

PARADISE GAS CARRIERS CORP.

Financial Statements for the period Ended September 30, 2022

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

Key Developments during the first 9 months of 2022

- **PGC's fleet** now consists of **10 vessels**, tankers and LPGs, out of which are 8 are fully owned and 2 are partially owned.
- **PGC Aspropyrgos** has been finally sold in Dubai in July 19th.
- The other 2 oil tankers **PGC Marina** and **PGC Alexandria** that are fully owned by PGC are always employed in **Penfield's Panamax pool**, with average 2022 earnings of approx. **30k \$/pd** during Q3/2022! The tanker market is really firm and rates are very high, attributed mainly to the war in Ukraine.
- **PGC Patreas** & **PGC Periklis** have carried out their first 5Y special surveys; they are both on a time charter with OQ Trading;
- **PGC Taormina** is always employed in Italy by ENI, whereas **PGC Eirini** is still trading in the spot market with an excellent performance;
- **PGC Aratos**, has been employed by Esenttia at a gross rate of 460k \$/month, whereas **PGC Strident Force** is always employed in Greece by Hellenic Petroleum and has successfully completed her 5th special survey.
- Finally, PGC still partially owns **PGC Companion** (54%) and **PGC Ikaros** (18%); both tankers are also members of Penfield's pool.

Financial Highlights during the first 9 months of 2022

- **Net TCE Earnings** stood at **\$33 million** during the first 9 months of FY 2022, compared to **\$25.2 million** during the same period in 2021, that is an increase of 32%! This is mainly attributed to the very high tankers' market rates.
- During the same period, **EBITDA** has also increased from \$8 million to **\$17 million**, that's over 100%!
- **Net Profit stood at \$5.7 million** during 9m/2022 compared to \$1.9mill losses during the same period in 2021.
- The **Fair Market Value** of PGC's fleet stood at **\$144 million** as of 30/09/2022 according to brokers' indications.
- Outstanding **Bank Debt** stood at **\$76 million**, i.e. a **leverage¹ of approx. 48%**.
- **Group's cash** stood at **\$7 million** as of 30/09/2022 after redemption of 6mill of preferred shares and return of capital to preferred shareholders.

<u>Consol. Income Statement</u> (in USD thous)	9 months ended September 30	
	2022	2021
Operating Revenue	35,423	27,747
Less: Voyage Expenses	(1,268)	(1,611)
Less: Commissions & Chartering Fees	(1,115)	(880)
TCE Earnings (net)	33,040	25,256
Operating expenses (excl. man fees)	(14,105)	(13,158)
Management Fees (related parties)	(1,673)	(1,559)
Charter hire expenses	-	(2,089)
G+A Expenses	-	(17)
EBITDA	17,262	8,433
Depreciation	(5,674)	(5,854)
Amortisation	(1,538)	(1,307)
Gain/loss on vessels' disposal & claims	(776)	
EBIT	9,274	1,272
Interest expense (net)	(3,160)	(2,905)
Other finance expenses	(119)	(129)
Other income/expense, net	(247)	(201)
Net Income /(loss)	5,748	(1,963)

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

Consol. Balance Sheet (in USD thous)

	Sep 30, 2022	Sep 30, 2021
Current Assets	14,575	11,390
Non-current assets	140,964	160,000
Current Liabilities	8,280	9,447
Non-current liabilities (1)	73,753	83,937
Shareholders' Equity (2)	73,506	78,005

(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)

	9m 2022	9m 2021
Net cash generated from operating activities	7,459	10,358
Net cash generated from investing activities	8,435	(6,614)
Net cash used in financing activities	(16,062)	(3,140)
Net change in Cash & Equivalents During Period	(168)	604

Operating Stats

	2021q4	2022q1	2022q2	2022q3
Average # of Ships Owned* during Period	9	9	9	8
Average Age of Fleet at end of Period	12	12.2	12.5	12.0
ShipYears Left	144.3	142.1	139.9	131.6
Available Days efficiency (1)	94.9%	98.1%	86%	97.6%
Operating Days efficiency (2)	93%	89.6%	84%	97.6%

(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

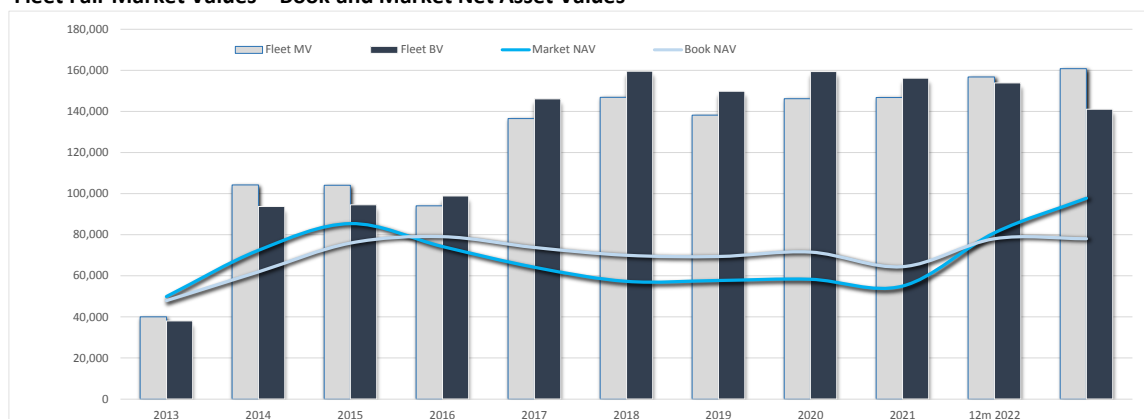
Financial Ratios & Stats

	2021q4	2022q1	2022q2	2022q3
Fleet Valuation (\$mill) - end period (1)	148.9	149.6	150.2	149.5
Leverage	53.4%	51.5%	49.0%	46.4%
Paid-in capital (\$mill) - Common Shares	80.7	81.1	80.9	75.1
Paid-in capital (\$mill) -Preferred Shares	9.2	9.6	9.4	3.6
Book NAV (\$mill)	73.6	74.4	76.9	73.5
Market NAV (\$mill) (1)	66.3	70.0	74.8	82.0
Enterprise Value (EV) (2)	144.8	147.3	147.5	151.2
Book NAV per 100 usd invested (\$)	91.23	91.8	95.0	97.8
Market NAV per 100 usd invested (\$)	92.66	97.9	104.6	114.7
Dividends received per 100usd invested (\$)	0.0	0.0	0.0	0.0
Average TCE per Ship (\$/day), net*	11,370	11,728	16,661	16,684
Average Opex per Ship (\$/pd), incl. man fees	6,859	6,247	6,902	6,870
Average charter hire expense per Ship (\$/pd)	678	0	0	0
Average GA costs per Ship (\$/pd)	21	6	5	-
Average debt-service per ship (\$/pd)	3,284	1,106	1,211	1,728
Cashflow Statement TCE Breakeven per Ship (\$/day)	10,544	11,504	14,324	16,292
Cashflow Margin	7.6%	3.0%	28.8%	4.6%
Income Statement TCE Breakeven per Ship (\$/day)*	13,195	10,875	11,182	11,615

(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 Fair Market Values – Book and Market Net Asset Values



Fleet Profile

After the sale of PGC Aspropyrgos, PGC has been left with a fleet of 10 vessels, 4 LR1/Panamax Tankers and 6 Gas Carriers.

More specifically:

<u>Vessel</u>	<u>Built</u>	<u>Type</u>	<u>Built</u>	<u>DWT /cbm(1)</u>	<u>Flag</u>	<u>Ownership</u>
PGC Marina	China	Product Tanker	2005	72,800	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.

<u>Vessel</u>	<u>Charterer</u>	<u>Expiration Date</u>	<u>Type</u>	<u>Gross Daily rate</u>
PGC Marina	Penfield Marine Pool	n/a	Pool	TCE approx \$ 30k/day
PGC Alexandria	Penfield Marine Pool	n/a	Pool	TCE approx \$ 30,/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 September 30, 2022 amounted to \$35.4 million, an increase of \$7.7 million compared to the same period in FY 2021. This was primarily due to the increase of tanker rates during FY 2022.

Operating expenses (including extraordinary expenses) for the same period have remained stable at approx. \$26 million.

Depreciation for the period ended September 30, 2022 was \$5.7 million, approx. same levels compared to 2021.

Amortization of dry-docking and special survey costs for the period ended September 30, 2022 stood at \$1.5 million compared to \$1.3 million in September 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 September 30, 2022 prepared under US GAAP

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

	<u>As of September 30, 2022</u>	<u>As of December 31, 2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,955	7,123
Trade and other receivables	6,039	3,203
Inventories	949	892
Prepaid expenses	632	262
Total current assets	<u>14,575</u>	<u>11,480</u>
NON-CURRENT ASSETS		
Vessels, net	131,414	145,430
Investments in affiliates	5,005	5,005
Deferred charges, net	4,545	5,777
Total non-current assets	<u>140,964</u>	<u>156,212</u>
Total assets	<u>155,539</u>	<u>167,692</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	3,662	5,304
Accrued liabilities	855	545
Current portion of long-term debt	2,361	11,534
Unearned revenue	-	1,418
Due to related parties	739	137
Dividends payable	56	548
Other current liabilities	607	541
Total current liabilities	<u>8,280</u>	<u>20,027</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	73,753	74,090
Total long-term liabilities	<u>73,753</u>	<u>74,090</u>
Total liabilities	<u>82,033</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	3,630	9,150
Retained earnings	(1,624)	(7,075)
Total shareholders' equity	<u>73,506</u>	<u>73,575</u>
Total liabilities and shareholders' equity	<u>155,539</u>	<u>167,692</u>

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

	Period ended September 30, 2022	Period ended September 30, 2021
Operating revenue	35,423	27,747
Total operating revenue-net	35,423	27,747
Operating expenses		
Voyage expenses	(1,268)	(1,611)
Vessels' operating expenses	(14,105)	(13,158)
Depreciation	(5,674)	(5,854)
Amortization of deferred dry-docking and special survey costs	(1,538)	(1,307)
Time charter expenses	-	(2,089)
Claim	103	-
Commissions	(1,115)	(880)
Management fees	(1,673)	(1,559)
General and administrative expenses	-	(17)
Loss on sale of vessel	(879)	-
Net operating expenses	(26,149)	(26,475)
Operating profit	9,274	1,272
Other income/ (expenses)		
Interest income	3	45
Interest expense and finance cost	(3,160)	(2,950)
Other finance expenses	(119)	(129)
Other expenses, net	(247)	(201)
Total other expenses, net	(3,526)	(3,235)
Gain/ (loss) for the year	5,748	(1,963)
Other comprehensive income for the year	-	-
Total comprehensive gain/ (loss) for the year	5,748	(1,963)

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
(Expressed in thousands of United States Dollars unless otherwise stated)

	<u>Common Stock</u>	<u>Preferred Stock</u>	<u>Additional Paid-in Capital</u>	<u>Retained earnings</u>	<u>Total</u>
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	-	-	-	5,748	5,748
Capital contributions	-	(5,520)	-	-	(5,520)
Dividends	-	-	-	(297)	(297)
Balance September 30, 2022	-	3,630	71,500	(1,624)	73,506

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

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

	Period ended September 30, 2022	Year ended September 30, 2021
Cash Flows from operating activities:		
Net gain/ (loss) for the year	5,748	(1,963)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	5,674	5,854
Amortization of deferred dry-docking and special survey costs	1,538	1,307
Amortization of deferred financing costs	243	211
Loss on sale from vessel	879	-
Changes in operating assets and liabilities		
(Increase)/ decrease in trade and other receivable	(2,836)	23
Decrease in insurance and other claims	-	517
Increase in prepaid expenses	(370)	(988)
Increase in inventories	(57)	(404)
Increase in related parties	602	(126)
(Decrease)/ increase in accounts payable	(1,642)	720
Increase in accrued liabilities	310	323
Decrease in unearned revenue	(1,418)	(77)
Decrease in other current liabilities	66	(23)
Decrease in lease receivable	-	6,108
Payments for dry dock and special survey costs	(1,278)	(1,124)
Net cash provided by operating activities	7,459	10,358
Cash Flows from investing activities:		
Investments in affiliates	-	(759)
Acquisition of vessel	-	(5,308)
Proceeds from disposal of vessel	8,531	-
Payments for additions to vessels	(96)	(547)
Net cash used in investing activities	8,435	(6,614)
Cash flows from financing activities:		
Proceeds from bank borrowings	10,300	13,900
Repayment of bank borrowings	(19,940)	(19,129)
Deferred finance costs	(113)	(160)
Net (payments)/ proceeds from redeemed/ issuance of preferred shares	(5,520)	2,850
Dividends paid	(789)	(12)
(Receipts)/ payments of shareholders loans	-	(589)
Net Cash provided by financing activities	(16,062)	(3,140)
Net (decrease)/ increase in cash and cash equivalents	(168)	604
Cash and cash equivalents, beginning of year	7,123	5,687
Cash and cash equivalents, end of year	6,955	6,291