

**PARADISE GAS CARRIERS CORP.**

**Consolidated unaudited Financial Statements  
for the period ended June 30, 2020 prepared  
under US GAAP**

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**PARADISE GAS CARRIERS CORP.**  
**CONSOLIDATED BALANCE SHEETS AS AT JUNE 30, 2020 AND DECEMBER 31, 2019**  
*(Expressed in thousands of United States dollars or unless otherwise stated)*

	<u>As of June 30, 2020</u>	<u>As of December 31, 2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	12,413	8,152
Trade and other receivables	4,450	3,371
Inventories	867	851
Insurance and other claims	128	286
Due from related parties	327	90
Right of use asset	1,800	3,816
Loan receivable from affiliate	-	189
Prepaid expenses	730	286
Lease Receivable	1,017	1,679
<b>Total current assets</b>	<b><u>21,732</u></b>	<b><u>18,720</u></b>
<b>NON-CURRENT ASSETS</b>		
Vessels, net	140,704	143,707
Lease receivable, net of current portion	5,983	5,983
Investments in affiliates	5,486	2,800
Deferred charges, net	2,722	3,352
<b>Total non-current assets</b>	<b><u>154,895</u></b>	<b><u>155,842</u></b>
<b>Total assets</b>	<b><u>176,627</u></b>	<b><u>174,562</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	4,375	5,312
Accrued liabilities	954	948
Current portion of long-term debt	4,192	8,765
Lease Liability	1,800	3,816
Unearned revenue	259	729
Dividends payable	175	128
Related parties' loan	60	105
Shareholders' loan	372	387
Other current liabilities	651	290
<b>Total current liabilities</b>	<b><u>12,838</u></b>	<b><u>20,480</u></b>
<b>LONG-TERM LIABILITIES</b>		
Long-term debt, net of current portion and deferred financing costs	81,662	76,286
<b>Total long-term liabilities</b>	<b><u>81,662</u></b>	<b><u>76,286</u></b>
<b>Total liabilities</b>	<b><u>94,500</u></b>	<b><u>96,766</u></b>
Commitments and Contingencies	-	-
<b>SHAREHOLDERS' EQUITY</b>		
Common stock (1,000 common shares with no par value, authorized and issued)	-	-
Additional paid-in capital	71,500	71,500
Preferred Stock	8,162	8,412
Retained earnings	2,465	(2,116)
<b>Total shareholders' equity</b>	<b><u>82,127</u></b>	<b><u>77,796</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>176,627</u></b>	<b><u>174,562</u></b>

**PARADISE GAS CARRIERS CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD**  
**ENDED JUNE 30, 2020 and 2019**  
*(Expressed in thousands of United States dollars or unless otherwise stated)*

	<b>Period ended June 30, 2020</b>	<b>Period ended June 30, 2019</b>
Operating revenue	<u>23,496</u>	<u>20,543</u>
<b>Total operating revenue-net</b>	<b><u>23,496</u></b>	<b><u>20,543</u></b>
<b>Operating expenses</b>		
Voyage expenses	(1,488)	(1,329)
Vessels' operating expenses	(6,914)	(9,874)
Depreciation	(3,403)	(3,750)
Amortization of deferred dry-docking and special survey costs	(630)	(877)
Time charter expenses	(2,040)	(1,383)
Commissions	(655)	(610)
Management fees	(881)	(1,081)
General and administrative expenses	(47)	(55)
Other gains/ (losses)	-	-
Gain on sale of vessel	-	266
<b>Net operating expenses</b>	<b><u>(16,058)</u></b>	<b><u>(18,693)</u></b>
<b>Operating profit/(loss)</b>	<b><u>7,438</u></b>	<b><u>1,850</u></b>
<b>Other income/ (expenses)</b>		
Interest income	113	67
Interest expense and finance cost	(2,246)	(2,855)
Other finance expenses	(137)	(37)
Other expenses, net	(392)	(13)
<b>Total other expenses, net</b>	<b><u>(2,662)</u></b>	<b><u>(2,838)</u></b>
<b>Gain / (Loss) for the year</b>	<b><u>4,776</u></b>	<b><u>(988)</u></b>
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive gain / (loss) for the year</b>	<b><u>4,776</u></b>	<b><u>(988)</u></b>

**PARADISE GAS CARRIERS CORP.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY**  
**FOR THE PERIOD ENDED JUNE 30, 2020 and 2019**  
*(Expressed in thousands of United States Dollars unless otherwise stated)*

	<b>Common Stock</b>	<b>Preferred Stock</b>	<b>Additional Paid-in Capital</b>	<b>Retained earnings</b>	<b>Total</b>
<b>Balance December 31, 2019</b>	-	<b>7,094</b>	<b>71,500</b>	<b>(1,523)</b>	<b>77,071</b>
Net loss for the year	-	-	-	(284)	<b>(284)</b>
Capital contributions	-	1,318	-	-	<b>1,318</b>
Dividends	-	-	-	(309)	<b>(309)</b>
<b>Balance December 31,2019</b>	-	<b>8,412</b>	<b>71,500</b>	<b>(2,116)</b>	<b>77,796</b>
		-			
<b>Balance December 31, 2019</b>	-	<b>8,412</b>	<b>71,500</b>	<b>(2,116)</b>	<b>77,796</b>
Net gain for the year	-	-	-	4,776	<b>4,776</b>
Capital contributions	-	(250)	-	-	<b>(250)</b>
Dividends	-	-	-	(195)	<b>(69)</b>
<b>Balance December 31, 2019</b>	-	<b>8,162</b>	<b>71,500</b>	<b>2,465</b>	<b>82,253</b>

**PARADISE GAS CARRIERS CORP.**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR PERIOD**  
**JUNE 30, 2020 and 2019**

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

	Period ended June 30, 2020	Year ended June 30, 2019
<b>Cash Flows from operating activities:</b>		
Net gain / (loss) for the year	4,776	(988)
<b>Adjustments to reconcile net profit to net cash provided by operating activities</b>		
Depreciation	3,403	3,750
Amortization of deferred dry-docking and special survey costs	630	877
Amortization of deferred financing costs	60	59
Gain on sale of vessels	-	(266)
<b>Changes in operating assets and liabilities</b>		
Increase in trade and other receivable	(1,079)	(987)
Decrease in insurance and other claims	158	-
Decrease/ (increase) in prepaid expenses	(444)	(624)
Decrease in inventories	(16)	(85)
Increase in related parties	(237)	(104)
Increase/ (decrease) in accounts payable	(937)	542
(Decrease)/ Increase in accrued liabilities	6	578
Increase/ (decrease) in unearned revenue	(470)	-
(Decrease)/ increase in other current liabilities	361	-
Decrease in lease receivable	662	-
Payments for dry dock and special survey costs	-	(583)
<b>Net cash provided by operating activities</b>	<b>6,873</b>	<b>2,169</b>
<b>Cash Flows from investing activities:</b>		
Investments in affiliates	(2,686)	(1,004)
Payments for additions to vessels	(400)	(104)
Loan receivable from affiliate	189	-
<b>Net cash used in investing activities</b>	<b>(2,897)</b>	<b>(1,108)</b>
<b>Cash flows from financing activities:</b>		
Proceeds from bank borrowings	46,650	-
Repayment of bank borrowings	(44,989)	(3,156)
Deferred financing fees paid	(920)	-
Net proceeds from issuance of preferred shares	(250)	1,500
Dividends paid	(146)	(131)
Payments to shareholders loans	(60)	(474)
<b>Net Cash provided by financing activities</b>	<b>285</b>	<b>(2,261)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,261</b>	<b>(1,200)</b>
Cash and cash equivalents, beginning of year	8,152	9,219
<b>Cash and cash equivalents, end of year</b>	<b>12,413</b>	<b>8,019</b>