

PARADISE GAS CARRIERS CORP.

Financial Statements for the period Ended June 30, 2022

Athens, Greece, July 12th, 2022, Paradise Gas Carriers Corp ("PGC" or the "Company", today reported its audited consolidated operating and financial results for six-months ended June 30, 2022. All amounts reported are in US Dollars unless otherwise stated).

Key Developments during 2022h1

- **PGC's fleet** currently consists of **11 vessels**, tankers and LPGs, out of which are 9 are fully owned and 2 are partially owned.
- **PGC Aspropyrgos** is in the process of being sold in the following days; Will be delivered to the new Owners in Dubai in July 19th.
- The other 2 oil tankers **PGC Marina** and **PGC Alexandria** that are fully owned by PGC are employed in **Penfield's Panamax pool**, with average 2022 earnings of approx. **17k \$/pd**, that is higher than previous quarters attributed mainly in the war in Ukraine.
- **PGC Patreas & PGC Periklis** carried out their first 5Y special surveys; they are both on a time charter with OQ Trading;
- **PGC Taormina** has renewed its time charter party with ENI, employed in Italy.
- **PGC Eirini** is the only vessel trading in the spot market but the LPG market has been firm since the war in Ukraine started.
- **PGC Aratos**, has exited Gaschem's pool and is now fixed on a long term T/C with Esenttia at a gross rate of 460k \$/month.
- **PGC Strident Force** is always employed in Greece by Hellenic Petroleum and will soon carry out her 25Y special survey in Syros.
- Finally, PGC partially owns **PGC Companion** (54%) and **PGC Ikaros** (18%); both tankers are also members of Penfield's pool.

Financial Highlights during 1st half of 2022:

- **Net TCE Earnings** stood at **\$22.4 million** during the first 6 months of FY 2022, compared to **\$19.4 million** in 2021, that is an increase of 15.6%. This can be mainly attributed to the significant improvement of Tankers' market rates, along with improvement of PGC Eirini's TCE.
- During the same period, **EBITDA** has also increased from \$6.2 million to **\$10.5 million** during the first half of 2022.
- **Net Profit stood at \$3.26 million** during 2022h1 compared to half a million losses during the same period in 2021.
- **Strident Force Maritime Ltd** has drawn an amount of **\$3 million** from Hellenic Bank in order to refinance an Existing Indebtedness with Vom Co. Ltd and for other working capital purposes.
- The **Fair Market Value** of PGC's fleet was estimated at **\$147 million** as of 30/06/2022 according to brokers' valuation certificates.
- Outstanding **Bank Debt** stood at **\$80million as of 30/06/2022**, i.e. a **leverage¹ of approx. 57%**.
- Net **cash flow** position has increased by \$2.8 million; **Group's cash** stood at **\$8.5 million** as of 30/06/2022.

<u>Consol. Income Statement</u> (in USD thous)	Six months ended June 30	
	2022	2021
Operating Revenue	22,425	19,388
Less: Voyage Expenses	(656)	(1128)
Less: Commissions & Chartering Fees	(720)	(566)
TCE Earnings (net)	21,049	17,694
Operating expenses (excl. man fees)	(9,572)	(8,517)
Management Fees (related parties)	(1,141)	(1,002)
Charter hire expenses	-	(1,916)
G+A Expenses	(9)	(42)
EBITDA	10,327	6,217
Depreciation	(3,815)	(3,792)
Amortisation	(1,039)	(845)
Gain/loss on vessels' disposal & claims	179	
EBIT	5,652	1,580
Interest expense (net)	(1,888)	(2,008)
Other finance expenses	(59)	(43)
Other income/expense, net	(444)	(49)
Net Income /(loss)	3,261	(520)

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

Consol. Balance Sheet (in USD thous)	June 30, 2022	June 30, 2021
Current Assets	15,538	11,480
Non-current assets	152,382	156,212
Current Liabilities	14,692	20,027
Non-current liabilities (1)	76,327	74,090
Shareholders' Equity (2)	76,901	73,575

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

(2) Paid-in Capital includes also preferred stock of \$9,4 million (2021:9,2).

Consol. Cashflow Statement (in USD thous)	6m 2022	6m 2021
Net cash generated from operating activities	5,848	1,524
Net cash generated from investing activities	(77)	(786)
Net cash used in financing activities	(4,416)	(621)
Net change in Cash & Equivalents During Period	1,355	(117)

Operating Stats	2021q3	2021q4	2022q1	2022q2
Average # of Ships Owned* during Period	9	9	9	9
Average Age of Fleet at end of Period	11.7	12	12.2	12.5
ShipYears Left	146.6	144.3	142.1	139.9
Available Days efficiency (1)	98.3%	94.9%	98.1%	86%
Operating Days efficiency (2)	95%	93%	89.6%	84%

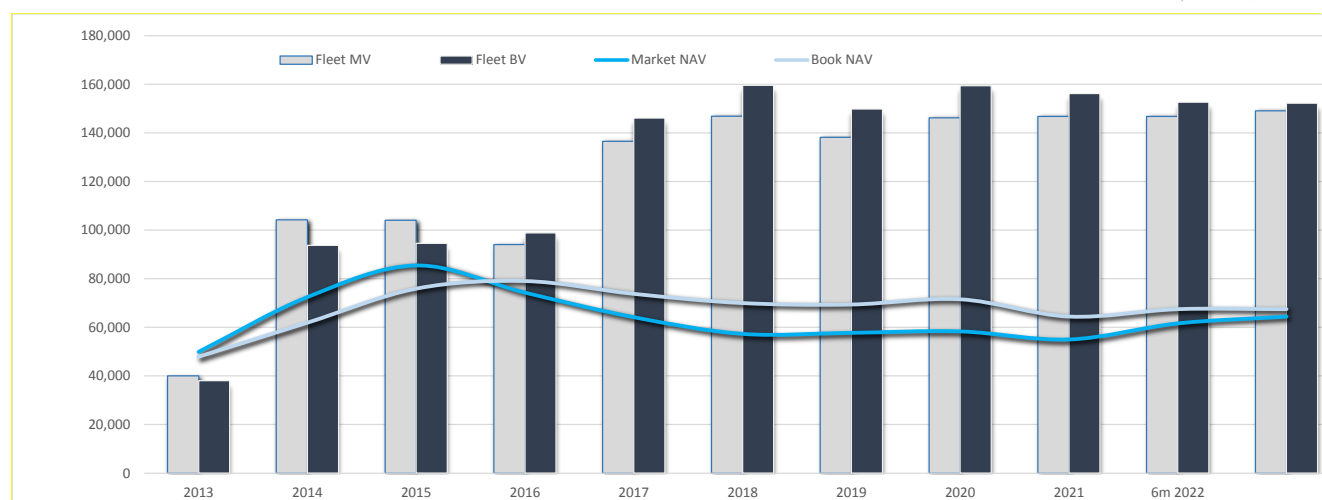
(1) Available Days Efficiency is the ratio of the days that the fleet was available for revenue generating;

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

Financial Ratios & Stats	2019	2020	2021	2022q2
Fleet Valuation (\$mill) - end period (1)	136	142	149	148.3
Leverage	59%	62%	55%	52%
Paid-in capital (\$mill) - Common Shares	71.5	71.5	71.5	71.5
Paid-in capital (\$mill) -Preferred Shares	8.4	6.3	9.2	9.4
Book NAV (\$mill)	77.8	77.8	73.6	76.9
Market NAV (\$mill) (1)	66.8	64.5	71.3	77.8
Enterprise Value (EV) (2)	144.1	150.4	149.8	150.5
Book NAV per 100 usd invested (\$)	97.4	100	91.2	95
Market NAV per 100 usd invested (\$)	93.4	90.2	99.7	108.8
Dividends received per 100usd invested (\$)	0	0	0	0
Average TCE per Ship (\$/day), net*	11,662	12,610	11,370	16,661
Average Opex per Ship (\$/pd), incl. man fees	6,559	5,672	6,859	6,902
Average charter hire expense per Ship (\$/pd)	508	1,373	678	0
Average GA costs per Ship (\$/pd)	41	35	21	5
Average debt-service per ship (\$/pd)	4,429	1,407	3,284	1,211
Cashflow Statement TCE Breakeven per Ship (\$/day)	11,738	13,212	10,544	14,324
Cashflow Margin	0%	-7.1%	7.6%	28.8%
Income Statement TCE Breakeven per Ship (\$/day)*	11,668	11,518	13,195	11,182

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

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



Fleet Profile

PGC had during 2022 a fleet of 11 vessels, 5 LR1/Panamax Tankers and 6 Gas Carriers. More specifically

Vessel	Built	Type	Built	DWT /cbm(1)	Flag	Ownership
PGC Marina	China	Product Tanker	2005	72,800	Bahamas	100%
PGC Aspropyrgos	China	Product Tanker	2004	72,900	Bahamas	100%
PGC Alexandria	Japan	Product Tanker	2006	75,000	Bahamas	100%
PGC Aratos	Italy	Ethylene Carrier	2003	9,000	Malta	100%
PGC Strident Force	Japan	LPG (SR) carrier	1999	6,500	Portugal	100%
PGC Patreas	Japan	LPG (FP) carrier	2017	7,500	Portugal	100%
PGC Periklis	Japan	LPG (FP) carrier	2017	7,500	Portugal	100%
PGC Taormina	Japan	LPG (SR) carrier	2017	7,000	Malta	100%
PGC Eirini	Japan	LPG (SR) carrier	2018	7,000	Malta	100%
PGC Companion	China	Product Tanker	2005	72,900	Bahamas	54%
PGC Ikaros	China	Product Tanker	2004	75,000	Bahamas	18%
Totals						

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

Fleet Employment

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

Vessel	Charterer	Expiration Date	Type	Gross Daily rate
PGC Marina	Penfield Marine Pool	n/a	Pool	TCE approx \$ 18,500/day
PGC Aspropyrgos	Penfield Marine Pool	n/a	Pool	TCE approx \$ 18,500/day
PGC Alexandria	Penfield Marine Pool	n/a	Pool	TCE approx \$ 18,500/day
PGC Aratos	Essentia	06.01.2023	TC	\$457k/month
PGC Strident Force	Hellenic Petroleum	10.11.2022	TC	\$325k/month
PGC Patreas	OQ Trading	16.03.2023	TC	\$348k/month
PGC Periklis	OQ Trading	16.03.2023	TC	\$348k/month
PGC Taormina	ENI	23.02.2023	TC	€415k/month
PGC Eirini	Eiger Shipping SA	17.07.2022	TC	€575k /month

(1) PGC Aspropyrgos has been sold and delivered to new owners July 19,2022

Management Commentary

Net Revenues (TCE net) for the period ended June 30, 2020 amounted to \$22 million, an increase of \$3 million compared to FY 2021. This was primarily due to the addition of PGC Strident Force in PGC's fleet as well as due to the increase of tanker rates along with improvement of PGC Eirini's TCE.

Operating expenses (including extraordinary expenses) for the same period have also increased by approx. \$1 million, mainly due to an additional vessel (PGC Strident Force).

Depreciation for the period ended June 30, 2020 was \$3.8 million i.e. same levels compared to 2021. This was mainly attributable to the: a) decrease of depreciation expense per day following the increase of scrap value during 2021 and b) increase of total depreciation expenses due to additional vessel.

Amortization of dry-docking and special survey costs for the period ended June 30, 2022 stood at \$1 million compared to \$0,8 million in 2021. Increase is mainly due to the fact that 2 more vessels during 1st semester of 2022 commenced dry docking and special survey leading to an increase of the amortization expense.

Accounting Policies

- The cost of the Group's vessels is depreciated on a straight-line basis over the vessels' remaining economic useful lives after considering the estimated residual value. Management has estimated the useful life of the Group's vessels for the Tankers to be 25 years, whereas for the LPGs 27 years. The scrap value of Group's vessels was determined by multiplying their light displacement weight (Ldt) by a scrap value of of \$480/tn.
- In April 2015, the FASB issued Accounting Standards Update No. 2015-03 "Simplifying the Presentation of Debt Issuance Costs", ("ASU 2015-03"). ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts.
- Non-Current Liabilities: ASU (Accounting Standards Update) 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability.

PARADISE GAS CARRIERS CORP.

Consolidated unaudited Financial Statements for the period ended June 30, 2022 prepared under US GAAP

INDEX

	<u>Page</u>
Consolidated Balance Sheets as at June 30, 2022, and December 31, 2021	3
Consolidated Statements of Comprehensive Income for the periods ended June 30, 2022 and 2021	4
Consolidated Statements of Changes in Shareholders Equity for the periods ended June 30, 2022 and 2021	5
Consolidated Statements of Cash flows for the period ended June 30, 2022 and 2021	6

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2022 AND DECEMBER 31, 2021
(Expressed in thousands of United States dollars or unless otherwise stated)

	<u>As of June 30, 2022</u>	<u>As of December 31, 2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	8,478	7,123
Trade and other receivables	3,991	3,203
Inventories	1,990	892
Prepaid expenses	1,079	262
Total current assets	<u>15,538</u>	<u>11,480</u>
NON-CURRENT ASSETS		
Vessels, net	141,692	145,430
Investments in affiliates	5,005	5,005
Deferred charges, net	5,685	5,777
Total non-current assets	<u>152,382</u>	<u>156,212</u>
Total assets	<u>167,920</u>	<u>167,692</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	6,507	5,304
Accrued liabilities	994	545
Current portion of long-term debt	4,847	11,534
Unearned revenue	-	1,418
Due to related parties	738	137
Dividends payable	637	548
Other current liabilities	969	541
Total current liabilities	<u>14,692</u>	<u>20,027</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	76,327	74,090
Total long-term liabilities	<u>76,327</u>	<u>74,090</u>
Total liabilities	<u>91,019</u>	<u>94,117</u>
Commitments and Contingencies		-
SHAREHOLDERS' EQUITY		
Common stock (1,000 common shares with no par value, authorized and issued)	-	-
Additional paid-in capital	71,500	71,500
Preferred Stock	9,430	9,150
Retained earnings	(4,029)	(7,075)
Total shareholders' equity	<u>76,901</u>	<u>73,575</u>
Total liabilities and shareholders' equity	<u>167,920</u>	<u>167,692</u>

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED JUNE 30, 2022 AND 2021
(Expressed in thousands of United States dollars or unless otherwise stated)

	Period ended June 30, 2022	Period ended June 30, 2021
Operating revenue	22,425	19,388
Total operating revenue-net	22,425	19,388
Operating expenses		
Voyage expenses	(656)	(1,128)
Vessels' operating expenses	(9,572)	(8,517)
Depreciation	(3,815)	(3,792)
Amortization of deferred dry-docking and special survey costs	(1,039)	(845)
Time charter expenses	-	(1,916)
Claim	179	-
Commissions	(720)	(566)
Management fees	(1,141)	(1,002)
General and administrative expenses	(9)	(42)
Net operating expenses	(16,773)	(17,808)
Operating profit	5,652	1,580
Other income/ (expenses)		
Interest income	-	41
Interest expense and finance cost	(1,888)	(2,049)
Other finance expenses	(59)	(43)
Other expenses, net	(444)	(49)
Total other expenses, net	(2,391)	(2,100)
Gain/ (loss) for the year	3,261	(520)
Other comprehensive income for the year	-	-
Total comprehensive gain/ (loss) for the year	3,261	(520)

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE PERIOD ENDED JUNE 30, 2022 AND DECEMBER 31, 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	-	-	-	3,261	3,261
Capital contributions	-	280	-	-	280
Dividends	-	-	-	(215)	(215)
Balance June 30, 2022	-	9,430	71,500	(4,029)	76,901

PARADISE GAS CARRIERS CORP.
CONSOLIDATED FINANCIAL STATEMENTS OF CASH FLOWS FOR THE PERIOD
ENDED JUNE 30, 2022 AND 2021

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

	Period ended June 30, 2022	Year ended June 30, 2021
Cash Flows from operating activities:		
Net gain/ (loss) for the year	3,261	(1,098)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	3,815	1,914
Amortization of deferred dry-docking and special survey costs	1,039	333
Amortization of deferred financing costs	120	63
Changes in operating assets and liabilities		
Increase in trade and other receivable	(788)	(1,409)
Decrease in insurance and other claims	-	517
Increase in prepaid expenses	(817)	(623)
Increase in inventories	(1,098)	(126)
Increase in related parties	601	515
Increase in accounts payable	1,203	1,258
Increase in accrued liabilities	449	301
(Decrease)/ increase in unearned revenue	(1,418)	208
Increase in other current liabilities	428	9
Decrease in lease receivable	-	363
Payments for dry dock and special survey costs	(947)	(701)
Net cash provided by operating activities	5,848	1,524
Cash Flows from investing activities:		
Investments in affiliates	-	(304)
Payments for additions to vessels	(77)	(482)
Net cash used in investing activities	5,771	(786)
Cash flows from financing activities:		
Proceeds from bank borrowings	3,300	500
Repayment of bank borrowings	(7,832)	(2,379)
Deferred finance costs	(38)	-
Net proceeds from issuance of preferred shares	280	1,850
Dividends paid	(126)	(3)
(Receipts)/ payments of shareholders loans	-	(589)
Net Cash provided by financing activities	(4,416)	(621)
Net increase/ (decrease) in cash and cash equivalents	1,355	(117)
Cash and cash equivalents, beginning of year	7,123	5,687
Cash and cash equivalents, end of year	8,478	5,804

