

PARADISE GAS CARRIERS CORP.

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

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

	<u>As of September 30, 2020</u>	<u>As of December 31, 2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	7,752	8,152
Trade and other receivables	3,627	3,371
Inventories	778	851
Insurance and other claims	128	286
Due from related parties	1,262	90
Right of use asset	782	3,816
Loan receivable from affiliate	-	189
Prepaid expenses	772	286
Lease Receivable	495	1,679
Total current assets	<u>15,596</u>	<u>18,720</u>
NON-CURRENT ASSETS		
Vessels, net	139,031	143,707
Lease receivable, net of current portion	5,983	5,983
Investments in affiliates	4,463	2,800
Deferred charges, net	2,847	3,352
Total non-current assets	<u>152,324</u>	<u>155,842</u>
Total assets	<u>167,920</u>	<u>174,562</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	2,836	5,312
Accrued liabilities	664	948
Current portion of long-term debt	2,102	8,765
Lease Liability	782	3,816
Unearned revenue	-	729
Dividends payable	116	128
Related parties' loan	-	105
Shareholders' loan	-	387
Other current liabilities	517	290
Total current liabilities	<u>7,017</u>	<u>20,480</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	81,715	76,286
Total long-term liabilities	<u>81,715</u>	<u>76,286</u>
Total liabilities	<u>88,732</u>	<u>96,766</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	6,300	8,412
Retained earnings	1,388	(2,116)
Total shareholders' equity	<u>79,188</u>	<u>77,796</u>
Total liabilities and shareholders' equity	<u>167,920</u>	<u>174,562</u>

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

	Period ended September 30, 2020	Period ended June 30, 2019
Operating revenue	<u>31,543</u>	<u>29,016</u>
Total operating revenue-net	<u>31,543</u>	<u>29,016</u>
Operating expenses		
Voyage expenses	(1,910)	(2,239)
Vessels' operating expenses	(10,844)	(14,135)
Depreciation	(5,106)	(5,625)
Amortization of deferred dry-docking and special survey costs	(850)	(1,221)
Time charter expenses	(3,060)	(1,322)
Commissions	(912)	(910)
Management fees	(1,326)	(1,577)
General and administrative expenses	(54)	(59)
Other gains/ (losses)	-	-
Gain on sale of vessel	-	266
Net operating expenses	<u>(24,062)</u>	<u>(26,822)</u>
Operating profit/(loss)	<u>7,481</u>	<u>2,194</u>
Other income/ (expenses)		
Interest income	128	94
Interest expense and finance cost	(3,233)	(4,445)
Other finance expenses	(223)	(64)
Other expenses, net	(379)	170
Total other expenses, net	<u>(3,707)</u>	<u>(4,257)</u>
Gain / (Loss) for the year	<u>3,774</u>	<u>(2,063)</u>
Other comprehensive income for the year	-	-
Total comprehensive gain / (loss) for the year	<u>3,774</u>	<u>(2,063)</u>

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 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, 2018	-	7,094	71,500	(1,523)	77,071
Net loss for the year	-	-	-	(2,063)	(2,063)
Capital contributions	-	376	-	-	376
Dividends	-	-	-	(604)	(604)
Balance September 30, 2019	-	7,470	71,500	(4,190)	74,780
		-			
Balance December 31, 2019	-	8,412	71,500	(2,116)	77,796
Net gain for the year	-	-	-	3,774	3,774
Capital contributions	-	(2,112)	-	-	(2,112)
Dividends	-	-	-	(270)	(270)
Balance September 30, 2020	-	6,300	71,500	1,388	79,188

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

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

	Period ended September 30, 2020	Year ended September 30, 2019
Cash Flows from operating activities:		
Net gain / (loss) for the year	3,774	(2,063)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	5,106	5,625
Amortization of deferred dry-docking and special survey costs	850	1,221
Amortization of deferred financing costs	114	86
Gain on sale of vessels	-	(266)
Changes in operating assets and liabilities		
Increase in trade and other receivable	(256)	(521)
Decrease in insurance and other claims	158	-
Decrease/ (increase) in prepaid expenses	(486)	(113)
Decrease/ (increase) in inventories	73	(202)
(Increase)/ decrease in related parties	(1,172)	93
Increase/ (decrease) in accounts payable	(2,476)	3,360
(Decrease)/ Increase in accrued liabilities	(284)	714
Increase/ (decrease) in unearned revenue	(729)	-
(Decrease)/ increase in other current liabilities	227	-
Decrease in lease receivable	1,184	-
Sellers Credit	-	2,000
Payments for dry dock and special survey costs	(345)	(4,282)
Net cash provided by operating activities	5,738	5,652
Cash Flows from investing activities:		
Investments in affiliates	(1,663)	(1,004)
Payments for additions to vessels	(430)	(104)
Loan receivable from affiliate	189	-
Net cash used in investing activities	(1,904)	(1,108)
Cash flows from financing activities:		
Proceeds from bank borrowings	46,650	-
Repayment of bank borrowings	(47,078)	(6,479)
Deferred financing fees paid	(920)	-
Net proceeds from issuance of preferred shares	(2,112)	376
Dividends paid	(282)	(285)
Payments to related parties' loan	(105)	-
Payments to shareholders loans	(387)	(474)
Net Cash provided by financing activities	(4,234)	(6,862)
Net (decrease)/ increase in cash and cash equivalents	(400)	(2,318)
Cash and cash equivalents, beginning of year	8,152	9,219
Cash and cash equivalents, end of year	7,752	6,901