

PARADISE GAS CARRIERS CORP.

**Consolidated unaudited Financial Statements
for the period ended December 31, 2022
prepared under US GAAP**

INDEX

	<u>Page</u>
Consolidated Balance Sheets as at December 31, 2022, and 2021	3
Consolidated Statements of Comprehensive Income for the periods ended December 31, 2022 and 2021	4
Consolidated Statements of Changes in Shareholders Equity for the periods ended December 31, 2022 and 2021	5
Consolidated Statements of Cash flows for the period ended December 31, 2022 and 2021	6

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2022 AND 2021
(Expressed in thousands of United States dollars or unless otherwise stated)

	<u>As of December 31, 2022</u>	<u>As of December 31, 2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	11,769	7,123
Trade and other receivables	6,555	3,203
Inventories	1,038	892
Prepaid expenses	319	262
Total current assets	19,681	11,480
NON-CURRENT ASSETS		
Vessels, net	130,495	145,430
Investments in affiliates	6,248	5,005
Deferred charges, net	4,366	5,777
Total non-current assets	141,109	156,212
Total assets	160,790	167,692
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	3,046	5,304
Accrued liabilities	566	545
Current portion of long-term debt	8,304	11,534
Unearned revenue	1,181	1,418
Due to related parties	101	137
Dividends payable	82	548
Other current liabilities	453	541
Total current liabilities	13,733	20,027
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	65,870	74,090
Total long-term liabilities	65,870	74,090
Total liabilities	79,603	94,117
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	3,630	9,150
Retained earnings	6,057	(7,075)
Total shareholders' equity	81,187	73,575
Total liabilities and shareholders' equity	160,790	167,692

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of United States dollars or unless otherwise stated)

	Period ended December 31, 2022	Period ended December 31, 2021
Operating revenue	52,015	36,871
Total operating revenue-net	52,015	36,871
Operating expenses		
Voyage expenses	(2,042)	(1,762)
Vessels' operating expenses	(18,703)	(18,998)
Depreciation	(6,629)	(7,684)
Amortization of deferred dry-docking and special survey costs	(2,036)	(1,802)
Vessel impairment loss	-	(3,470)
Time charter expenses	-	(2,089)
Commissions	(1,532)	(1,203)
Management fees	(2,213)	(2,126)
General and administrative expenses	(55)	(64)
Loss on sale of vessel	(844)	-
Net operating expenses	(34,054)	(39,198)
Operating profit/ (loss)	17,961	(2,327)
Other income/ (expenses)		
Interest income	23	45
Interest expense and finance cost	(4,671)	(3,867)
Gain from change in fair value of investments	-	(186)
Other finance expenses	(216)	(250)
Other income/ (expenses), net	389	(143)
Total other expenses, net	(4,475)	(4,401)
Gain/ (loss) for the year	13,486	(6,728)
Other comprehensive income for the year	-	-
Total comprehensive gain/ (loss) for the year	13,486	(1,963)

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE PERIOD ENDED AND DECEMBER 31, 2022 AND 2021
(Expressed in thousands of United States Dollars unless otherwise stated)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained earnings	Total
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
		-			
Balance December 31, 2021	-	9,150	71,500	(7,075)	73,575
Net gain for the year	-	-	-	13,486	13,486
Capital contributions	-	(5,520)	-	-	(5,520)
Dividends	-	-	-	(354)	(354)
Balance September 30, 2022	-	3,630	71,500	6,057	81,187

PARADISE GAS CARRIERS CORP.
CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of United States Dollars unless otherwise stated)

	Period ended December 31, 2022	Year ended December 31, 2021
Cash Flows from operating activities:		
Net gain/ (loss) for the year	13,486	(6,728)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	6,629	7,684
Amortization of deferred dry-docking and special survey costs	2,036	1,802
Amortization of deferred financing costs	343	289
Vessel impairment loss	-	3,470
Loss from change in fair value of investments	-	186
Interest income related to lease receivable and loan from affiliate	-	(45)
Loss on sale from vessel	844	-
Changes in operating assets and liabilities		
(Increase)/ decrease in trade and other receivable	(3,352)	(197)
Decrease in insurance and other claims	-	517
Increase in prepaid expenses	(57)	33
Increase in inventories	(146)	(6)
Increase in related parties	(36)	(134)
(Decrease)/ increase in accounts payable	(2,258)	1,235
Increase in accrued liabilities	21	79
Decrease in unearned revenue	(237)	1,341
Decrease in other current liabilities	(88)	(161)
Payments for dry dock and special survey costs	(1,599)	(2,284)
Net cash provided by operating activities	15,586	7,081
Cash Flows from investing activities:		
Investments in affiliates	(1,243)	(759)
Proceeds from lease receivable	-	845
Proceeds from disposal of vessel	8,531	-
Payments for additions to vessels	(96)	(1,690)
Net cash used in investing activities	7,192	(1,604)
Cash flows from financing activities:		
Proceeds from bank borrowings	17,550	20,175
Repayment of bank borrowings	(29,171)	(26,465)
Deferred finance costs	(172)	-
Net (payments)/ proceeds from redeemed/ issuance of preferred shares	(5,520)	2,850
Dividends paid	(819)	(12)
(Receipts)/ payments of shareholders loans	-	(589)
Net Cash provided by financing activities	(18,132)	(4,041)
Net (decrease)/ increase in cash and cash equivalents	4,646	1,436
Cash and cash equivalents, beginning of year	7,123	5,687
Cash and cash equivalents, end of year	11,769	7,123