

PARADISE GAS CARRIERS CORP.

**Consolidated unaudited Financial Statements
for the period ended June 30, 2021 prepared
under US GAAP**

INDEX

	<u>Page</u>
Consolidated Balance Sheets as at June 30, 2021, and December 31, 2020	3
Consolidated Statements of Comprehensive Income for the periods ended June 30, 2021 and 2020	4
Consolidated Statements of Changes in Shareholders Equity for the periods ended June 30, 2021 and 2020	5
Consolidated Statements of Cash Flows for the periods ended June 30, 2021 and 2020	6

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT June 30, 2021 AND DECEMBER 31, 2020
(Expressed in thousands of United States dollars or unless otherwise stated)

	<u>As of June 30, 2021</u>	<u>As of December 31, 2020</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	6,664	5,687
Trade and other receivables	4,512	3,006
Inventories	745	887
Insurance and other claims	106	517
Right of use asset	1,445	3,345
Prepaid expenses	598	294
Lease Receivable	749	1,481
Total current assets	<u>14,819</u>	<u>15,217</u>
NON-CURRENT ASSETS		
Vessels, net	146,384	149,695
Lease receivable, net of current portion	4,627	4,627
Investments in affiliates	5,191	4,432
Deferred charges, net	5,511	5,295
Total non-current assets	<u>161,713</u>	<u>164,049</u>
Total assets	<u>176,532</u>	<u>179,266</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	4,840	4,178
Accrued liabilities	620	466
Current portion of long-term debt	11,033	15,226
Lease Liability	1,445	3,345
Unearned revenue	313	77
Due to related parties	388	271
Dividends payable	343	188
Shareholders' loan	-	589
Other current liabilities	844	702
Total current liabilities	<u>19,826</u>	<u>25,042</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	77,062	76,399
Total long-term liabilities	<u>77,062</u>	<u>76,399</u>
Total liabilities	<u>96,888</u>	<u>11,441</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	9,150	6,300
Retained earnings	(1,006)	25
Total shareholders' equity	<u>79,644</u>	<u>77,825</u>
Total liabilities and shareholders' equity	<u>176,532</u>	<u>179,266</u>

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED JUNE 30, 2021 and 2020
(Expressed in thousands of United States dollars or unless otherwise stated)

	Period ended June 30, 2021	Period ended June 30, 2020
Operating revenue	19,040	23,496
Total operating revenue-net	19,040	23,496
Operating expenses		
Voyage expenses	(1,128)	(1,488)
Vessels' operating expenses	(8,517)	(6,914)
Depreciation	(3,792)	(3,403)
Amortization of deferred dry-docking and special survey costs	(845)	(630)
Time charter expenses	(1,916)	(2,040)
Commissions	(562)	(655)
Management fees	(1,002)	(881)
General and administrative expenses	(42)	(47)
Net operating expenses	(17,804)	(16,058)
Operating profit/(loss)	1,236	7,438
Other income/ (expenses)		
Interest income	41	113
Interest expense and finance cost	(2,049)	(2,246)
Other finance expenses	(43)	(137)
Other expenses, net	(49)	(392)
Total other expenses, net	(2,100)	(2,662)
(Loss) / Gain for the year	(864)	4,776
Other comprehensive income for the year	-	-
Total comprehensive (loss)/ gain for the year	(864)	4,776

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE PERIOD ENDED December 31, 2020 and 2019
(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 contributions	-	(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	-	-	-	(864)	(864)
Capital contributions	-	2,850	-	-	2,850
Dividends	-	-	-	(167)	(167)
Balance December 31, 2020	-	9,150	71,500	(1,006)	73,344

PARADISE GAS CARRIERS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR PERIOD
June 30, 2021 and 2020

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

	Period ended June 30, 2021	Year ended June 30, 2020
Cash Flows from operating activities:		
Net (loss)/gain for the year	(864)	4,776
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	3,792	3,403
Amortization of deferred dry-docking and special survey costs	845	630
Amortization of deferred financing costs	145	60
Changes in operating assets and liabilities		
Decrease in trade and other receivable	(1,506)	(1,079)
Decrease in insurance and other claims	411	158
Increase in prepaid expenses	(304)	(444)
Decrease / (increase) in inventories	142	(16)
Increase / (decrease) in related parties	117	(237)
Increase/ (decrease) in accounts payable	662	(937)
Increase in accrued liabilities	154	6
Increase/ (decrease) in unearned revenue	236	(470)
Increase in other current liabilities	142	361
Decrease in lease receivable	732	662
Payments for dry dock and special survey costs	(1,061)	-
Net cash provided by operating activities	3,643	6,873
Cash Flows from investing activities:		
Investments in affiliates	(759)	(2,686)
Payments for additions to vessels	(481)	(400)
Loan receivable from/ (to) affiliate	-	189
Net cash used in investing activities	(1,240)	(2,897)
Cash flows from financing activities:		
Proceeds from bank borrowings	6,500	44,650
Repayment of bank borrowings	(10,145)	(44,989)
Deferred financing fees paid	(30)	(920)
Net proceeds from issuance of preferred shares	2,850	(250)
Dividends paid	(12)	(146)
Payments of shareholders loans	(589)	(60)
Net Cash provided by financing activities	(1,426)	285
Net increase in cash and cash equivalents	977	4,261
Cash and cash equivalents, beginning of year	5,687	8,152
Cash and cash equivalents, end of year	6,664	12,413