousands of United States Dollars unless otherwise stated)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained earnings	Total
Balance December 31, 2019	**-**	**8,412**	**71,500**	**(2,116)**	**77,796**
Net loss for the year	-	-	-	2,481	**2,481**
Capital reduction	-	(2,112)	-	-	**(2,112)**
Dividends	-	-	-	(340)	**(340)**
Balance December 31,2020	**-**	**6,300**	**71,500**	**25**	**77,825**
		-			
Balance December 31, 2020	**-**	**6,300**	**71,500**	**25**	**77,825**
Net loss for the year	-	-	-	(6,728)	**(6,728)**
Capital contributions	-	2,850	-	-	**2,850**
Dividends	-	-	-	(372)	**(372)**
Balance December 31, 2021	**-**	**9,150**	**71,500**	**(7,075)**	**73,575**

The accompanying notes on pages 9 to 38 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021 and 2020

(Expressed in thousands of United States Dollars unless otherwise stated)

	Notes	Year ended December 31, 2021	Year ended December 31, 2020
Cash Flows from operating activities:			
Net (loss)/income for the year		(6,728)	2,481
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation	5	7,684	6,897
Amortization of deferred dry-docking and special survey costs	7	1,802	1,202
Amortization of deferred financing costs	9	289	173
Vessel impairment loss	5	3,470	-
Loss/ (gain) from change in fair value of investments	10	186	31
Interest income related to lease receivable and loan from affiliate		(45)	(112)
Changes in operating assets and liabilities			
(Increase)/ decrease in accounts receivable		(155)	360
Decrease/ (increase) in insurance and other claims		517	(231)
Decrease/ (increase) in prepaid expenses		33	(8)
(Increase)/ decrease in other receivables		(42)	5
Increase in inventories	4	(6)	(36)
(Decrease)/ increase in related parties	13	(134)	361
Increase in accounts payable	8	1,235	406
Increase/ (decrease) in accrued liabilities	11	79	(482)
Increase/ (decrease) in unearned revenue		1,341	(652)
(Decrease)/ increase in other current liabilities		(161)	412
Payments for dry dock and special survey costs	7	(2,284)	(3,145)
Net cash provided by operating activities		**7,081**	**7,662**
Cash Flows from investing activities:			
Investments in affiliates, net of return of affiliate's capital	10	(759)	(3,178)
Payments for additions to vessels	5	(1,690)	(12,776)
Proceeds from lease receivable		845	-
Receipt of loan with affiliate	13	-	203
Cash received relating to the sale of a vessel, net of transaction costs paid	6	-	1,590
Net cash used in investing activities		**(1,604)**	**(14,161)**
Cash flows from financing activities:			
Proceeds from bank borrowings, net of deferred financing costs	9	20,175	70,458
Repayments of bank borrowings	9	(26,465)	(64,129)
Proceeds of issuance of preferred shares / (repurchase) of preferred shares/	12	2,850	(2,112)
Dividends paid		(12)	(280)
Repayment of related party loan		-	(105)
(Payments to)/ net proceeds from shareholders loans		(589)	202
Net Cash provided by financing activities		**(4,041)**	**4,034**
Increase/ (decrease) in cash and cash equivalents		**1,436**	**(2,465)**
Cash and cash equivalents, beginning of year	3	5,687	8,152
Cash and cash equivalents, end of year		**7,123**	**5,687**
Supplemental disclosures of cash flow information:			
Cash paid for interest (net of capitalized interest)		3,554	4,514
Non-cash financing activities			
Dividends payable	12	548	188
Non-cash investing activities			
Additions to vessels		-	109
Vessel Acquisition		(5,308)	-
Lease receivable relating to the sale of vessel, net of transaction costs paid		5,308	-

The accompanying notes on pages 9 to 38 are an integral part of these consolidated financial statements.

1. Description of organization and business operations

Paradise Gas Carriers Corp. ("Paradise" or the "Company" and together with its subsidiaries the "Group"), was formed on May 9, 2013, in Monrovia, Liberia and is presently the sole owner of all outstanding shares of the companies listed below (the "Paradise Subsidiaries").

The Group's vessels operate worldwide, carrying oil and LPG for many of the world's leading charterers. The Group manages its operations from the offices of the management company (Paradise Navigation S.A.) in Athens, Greece.

The Group's principal business is the acquisition and operation of vessels. Paradise conducts its operations through vessel owning subsidiaries that have as principal activity the ownership and operation of oil tanker and gas carrier vessels that are under the exclusive management of a related party of the Group (refer to Note 13 - Related Party Transactions).

The consolidated financial statements of Paradise Gas Carriers Corp include the results of the following companies:

Company	Country of Incorporation	Date of Incorporation	Activity
Paradise Gas Carriers Corp.	Monrovia, Liberia	May 9, 2014	Holding Co
Stylida Maritime Ltd	Monrovia, Liberia	December 11, 2007	Subsidiary
Darko Maritime Ltd	Monrovia, Liberia	January 13, 2014	Subsidiary
PST S.A	Marshall Islands	July 2, 2014	Subsidiary

The consolidated financial statements also include the results of the following vessel-owning subsidiaries, all wholly owned by Paradise Gas Carriers Corp. as of December 31, 2021 and 2020.

Company	Date of Incorporation	% Shareholding	Vessel Name	Vessel Type	Year Built	DWT
Marina Maritime & Trading Ltd	May 8, 2013	100	PGC MARINA	Oil Tanker	2005	72,854
Aratos Maritime Ltd	July 24, 2013	100	PGC ARATOS	Gas Carrier	2003	9,328
Strident Force Maritime Ltd	January 13, 2014	100	PGC STRIDENT FORCE (i)	Gas Carrier	1999	8,485
Aspropyrgos II Maritime Ltd	December 8, 2014	100	PGC ASPROPYRGOS	Oil Tanker	2004	72,000
Patreas Maritime Ltd	June 2, 2016	100	PGC PATREAS	Gas Carrier	2017	7,500
Periklis Maritime Ltd	June 2, 2016	100	PGC PERIKLIS	Gas Carrier	2017	7,500
Taormina Maritime Ltd	June 2, 2016	100	PGC TAORMINA	Gas Carrier	2017	7,000
Eirini Maritime Ltd	June 2, 2016	100	PGC EIRINI	Gas Carrier	2018	7,000
PGC Alexandria Maritime LTD	July 29, 2020	100	PGC ALEXANDRIA (ii)	Oil Tanker	2006	75,000

1. Description of organization and business operations (continued)

i) PGC Strident Force was redelivered to the Group on June 17, 2021 (refer to note 5)
ii) PGC Alexandria was acquired on November 17, 2020 (refer to note 5)

2. Significant Accounting Policies

Basis of presentation**:** the accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") on a going concern basis. The reporting and functional currency of the Group is the United States Dollar.

Principles of Consolidation: The accompanying consolidated financial statements represent the consolidation of the accounts of the Company and subsidiaries it controls. The subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. All intercompany balances and transactions are eliminated on consolidation.

Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition. Costs directly attributable to the acquisition are expensed as incurred. The excess of the cost of acquisition over the fair value of the net tangible and intangible assets acquired and liabilities assumed is recorded as goodwill.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future dry-dock dates, the selection of useful lives for tangible assets and scrap value, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivable, provisions for legal disputes and contingencies. Also, for operating and finance leases where the Group is acting as the lessor/lessee and in accordance with the provisions of ASC 842, management applies judgement to determine the rate implicit in the lease. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

Going Concern: The Group's management evaluates at each reporting period based on the relevant conditions and events that are known at the date of financial statements are issued, whether conditions or events exist that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued.

As of December 31, 2021, the Group's current assets amounted to $11,480 while current liabilities amounted to $20,027 resulting in a negative working capital position of $8,547.

2. Significant Accounting Policies (continued)

In March 2022, the Group entered into a new loan facility amounting to $3,000 with a commercial bank, to refinance the existing indebtedness for one of its vessels and to fund the purchase obligation of a vessel, which is included in the current portion of long-term debt as of December 31, 2021 (refer to Note 9 and Note 21).

However, the global economy is currently being impacted by the aftermath of the Covid-19 pandemic and the Russian invasion of Ukraine. The extent by which these events will impact maritime trade and the Group's business depends on factors beyond Group's control and cannot be predicted with certainty. Any prolonged slowdown in the global economy may again negatively impact worldwide demand, adversely affect the liquidity and financial position of Group's charterers and may decrease re-chartering hire rates for the Group's vessels. This could result in reductions in the Group's revenue and the market value of the vessels, which could materially adversely affect the Group's business and results of operations, as well as the ability to service or refinance the expiring lease liability.

The Group's projected cash flows following the aforementioned refinancing indicate that it will generate sufficient cash for at least the next 12 months following the date of issuance of these financial statements, such as to allow it to service all its operational obligations, make the required principal and interest payments on its indebtedness and finance lease liabilities, provide for the normal working capital requirements of the business and remain in a positive working capital position.

Additionally, management believes that the shareholders have the intent and ability to financially support any additional or unexpectred liquidity needs of the Group that may arise in the next twelve months from the issuance of the consolidated financial statements.

In light of the above, the consolidated financial statements were prepared assuming that the Group will continue as a going concern. Therefore, the accompanying consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded assets and liabilities or any other adjustments that might result in the event the Group is unable to continue as a going concern.

***Foreign Currency Translation**:* The functional currency of the Group is the U.S. dollar. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Difference in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the accompanying consolidated statement of comprehensive income.

On the balance sheet dates, monetary assets and liabilities denominated in other currencies are translated to reflect the current exchange rates. Resulting gains or losses are reflected in the accompanying consolidated statement of comprehensive income.

Cash and Cash Equivalents: Cash and cash equivalents consist of current, call, and time deposits with original maturity of three months or less which are not restricted for use or withdrawal.

2. Significant Accounting Policies (continued)

Trade Receivables, net: The amount shown as Trade Receivables at each balance sheet date includes receivables from charterers for hire, freight and demurrage billings, net of a provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. No allowance for doubtful accounts has been taken in any period included in these consolidated financial statements.

Prepaid Expenses: Prepaid expenses consist mainly of prepayment of insurance expenses.

Inventories: Inventories, consisting mainly of bunkers, lubricants and provisions remaining on board the vessels at each period end, are valued at the lower of market value or cost as determined using the weighted average cost basis method.

Insurance Claims: Insurance claims consist of claims submitted and/or claims in the process of compilation or submission (claims pending against vessels' insurance underwriters). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reported period, which are expected to be recovered from insurance companies. Any remaining costs to complete the claims are included in accrued liabilities. Insurance claims are included in the balance sheet line item "Insurance and other claims". The classification of insurance claims into current and non-current assets is based on management's expectations as to their collection dates.

Deferred Financing Costs*:* Deferred financing costs include fees, commissions and legal expenses associated with the Group's long- term debt. These costs are amortized over the estimated life of the related debt using the effective interest method and are included in interest expense or are capitalized in the case of vessels under construction. Unamortized fees relating to loans repaid or refinanced as debt extinguishment are expensed as interest and finance costs in the period the repayment or extinguishment is made. Deferred financing costs are presented as a deduction of long term debt, net of current portion.

Vessels' Cost: Vessels are stated at historical cost, which consists of the contract price, delivery and acquisition expenses and capitalized interest costs while under construction. Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. Subsequent expenditures for ballast water treatment system, major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the residual values of their vessels based on scrap value cost of steel times the weight of the ship noted in light displacement weight (ldt). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of residual values affect the depreciable amount of the vessels and affects depreciation expense in the period of the revision and future periods.

Up to December 31, 2020, management estimated the residual value of its vessel at $380 per ldt. Effective January 1, 2021, following management's reassessment, after

2. Significant Accounting Policies (continued)

considering current market trends for scrap rates and ten-year average historical scrap rates, the estimated scrap value per ldt was increased to $430.

This change in the accounting estimate of the scrap value did not materiality affect the Consolidated statement of Comprehensive Income as the annual depreciation expense decreased by $291 compared to the previous year.

Management estimates the useful life of the Group's vessels to be 25 years from the vessels' original construction for the Oil Tankers and 27 years for the Gas Carriers for the years ended December 31, 2021 and 2020.

Capitalized Interest Expense: Interest costs are expensed as incurred except for interest costs that are capitalized. Interest costs are capitalized on all qualifying assets that require a period of time to complete for their intended use. Qualifying assets consist of vessels constructed for the Group's own use.

Impairment of Long-lived Assets: Long-lived assets are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed such as, undiscounted projected cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group (consisting of the individual vessel, deferred charges related to the unamortized portion of the Drydock and Special Survey, the unamortized portion of ballast water treatment system and the intangible, if any, with respect to the time charter agreement attached to that vessel) and compared to the vessel carrying value and related carrying value of the intangible with respect to the time charter agreement attached to that vessel or the carrying value of deposits for new-buildings, if any. Within the shipping industry, vessels are often bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to then current market rates. The loss recognized either on impairment (or on disposal) will reflect the excess of carrying value over fair value (selling price) for the vessel individual asset group.

As of December 31, 2021 and 2020, the Group concluded that events and circumstances triggered the existence of potential impairment of its long-lived assets. The indicators included loss of charterer, volatility in the spot market and decline in the vessels' market values, as well as the potential impact the current market place may have on its future operations. As a result, the Group performed step one of the impairment assessment of the Group's long-lived assets by comparing the undiscounted projected net operating cash flows for each vessel to its carrying value. The significant factors and assumptions the Group used in its undiscounted projected net operating cash flow analysis included, among others, operating revenues, off-hire revenues, drydocking costs, ballast water treatment system cost, operating expenses and management fees estimates. Revenue assumptions were based on contracted time charter rates up to the end of life of the current contract of each vessel as well as estimated average time charter equivalent rates for the remaining life of the vessel after the completion of its current contract. The estimated daily time charter equivalent rates used for non-contracted revenue days are based on historical average time charter rates, based on publications by independent third party maritime research services. Recognizing that the oil tanker and gas carriers transportation industry is cyclical and subject to volatility based on factors beyond the

2. Significant Accounting Policies (continued)

Group's control, management believes the use of revenue estimates, based on the factor above, to be reasonable as of the reporting date. Furthermore, the Group used an annual operating expenses escalation factor and estimates of the scheduled and unscheduled off-hire revenues based on historical experience. All estimates used and assumptions made were in accordance with the Group's internal budgets and historical experience of the shipping industry.

The assessment concluded that step two of the impairment analysis was required for one of our vessels, as the undiscounted projected net operating cash flows did not exceed its carrying value. The fair value of the vessel was determined with the assistance from valuation obtained from third part independent shipbrokers (on the basis of commercial transaction between a willing buyer and a willing seller).

As of December 31, 2021, an impairment loss of $3,470 was recognized as the carrying amount of an asset group was not recoverable and exceeded its fair value (see Note 5). The impairment loss is included under "Vessel impairment loss" in the Consolidated Statements of Comprehensive Income.

As of December 31, 2020, the Group concluded that no events and circumstances triggered the existence of potential impairment of its long-lived assets as the undiscounted projected net operating cash flows exceeded the carrying value.

Accounting for Special Survey and Dry-docking Costs: The Group's vessels are subject to regularly scheduled dry-docking and special surveys which are carried out every 30 or 60 months to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained in rare cases and under certain conditions. The costs of dry-docking and special survey are deferred and amortized over the above periods or to the next dry-docking or special survey date if such has been determined. Drydocking and special survey costs are reported in the balance sheet within "Deferred charges, net if special survey or dry-docking is performed prior to the scheduled date, the remaining unamortized balances are immediately written off.

The unamortized portion of special survey and dry-docking costs for vessels sold is included as part of the carrying amount of the vessel in determining the gain / (loss) on sale of the vessel.

Pension and Retirement Benefit Obligations-Crew: The crew on board of the Group's vessels serves in such capacity under short-term contracts (usually up to nine months) and accordingly, the vessel-owning companies are not liable for any pension or post-retirement benefits.

Accounts payable: Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of the Group's business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Leases: Vessel leases where the Group is regarded as the lessor are classified as either finance leases (sales-type / direct financing leases) or operating leases based on an assessment of the terms of the lease.

For charters classified as operating leases where the Group is regarded as the lessor, refer to section "Revenue recognition" below.

2. Significant Accounting Policies (continued)

For charters classified as operating leases where the Group is regarded as the lessee, a right of use asset and a corresponding lease liability are recognized on the consolidated balance sheet. The expense is recognized on a straight line basis over the rental periods of such charter agreements. The lease expense is included under the line item Time Charter Expenses of the Consolidated Statements of Comprehensive Income. In cases of lease agreements where the Group acts as the lessor under an operating lease, the Group keeps the underlying asset on the consolidated balance sheet and continues to depreciate this over its useful life. In cases of lease agreements where the Company acts as the lessor under a finance lease, the Group derecognizes the underlying asset and records a net investment in the lease. The Group acts as a lessee in a bareboat arrangement which constitutes an operating lease, while it acts as the lessor under operating leases in connection with its revenue arrangements.

For charters classified as finance leases the minimum lease payments are recorded as the gross investment in the lease. The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease. For finance leases, interest expense is determined using the effective interest method and amortization on the right-of-use asset is recognized on a straight-line basis.

In cases of sale and lease back transactions, if the transfer of the asset to the lessor does not qualify as a sale, then the transaction constitutes a failed sale and lease back and is accounted for as a financing transaction. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset.

Operating lease assets used by the Group are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is based on the fair value of the asset. The Group determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions. Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease asset. As of December 31, 2021 and 2020, management concluded that were no events and circumstances which may indicate the existence of potential impairment of the Group's operating leases.

Current and Deferred Income Tax: The Group is not liable for corporate income tax, either in the country of incorporation or, in the case of the vessel - owning companies, in the country of the vessel's registration. The Group therefore does not provide for either corporate income tax or for deferred taxation.

The Group's vessel owning companies are liable to pay an annual tonnage tax to the tax authorities of the country where the vessels are registered. This tax has been included in vessels' operating expenses.

Effective from 1 January 2013, an annual tonnage tax is also payable to the tax authorities of Greece, which is the country of operation of the Managing Agent of the Group. This tax has been included in vessel's operating expenses.

Provisions and contingencies: The Group, in the ordinary course of its business, is subject to various claims, suits and complaints. The Group will provide for a contingent loss

2. Significant Accounting Policies (continued)

in the financial statements if the contingency has been incurred and the likelihood of loss is deemed to be probable at the date of the financial statements and the amount of the loss can be reasonably estimated. In accordance with the accounting for contingencies, if the Group has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, the Group will accrue the lower amount of the range. The Group participates in Protection and Indemnity (P&I) insurance coverage plans provided by mutual insurance societies known as P&I clubs. Under the terms of these plans, participants may be required to pay additional premiums to fund operating deficits incurred by the clubs

("deferred calls"). Obligations for deferred calls are accrued annually based on information provided by the clubs regarding supplementary calls.

Provisions for estimated losses on uncompleted voyages and vessels time chartered to others are provided for in the period in which such losses are determined. At December 31, 2021 and 2020, the balance for provision for loss making voyages in progress was nil.

Revenue Recognition: Revenue is recognized when (or as) the Group transfers promised goods or services to its customers in amounts that reflect the consideration to which the Group expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Group satisfies its contractual obligations and transfers control of the promised goods or services to its customers. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Group performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Group satisfies each performance obligation.

Revenue is generated from time charters, spot voyage charters and pooling arrangements.

Revenue from Time Charters

Revenues from time chartering of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average revenue over the rental periods of such charter agreements, as service is performed. Time charter revenue involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Under time charters, operating costs such as for crew, maintenance and insurance are typically paid by the owner of the vessel. The performance obligations in a time charter contract are satisfied over the term of the contract beginning when the vessel is delivered to the charterer until it is returned to the Group.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter or freight rate. Since address commissions represent a discount (sales incentive) on services rendered by the Group and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

2. Significant Accounting Policies (continued)

Revenue from Pooling arrangements ("pool revenues")

For vessels operating in pooling arrangements, the Group earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. Operating revenue and voyage expenses of the pool are posted and allocated to the pool participants on a time charter equivalent basis, according to an agreed formula. Formulas used to allocate net pool revenues vary among different pools but generally allocate revenues to pool participants on the basis of the number of days a vessel operates in the pool with weighting adjustments made to reflect vessels' differing capacities and performance capabilities. Certain pools are responsible for paying voyage expenses and distribute net pool revenues to the participants.

Certain pools require the participants to pay and account for voyage expenses, and distribute gross pool revenues to the participants such that the participants' resulting net pool revenues are equal to net pool revenues calculated according to the agreed formula. Revenue under pooling arrangements is accounted for as variable rate operating leases on the accrual basis and is recognized in the period in which the variability is resolved. The Group recognizes net pool revenue on a monthly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material.

Revenue from spot voyage charters

Under a spot voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. The Group recognizes revenue ratably from port of loading to when the charterer's cargo is discharged as well as defer costs that meet the definition of "costs to fulfill a contract" and relate directly to the contract. Revenue is a factor of the weight of the cargo which is known at the time of loading and before the voyage begins. Probable losses on voyages are provided for in full at the time such losses can be estimated.

Deferred Revenue: Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as revenue over the voyage or charter period, when the service is provided.

Commissions: Commissions calculated on hires and freights generated from the vessels represent discounts and fees respectively, provided directly to the charterers and brokers based on a fixed percentage of the agreed upon charter or freight rate of the vessels.

General and Administrative Expenses: General and administrative expenses include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and other services.

Vessels Operating Expenses: Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, lubricants, exchange differences, crew travelling, provision, communication, tonnage taxes and other miscellaneous expenses related to the operation of the vessel. Aggregate expenses increase as the size of the Group's fleet increases.

Dividends: Dividends are recorded in the Group's financial statements in the period in which they are declared.

2. Significant Accounting Policies (continued)

***Financial Instruments*:** Financial instruments carried on the balance sheet include cash and cash equivalents, trade receivables and payables, other receivables and other liabilities and long term debt. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

a) **Financial risk management:** Group's activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, and fuel prices, credit and interest rate risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

b) **Credit risk:** The Group closely monitors its exposure to customers and counterparties for credit risk. The Group has entered into the Management Agreement with the

Manager, pursuant to which the Manager agreed to provide commercial and technical management services to the Group. When negotiating on behalf of the Group various employment contracts, the Manager has policies in place to ensure that it trades with customers and counterparties with an appropriate credit history. For significant customers constituting more than 10% of the total revenue refer to Note 17, "Operating Revenue".

c) **Foreign exchange risk:** Foreign currency transactions are translated into the measurement currency rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of operations.

Investments in affiliates: Affiliates are entities over which the Group has the ability to exercise significant influence, but it does not exercise control. As of December 31, 2021, the Group's equity method investments consist solely of an approximately 18,435% (2020: 18,435%) and 54,389% (2020: 51,149%) common stock ownership interest in non-related party entities, Crude Tankers I AS and Crude Tankers II AS respectively, over which it has the ability to exercise significant influence due to the fact that any shareholder above 10% is entitled to appoint a member of the Board. Both investments took place during 2019. In accounting for these investments, the Group has elected to use the fair value option, available under ASC 825 for investments subject to the equity method of accounting, as management believes it more accurately reflects the economic substance of its ownership interest in Crude Tankers I AS and Crude Tankers II AS. The initial election of the fair value option did not have any impact on the Group's earnings. The Group has elected to adopt the fair value option under ASC 825 to account for its investments and is required to present those investments at fair value at each reporting period, with changes in fair value reported in the consolidated statement of comprehensive income. Fair value is measured based on the Group's proportionate share of the investee's adjusted net assets (i.e., the investee's net assets adjusted for the market value of the vessel based on broker valuations). Our share of gains and losses in the fair value of the investments as well as dividend income are recorded in "Gain/ (loss) from change in fair value of investments" in the Consolidated Statement of Comprehensive Income. As of December 31, 2021 and 2020, the Group did not have any cost method investments accounted for under the equity method.

2. Significant Accounting Policies (continued)

Recent Accounting Pronouncements:

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, which included amendments to updates made in ASU 2017-12, including amendments to the presentation and disclosure guidance. The effective date of ASU 2019-04 Topic 3 aligns with the effective date of ASU 2017-12. The Group adopted the requirements of Accounting Standard Update ("ASU") 2019-04, Topic 3 on the same date of the adoption of the Accounting Standard Update ASU 2017-12. The adoption of this accounting standard had no material impact on the Group's consolidated financial statements.

In November 2019, FASB issued ASU 2019-10, "Financial Instruments Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)". This update has been issued to apply changes in the effective dates for: (i) ASU 2016- 13; (ii) ASU No. 2017-12, Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities (Hedging); and (iii) ASU 2016-02. This update also amends the mandatory effective date for the elimination of Step 2 from the goodwill impairment test (ASU 2017-04). Also, in November 2019, FASB issued ASU 2019-11, "Codification Improvements to Topic 326, Financial Instruments—Credit Losses", to correct errors in, or improve the Codification. Following the adoption of the relevant Accounting Standard Update ("ASU") the Group deferred the effective date of the ASU 2016-13 Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments from fiscal years beginning after December 15, 2021, including interim periods within those fiscal years to fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The adoption of this accounting standard had no material impact on the Group's consolidated financial statements.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"), which amends the impairment model by requiring entities to use a forward-looking approach based on expected losses to estimate credit losses on certain types of financial instruments, including trade receivables. ASU 2016-02 is effective for fiscal years beginning years beginning after December 15, 2022, including interim periods within those fiscal years, with early adoption permitted. The Group is currently evaluating the impact of the new standard update on its consolidated financial statements.

In April 2019, the FASB issued ASU 2019-04, Codification Improvements to Topic 326, Financial Instruments—Credit Losses, Topic 815, Derivatives and Hedging, and Topic 825, Financial Instruments, which included amendments to updates made in ASU 2016-13. The amendments included in the Topic 1&2 in the Update added Topic 326, Financial Instruments—Credit Losses, and made several consequential amendments to the Codification. The Update also modified the accounting for available-for-sale debt securities, which must be individually assessed for credit losses when fair value is less than the amortized cost basis, in accordance with Subtopic 326-30, Financial Instruments Credit Losses Available-for-Sale Debt Securities.

2. Significant Accounting Policies (continued)

For entities that have not yet adopted the amendments in Update 2016-13, the effective dates and transition requirements for the amendments related to Topic 1 & Topic 2 of this Update are the same as the effective dates and transition requirements in Update 2016-13. The transition adjustment includes adjustments made as a result of an entity developing or amending its accounting policy upon adoption of the amendments in this Update for determining when accrued interest receivables are deemed uncollectible and written off. The Group is currently evaluating the impact of the new standard on its consolidated financial statements.

In November 2019, FASB issued ASU 2019-11 Codification Improvements to Topic 326, Financial Instruments—Credit Losses. The amendments in this Update clarify or address stakeholders' specific issues about certain aspects of the amendments in Update 2016-13. The amendments in this Update represent changes to clarify, correct errors in, or improve the Codification. The amendments make the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. For entities that have not yet adopted the amendments in Update 2016-13 as of the issuance date of this Update, the effective dates and transition requirements for the amendments are the same as the effective dates and transition requirements in Update 2016-13. The Group is currently evaluating the impact of the standard on the consolidated financial statements.

3. Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and at bank	4,613	3,287
Short-term deposits	2,510	2,400
	7,123	**5,687**

4. Inventories

	December 31, 2021	December 31, 2020
Bunkers	-	105
Lubricants	629	572
Stores	263	210
	892	**887**

5. Vessels, net

	Vessels' Cost	Accumulated Depreciation	Net Book Value
January 1, 2020	**169,996**	**(26,289)**	**143,707**
Additions	12,885	-	12,885
Depreciation for the year	-	(6,897)	(6,897)
December 31, 2020	**182,881**	**(33,186)**	**149,695**
December 31, 2020	**182,881**	**(33,186)**	**149,695**
Additions	6,889	-	6,889
Impairment loss	(9,870)	6,400	(3,470)
Depreciation for the year	-	(7,684)	(7,684)
December 31, 2021	**179,900**	**(34,470)**	**145,430**

The scrap value of the Group's vessels was determined by multiplying their light displacement weight (ldt) by an estimated price for scrap of $430 per ldt.

(i) Additions, including acquisition of vessel

On July 16, 2021, the vessel PGC Strident Force, which was on a sub-charter on a bareboat basis to the charterer Gawcott Investment Inc., was re-delivered to the Group following an event of default by the charterer, based on the terms of the signed Charterparty and bareboat charter agreement, with a concurrent termination of the aforementioned agreements. Accordingly, at the date of the vessel's re-delivery, the lease receivable amounting to $5,308 (Note 6), was derecognized and classified as the vessel's new acquisition cost. There was no cash consideration as part of the re-delivery of this vessel.

Other additions to vessels during 2021 of $1,581 primarily relate to the Ballast Water Treatment System (BWTS) installation for PGC Aratos and PGC Alexandria in connection with the scheduled special surveys in February 2021 and October 2021 respectively.

On November 17, 2020, the Group acquired the vessel PGC Alexandria, following a Memorandum of Agreement ("MoA") signed between the Group and Hafnia Tankers Shipholding Singapore Pte. Ltd. dated August 18, 2020, for a gross consideration of $11,875.

Other additions to vessels during 2020 of $945 primarily relate to the Ballast Water Treatment System (BWTS) installation for PGC Marina in connection with the scheduled special survey in October 2020.

ii) Impairment loss

As of December 31, 2021 the Group concluded that events and circumstances triggered the existence of potential impairment of its long-lived assets. These indicators included volatility in the spot market and decline in the vessel's market values, as well as the potential impact the current marketplace may have on its future operations. Consequently, the Group performed step one of the impairment assessment of the Group's long-lived assets by comparing the undiscounted projected net operating cash flows for each vessel to its carrying value. The Group's assessment concluded that step two of the impairment analysis was required for one of our vessels, PGC Aspropyrgos, as the undiscounted projected net operating cash flows did not exceed its carrying value. The fair

5. Vessels, net (continued)

value of the vessel was determined with the assistance from valuation obtained from third part independent shipbrokers (on the basis of commercial transaction between a willing buyer and a willing seller), resulting in an impairment loss of $3,470. The impairment loss is included under "Vessel impairment loss" in the Consolidated Statement of Comprehensive Income.

6. Sale and lease back transactions and leases

Effective from January 1, 2018, the Group elected to early adopt the requirements of Accounting Standard Update ("ASU") 2016-02, "Leases (Topic 842)" using the modified retrospective method and has also elected the use of the practical expedients.

On December 10, 2019, the Group entered into a memorandum of agreement and bareboat charter for PGC Strident Force with Gawcott Investments Inc. (as buyer), an unrelated third party company whereby the vessel was sold for an aggregate sale price of $8,774.

Based on the memorandum of agreement, the aggregate sale price of $8,774 will be collected as follows:

- A cash consideration of $ 600 that was collected as of December 31, 2019
- 48 consecutive average monthly payments of approximately $6,424 based on the bareboat charter agreement (entered into on the same date) and;
- a final instalment amount of $1,750 due on December 13, 2023.

In accordance with ASC 842, the Group derecognized the vessel from its Balance Sheet and recognized a lease receivable of $7,653 as of December 31, 2019. As of December 31, 2020, the lease receivable, including the current portion, amounting to $ 6,108.

Also, on December 10, 2019, the Group entered into an agreement as a lessee for PGC Strident Force under a time charter agreement with its new owner, Gawcott Investments Inc., for a fixed period of 1 year (plus/minus 30 days) with a renewal option for 3 periods of 2 months each at the Group's option which was accounted for as an operating lease. Accordingly, a right of use asset and a corresponding lease liability of $4,043 was recognized on the consolidated balance sheet as of December 31, 2019.

On November 16, 2020, the Group entered into new time charter agreement for the PGC Strident Force for a fixed period of 1 year (plus/minus 30 days) with a renewal option for 3 periods of 2 months each at the Group's option which was accounted for as a lease modification to the existing operating lease. Accordingly, the right of use of asset and corresponding lease liability increased by $3,580 and amounted to $3,804 as of November 16, 2020. The incremental borrowing rate used to estimate the right of use assetand the lease liability, in 2019 and 2020, was 1,6%.

On July 16, 2021, following an event of default relating to outstanding payments to the Group by Gawcott Investment Inc., and based on the terms of the signed Charterparty and bareboat charter agreement, the vessel was re-delivered to the Group with a concurrent termination of the aforementioned agreements. Accordingly, the Group derecognized the remaining lease receivable at the date of default of $5,308 and the remaining balance of the right of use of asset of $1,281 and the lease liability of $1,281 were also derecognized.

6. Sale and lease back transactions and leases (continued)

As of December 31, 2021 and 2020, the right of use of asset and the corresponding lease liability amounted to $0 and $ 3,345, respectively.

The lease expense recorded on a straight-line basis over the lease term under the line item "Time Charter Expenses" of the consolidated statement of comprehensive income for the years ended December 31, 2021 and 2020 amounted to $2,089 and $4,010, respectively.

7. Deferred charges, net

	Dry-dockings and Special Surveys
As of January 1, 2020	**3,352**
Additions	3,145
Amortization	(1,202)
As of December 31, 2020	**5,295**
Additions	2,284
Amortization	(1,802)
As of December 31, 2021	5,777

8. Accounts Payable

Accounts payable comprise of the following:

	December 31, 2021	December 31, 2020
Suppliers and other creditors	4,614	3,537
Brokers	17	45
Agents	487	210
Due to charterers	140	280
Other	46	106
	5,304	**4,178**

9. Borrowings, net of deferred financing costs

The Group's borrowings are analyzed by loan facility as follows:

Loan	As of December 31, 2021	Current Portion	Long-term Portion	As of December 31, 2020	Current Portion	Long-term Portion
A	**-**	-	-	**12,041**	1,800	10,241
B	**12,134**	1,975	10,159	**-**	-	-
C	**-**	-	-	**7,320**	7,320	-
D	**2,525**	2,525	-	**3,361**	862	2,499
E	**15,605**	990	14,615	**16,768**	1,200	15,568
F	**25,624**	1,769	23,855	**27,328**	1,769	25,559
G	**16,608**	1,075	15,533	**17,648**	1,075	16,573
H	**6,269**	1,400	4,869	**7,159**	1,200	5,959
I	**6,859**	1,800	5,059	**-**	-	-
	85,624	**11,534**	**74,090**	**91,625**	**15,226**	**76,399**

Loans

A) On March 27, 2015, two vessel owning companies of the Group (Aspropyrgos II Maritime Ltd. and PST S.A) entered jointly and severally into a loan agreement with HSBC Bank plc, for a loan facility amounting to $22,000, in order to refinance part of the acquisition cost of the already acquired vessels (Aspropyrgos and PGC Ikaros). On June 23, 2015 and following the amending and restating of the loan agreement, PST S.A was substituted by Marina Maritime and Trading Ltd. During the year ended December 31, 2015, the Group fully drew down the loan facility.

On October 14, 2019, following the amending and restated agreement, the Group agreed with the Lender the extension of the maturity and the amendment of the repayment schedule.

On June 29, 2021 and October 8, 2021, respectively, the Group fully repaid the outstanding tranche for Aspropyrgos II Maritime Ltd. and Marina Maritime and Trading Ltd. The loan bore interest at 3.1% over Libor.

B) On June 25, 2021, one vessel owing company of the Group (Aspropyrgos II Maritime Ltd.) entered into a new loan facility with AB Bank amounting to $6,000 in order to refinance an existing indebtedness and for general working capital purposes. On October 7, 2021, the Group agreed with the Lender to enter a new secured term loan agreement amounting to $12,250, on a joint basis for Apropyrgos Maritime Ltd and Marina Maritime & Trading Ltd, to refinance the existing loan indebtedness and for general working capital.

As of December 31, 2021, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $12,134. The loan bears interest at 3,75% over Libor.

C) On August 31, 2018, the Group entered into a sale and lease back agreement for PGC Aratos with Awavi Co, an unrelated third party company whereby the vessel was sold for $17,200 and leased back on a bareboat basis for $0,179 per month. The Group has a bargain option to acquire the vessel at the end of the lease term and in accordance with ASC 842-40 the transaction was accounted for as a failed sale.

Accordingly, the Group did not derecognize the vessel from its Balance Sheet and accounted for the amount received under the sale and lease back agreement as a financial liability within borrowings.

9. Borrowings, net of deferred financing costs (continued)

The Group was obligated to make 36 consecutive average monthly payments of approximately $6,372 in total.

On July 14, 2021, the Group fully repaid the outstanding loan.

In September 28, 2018, the Group entered into a sale and lease back agreement for PGC Strident Force with Vom Co Ltd, an unrelated third party company whereby the vessel was sold for $9,000 and leased back on a bareboat basis for $94 per month. The Group has a bargain option to acquire the vessel at the end of the lease term and under ASC 842-40, the transaction was accounted for as a failed sale.

Accordingly, the Group did not derecognize the vessel from its Balance Sheet and accounted for the amount received under the sale and lease back agreement as a financial liability within borrowings.

The Group is obligated to make 48 consecutive average monthly payments of approximately $4,464 in total. The agreement matures in the third quarter of 2023 with a bargain purchase option of $1,850 on the last repayment day. Having assessed the relevant penalties that would be imposed in the event that the bargain option is not exercised, the Group concluded that a purchase obligation exists at the expiration of the finance lease in October 2022. As of December 31, 2021, the total outstanding balance, net of deferred borrowing costs, was $2,525 (2020: $3,361).

On March 23, 2022, the Group fully repaid the outstanding loan amount (refer to note 23).

D) On May 26, 2020, one vessel owing company of the Group (Taormina Maritime Ltd.) entered into a new loan facility with Hellenic Bank amounting to $17,600 in order to refinance an existing indebtedness on its vessel and for general working capital purposes.

As of December 31, 2021, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $15,605 (2020: $16,768). The loan bears interest at 3,3% over Libor.

E) On June 4, 2020, the Group entered into a sale and lease back agreement for PGC Patreas and PGC Periklis with Fortune July Shipping Ltd and Fortune May Shipping Ltd, unrelated third party companies whereby the vessels were sold for $14,525 each and leased back on a fixed bareboat rate of $74 per month plus a variable bareboat rate payable every month. The Group has a purchase obligation to acquire the vessels at the end of the lease term and under ASC 842-40, the transaction was determined to be a failed sale and lease back transaction.

Accordingly, the Group did not derecognize the vessels from its Balance Sheet and accounted for the amount received under the sale and lease back agreement as a financial liability within borrowings.

The Group is obligated to make 132 consecutive average monthly payments for each vessel. The agreements mature in the second quarter of 2031 with a purchase obligation for each vessel of $4,793, an amount equal to the 33% of the Financing Principal on the last repayment day. As of December 31, 2021, the total outstanding balance, net of deferred borrowing costs, was $25,624 (2020: $27,328).

F) On November 6, 2020, one vessel owing company of the Group (Eirini Maritime Ltd.) entered into a new loan facility with Piraeus Bank S.A amounting to $17,900 in order to refinance an existing indebtedness and for general corporate needs of the Group.

9. Borrowings, net of deferred financing costs (continued)

As of December 31, 2021, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $16,608 (2020: $17,648) net of deferred borrowing costs. The loan bears interest at 3,4% over Libor.

G) On November 5, 2020, one vessel owning company of the Group (PGC Alexandria Maritime Ltd.) entered into a new loan facility with HSBC Bank plc amounting to $7,200 to partially finance the acquisition cost of PGC Alexandria (see also note 5). As of December 31, 2021, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $6,269 (2020: $7,159). The loan bears interest at 3,1% over Libor.

H) On July 9, 2021, one vessel owing company of the Group (Aratos Maritime Ltd) entered into a new loan facility with Hellenic Bank amounting to $7,400 to refinance an existing indebtedness and for general working capital purposes. As of December 31, 2021, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $6,859. The loan bears interest at 3,6% over Libor.

The key terms of the outstanding loan agreements as at December 31, 2021 are as follows:

Loan B

Loan B is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp..

The debt agreement includes positive and negative covenants, the most significant of which are:

- An amount equal to $300 is required to be maintained by each Borrower in eac respective Earnings Accounts.
- During each month the Borrowers shall cause to be transferred from Earnings Accounts to Retention Account:
  a) one third of the amount of the repayment instalment failing due for payment on the next following repayment date and

b) the relevant fraction of the amount of interest on the Loan failing due on the next due date of payment of interest under the agreement.

Loan E

Loan E is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp..

The debt agreement includes positive and negative covenants, the most significant of which are:

- The borrowers shall procure that the Guarantor shall ensure that it maintains:
  a) leverage which does not exceed 75%
  b) minimum cash equal to:
     i) until December 31, 2022, $750 per fleet vessel owned for not less than six months and
     ii) at all times thereafter $500 per fleet vessel.
- The Borrower shall ensure that from the Utilization Date and at all times thereafter during the Security Period, it maintains a minimum credit balance of not less than $400 (the “Minimum Liquidity Amount”) in the Minimum Liquidity Account, which shall be pledged pursuant to the relevant Account Security.
- The Borrower shall ensure that on each Repayment Date there is a transferred to the Dry Dock Reverse account an amount of $40 until the vessel has passed its special survey in 2022.

9. Borrowings, net of deferred financing costs (continued)

- The Borrowers shall ensure that:
  a) the Market Value of the vessel; plus
  b) the net realizable value of additional Security is below:
  i) until the second anniversary of the Utilization Date, 130% of the Loan and
  ii) at all times thereafter, 140% of the Loan

Loan G

Loan G is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp. and Paradise Navigation S.A.

The debt agreement includes positive and negative covenants, the most significant of which are:

- The borrowers shall ensure that, on and from the Utilization Date and throughout the remainder of the Security Period, persons which are of the same beneficial ownership as the Borrower shall maintain in bank accounts held with the Lender freely available average credit balance in those accounts of not less than $400 in aggregate during 6 six month period (with the first such period commencing six months after the

  Utilization Date and every subsequent period commencing at six monthly intervals thereafter)
- The Borrower shall ensure that on the Utilization Date and for nine months following that date an amount of not less than $500 (the "Collateral Amount") is maintained in the Operating Account held with the Lender.

Loan H

Loan H is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp., Aspropyrgos II Maritime Ltd and Marina Maritime & Trading Ltd.

The debt agreement includes positive and negative covenants, the most significant of which are:

- The borrowers shall ensure that at all time during the Security period, maintain a cash collateral account equal to the amount of $500.
- The corporate guarantor shall at all times during the Security period maintain:
  a) leverage which does not exceed 70% and
  b) minimum cash or cash equivalent at the consolidated balance sheet of the Corporate Guarantor exceeding the amount of $500 per fleet vessel, other than i) the borrower's ship, in respect of which a minimum liquidity amount of $500 is already maintained in the cash collateral account.

Loan I

Loan I is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp..

The debt agreement includes positive and negative covenants, the most significant of which are:

- The borrowers shall procure that the Guarantor shall ensure that it maintains:
  a) leverage which does not exceed 75%
  b) minimum cash equal to:
  i) until December 31, 2022, $750 per fleet vessel fully owned and controlled by the Guarantor or a member of the Group for not less than six month prior to each test date

9. Borrowings, net of deferred financing costs (continued)

ii) at all times thereafter $500 per fleet vessel.

- The Borrower shall ensure that there is transferred to the Liquidity Account, on the Utilization Date an amount of $200 and thereafter on each repayment date an amount of $50, until the aggregate amount of $400 is accumulated in the Liquidity account.
- The Borrowers shall ensure that:
  a) the Market Value of the vessel plus
  b) the net realizable value of additional Security is below:
  i) until the second anniversary of the Utilization Date, 130% of the Loan and
  ii) at all times thereafter, 140% of the Loan

As of December 31, 2021, the Group was in compliance with all covenants under each of its credit facilities.

Deferred Borrowing costs

	December 31, 2021	December 31, 2020
Deferred financing cost	1,219	250
Additions	225	1,142
Amortization of deferred borrowing cost	(289)	(173)
	1,155	**1,219**

Repayment Terms

The annual repayments of the above loan facilities and financing arrangements as of 31 December 2021 are as follows:

Year	31/12/2021
2022	11,555
2023	7,944
2024	10,670
2025	31,140
2026 and thereafter	25,470
	86,779

10. Investments in affiliates

	December 31, 2021	December 31,2020
Opening balance	4,432	2,800
Investment in Crude Tankers I AS	-	-
Investment in Crude Tankers II AS	759	2,686
Repayment of capital	-	(1,023)
Gain/(loss) from change in fair value from the investments	(186)	(31)
	5,005	**4,432**

10. Investments in affiliates (continued)

In May, 2019 the Group invested $1,004 in Crude Tankers I AS, an unrelated party entity, through participation in a private offering. As a result of this investment, the Group became a significant investor in Crude Tankers I AS, holding a total of approximately 115,324 shares of common stock, which was approximately 18,4% of the then issued and outstanding shares of Crude Tankers I AS.

Additionally, in December 2019, the Group invested $1,515 in Crude Tankers II AS, an unrelated third party entity, through participation in a private offering, becoming a significant investor of 12,840 shares of common stock in this company, corresponding to 18,4% of the then issued and outstanding shares in the company.

On September 3, 2020, the Group received $1,023 from Crude Tankers II TT AS as a repayment of capital.

During 2021, the Group invested a further $759 (2020: $2,686) in Crude Tankers II AS, through participation in a private offering for an additional 33,206 (2021: 35,804) shares of common stock, bringing its investment in the company to 54,389% (2020: 51,149%) of the then issued and outstanding shares of Crude Tankers II AS.

As under the shareholders agreements any shareholder above 10% is entitled to appoint a member of the Board of these entities, the Group is deemed to exercise significant influence over both of the above entities, but it does not allow it to exercise control. In 2019, the Group has elected to adopt the fair value option under ASC 825 to account for its equity method investments and is required to present them at fair value at each reporting period, with changes in fair value reported in the consolidated statement of comprehensive income. The change in the fair value recognized in the consolidated statement of comprehensive income for the year ended December 31, 2021 amounts to a loss of $4 (2020: $305 gain) for Crude Tankers I AS and a loss of $182 (2020: $336 loss) for Crude Tankers II AS.

11. Accrued Liabilities

Accrued liabilities consist of the following:

	December 31, 2021	December 31, 2020
Accrued commissions	57	59
Accrued interest and finance cost	317	294
Accrued voyage and operating expenses	171	113
	545	**466**

12. Preferred Stock

In January 2017, the Group decided to amend its articles of association allowing the issuance of preferred stock. During 2021, the Group issued 28.5 (2020: 9) preferred shares with a nominal value of $0.1 each, i.e. an amount of $2,850 (2019: $900) in total was contributed by 4 (2020: 3) different shareholders as preferred equity in the Group. The key terms of the preferred shares are as follows:

12. Preferred Stock (continued)

- The preferred shares were offered to the existing shareholders, as well as to new shareholders.
- Preferred shares have no voting rights.
- The preferred shares rank pari passu with common shares and junior to existing Group's indebtedness.
- The preferred shares are entitled to quarterly dividends at a rate per annum equal to 4.5%, payable quarterly in arrears, prior to payment of any dividends to holders of common shares in the Group, provided always that the Group has earned sufficient amounts for such distribution.
- During 2021, the Board of Directors declared preferred share dividends amounting to $372 (2020: $340). As of December 31, 2021 an amount of $548 (2020: $188) was declared but not paid.
- During 2021, no preferred share has been redeemed (2020: $3,012).
- The preferred shares may be converted, at the option of the Group. The Group may buy back any preferred shares so issued at their abovementioned intrinsic value, but not before eighteen (18) months have elapsed from issuance thereof.

13. Related Party Transactions

a) *Technical Management Services*

Pursuant to the ship management agreement between each of the vessel owning companies and Paradise Navigation S.A. (the "Management Company"), a Company with a common shareholder as the Group, acts as the fleet's technical manager responsible for (i) recruiting qualified officers and crews, (ii) managing day to day vessel operations and relationships with charterers, (iii) purchasing of stores, supplies and new equipment for the vessels, (iv) performing general vessel maintenance, reconditioning and repair, including commissioning and supervision of shipyards and subcontractors of dry-dock facilities required for such work, (v) ensuring regulatory and classification society compliance, (vi) performing operational budgeting and evaluation, (vii) arranging financing for vessels and (viii) providing accounting, treasury and finance services, (ix) supervising the sale and physical delivery of the Vessel under the sale agreement, (x) arranging for the sampling and testing of bunkers, (xi) arranging crew insurances and (xii) providing information technology software and hardware in support of the Group's processes.

For the services rendered during 2021, the Technical Manager charged the Group's vessels management fees of $2,126 (2020: $1,800).

b) *Commercial Management Services*

Paradise Navigation S.A. also acts as the "Commercial Manager" for the Group's vessels, for which it charges a commission of 1.25% on all time-charter hire, voyage freight, dead freight, demurrage, pool revenue and any other income earned by the vessels. For the services rendered during 2021, the Management Company in its acting as commercial manager charged the Group's vessels fees of $424 (2020: $423).

13. Related Party Transactions (continued)

c) *Due from / to related parties*

Balance outstanding with the Technical and Commercial manager.

	December 31, 2021	December 31, 2020
Due (to)/ from related parties		
Paradise Navigation SA	(137)	(271)
	(137)	**(271)**

The balance outstanding as of December 31, 2021 and 2020 as due to Paradise Navigation S.A. represents mainly outstanding amounts relating to the management and commercial management fees.

d) *Loan due to shareholders*

During 2020, a loan facility amounting to $585 was advanced to the Group by AF Finance Corporation (one of the Group's Shareholders). The balance outstanding as of December 31, 2021 is nil (2020: $589) as the principal of $585 plus accrued interest amounting to $589 was fully repaid on January 29, 2021. The loan had an interest at 3,5% per annum.

e) *Preferred stock*

During 2021, the Group issued and sold 28.5 preferred shares (2020: 9) amounting to $2,850 (2020: $900) to officers and directors of the Group (refer to Note 12 – Preferred Stock).

During 2020, the Group redeemed preferred shares amounting to $1.538 (refer to Note 12 – Preferred Stock) to the following related party entities:

- Panthir Holding Ltd.
- Ivi Shipping Corp.

f) *Guarantee fee*

During 2020 a loan facility agreement (the "Loan Agreement") was entered into between Crude Tankers II TT AS (the "Borrower") and AB bank (the "Lender"). Paradise Gas Carriers Corp acts as a Guarantor towards the Lender.

Following the Loan Agreement, the Borrower and Paradise Gas Carriers Corp entered into a guarantee fee agreement where the Borrower shall reimburse the Guarantor 0,5% of the outstanding loan balance by the end of each quarterly debt service period, effective from November 27, 2020. The accrued guarantee fee for the year ended December 31, 2021 amounted to $2 (2020: $11).

14. Taxes

The Group is not liable for corporate income tax, either in the country of incorporation or in the country of the vessel's registration. The Group therefore does not provide either for corporate income tax or for deferred taxation.

An annual tonnage tax is payable to the tax authorities of the country where the vessel is registered. Effective from January 1, 2013 and pursuant to Law 4110/2013, an annual tonnage tax is also payable to the tax authorities of Greece where the management company has its offices established under article 25 of law 27/1975. This tax is calculated based on the same criteria, rates and scales applicable to vessels registered under the Greek flag pursuant to article 13 of LD 2687/1953. Any equivalent taxes or duties paid to the state of the vessels' registration are set off against the Greek tonnage tax. These taxes
have been included in vessel operating expenses in the accompanying consolidated statement of comprehensive income.

15. Financial Instruments

Fair Value of Financial Instruments:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Due (to)/ from related parties and Loans due to shareholders: The carrying amount of due from / to related parties and loans due to shareholders reported in the consolidated balance sheets approximate their fair value due to the short-term nature of these amounts.

Long-term debt: The carrying amount of the floating rate loans approximates their fair value due to their variable interest rates.

Long receivable from affiliate: The carrying amount of the floating rate loans approximates their fair value due to their variable interest rates.

Investments in affiliates: The fair value of the Group's investment in affiliates is estimated based on the its proportionate share of the investee's adjusted net assets.

The following table presents the carrying amounts and estimated fair values of the Group's financial instruments at December 31, 2021 and 2020.

15. Financial Instruments (continued)

	December 31, 2021		December 31, 2020	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
Assets				
Cash and cash equivalents	7,123	7,123	5,687	5,687
Investments in affiliates	5,005	5,005	4,432	4,432
Liabilities				
Amounts due to related parties	137	137	271	271
Long-term borrowings	85,624	85,624	91,625	91,625
Loan due to shareholders	-	-	589	589

Fair value Hierarchy

The estimated fair value of the financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value measurement, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that have the ability to be accessed. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Group did not use any Level III inputs as of December 31, 2021.

Fair value December 31, 2021

	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	7,123	7,123	-	-
Long-term borrowings	85,624	-	85,624	-
Amounts due to related parties	137	137	-	-

Fair value December 31, 2020

	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	5,687	5,687	-	-
Long-term borrowings	91,625	-	91,625	-
Amounts due to related parties	271	271	-	-
Loan due to shareholders	589	589	-	-

15. Financial Instruments (continued)

The fair value of the Group's long-term debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Group's creditworthiness.

The following table sets forth our assets that are measured at fair value on a recurring basis categorized by fair value hierarchy level. As required by the fair value guidance, assets are categorized in their entirety based on the lowest level of input that is significant to the fair value measurement.

Fair value Measurements as of December 31, 2021

	Total	Quoted Prices in Active Markets For Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in affiliates	5,005	-	5,005	-
Total	**5,005**	**-**	**5,005**	**-**

Fair value Measurements as of December 31, 2020

	Total	Quoted Prices in Active Markets For Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Investments in affiliates	4,432	-	4,432	-
Total	**4,432**	**-**	**4,432**	**-**

15. Financial Instruments (continued)

As of December 31, 2021, the Group's assets measured at fair value on a non-recurring basis were:

Fair value Measurements as of December 31, 2021

	Total	Quoted Prices in Active Markets For Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Vessels,net	8,658	-	8,658	-
Total	**8,658**	**-**	**8,658**	**-**

16. Leases

The future minimum revenue, expected to be earned on non-cancellable time charters consisted of the following as of December 31, 2021:

	2021
2022	7,466
	7,466

Revenues from time charters are not generally received when a vessel is off-hire, including time required for normal periodical maintenance of the vessel. In arriving at the minimum future charter revenues, an estimated time of off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future. The off-hire assumptions used relate mainly to drydocking and special survey maintenance carried out approximately every 2.5 years and 5 years respectively.

17. Operating Revenue

	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
Time charter hires	34,604	34,680
Voyages	2,267	5,265
Pool revenue	-	(5)
	36,871	**39,940**

Operating revenue from significant customers (constituting more that 10% of total revenue) for the year ended December 31, was as follows:

17. Operating Revenue (continued)

	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
Charterer		
Penfield Marine LLC	27%	31%
Esenttia S.A	0%	14%
Hellenic Petroleum SA	10%	10%
Eni Trading	15%	13%
BGN International DMCC	13%	0%
OQ Trading (Oman Trading)	21%	14%

18. Vessels' Operating Expenses

	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
Wages	9,684	7,975
Victualling	625	544
Insurances	1,446	1,163
Lubricants	586	548
Repairs & Maintenance	4,313	2,731
Components & Spares	704	605
Tonnage tax	102	79
Crew travelling & other expenses	952	578
Water & Laundry	1	1
Other expenses	585	539
	18,998	**14,763**

19. Voyage Expenses

	January 1, 2021 to December 31, 2021	January 1, 2020 to December 31, 2020
Bunkers	1,081	1,599
Port expenses	424	778
Agency fees	141	169
Other voyage expenses	116	100
	1,762	**2,646**

20. Commitments and Contingencies

Commitments

a) Commitments under operating leases

As of December 31, 2021 and 2020, the outstanding balance of the Group's contractual commitments is analyzed as follows:

	2021	2020
No later than 1 year	-	389
	-	**389**

Contingencies

Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Group's vessels. Other than the claim mentioned below, management of the Group is not aware of any such claims pending as at December 31, 2021.

On December 29, 2015, a writ was filed with Piraeus City Court by ETEKA S.A (the "Claimant") against Aratos Maritime Ltd (the "Owners") being the owner of vessel PGC Aratos. The Claimant is a bunkering company alleging to have a claim arising from the provision of bunkers to the vessel PGC Aratos. The Owners had never contracted with the claimant but with the Trading Company called OW Bunker Ltd of Malta and the value of such bunkers have been properly settled and therefore the claim as filed is unfounded. The hearing of the case was held on September 27, 2016 and the court decision 3141/2016 rejected the claim of ETEKA.

On March 8, 2017, ETEKA filed an appeal before the Piraeus Court of Appeal and the hearing took place on March 1, 2018. The Piraeus Court of Appeal issued the decision 391/2018 in favor or the Owners. In addition, ETEKA filed for a further appeal before the High Court of Justice (The Supreme Court) and the relevant hearing was scheduled for October 5, 2020. On January 10, 2022, the case was finalized rejecting in full the claim by ETEKA (refer to note 21).

21. Subsequent Events

The following events and transactions occurred after the balance sheet date and were evaluated up to June 17, 2022, being the date these consolidated financial statements were available to be issued:

1. In 2022, the Group issued and sold 6,6 preferred shares amounting to $660 to related party entities and individuals.
2. On February 18, 2022, the Group entered into a new loan agreement with AF Finance Corporation, a related party company, for $100 to cover general corporate needs. The loan bears an interest rate of 3,25%. On May 4, 2022, the Group fully repaid the loan to AF Finance Corporation amounting to $101, including interest.

21. Subsequent Events (continued)

3. On January 10, 2022, the High Court of Justice rejected in full the claim of ETEKA against Aratos Maritime Ltd and the case was finalized (refer to note 20).
4. On March 18, 2022, the Group entered into a new credit facility with Hellenic Bank for $3,000 to refinance the existing indebtedness of Strident Force Maritime Ltd. with Vom Co Ltd. and cover general corporate needs. The loan agreement is repayable in 16 consecutive quarterly instalments.
5. On March 15, 2022, the Group and Vom Co Ltd, an unrelated third party, agreed and signed an early termination of the bareboat charter with initial maturity date of October 23, 2022. On March 23, 2022, the Group fully repaid the loan to Vom Co Ltd. amounting to $2,245 and recognized a gain of $ 150.
6. On 25 May, 2022, the Group entered into a secured promissory note with Penfield Holding Co. for a loan facility amounting to $300. The secured promissory note has a maturity date of July 31, 2022 and bears an interest rate of 7,25%.
7. The recent geopolitical events in Ukraine, the military actions from Russia and the subsequent response from European Union and European countries as well as the United States in the form of economic sanctions could affect global energy markets and economic developments in general and specifically to the Group. The Group is following developments around the crisis in Ukraine and is planning accordingly. The Group regards these events as non-adjusting events after the reporting period, the potential effect of which cannot be estimated at the moment.