

PARADISE GAS CARRIERS CORP.

**Consolidated unaudited Financial Statements
for the period ended December 31, 2020
prepared under US GAAP**

INDEX

	<u>Page</u>
Consolidated Balance Sheets as at December 31, 2020, and December 31, 2019	3
Consolidated Statements of Comprehensive Income for the periods ended December 31, 2020 and 2019	4
Consolidated Statements of Changes in Shareholders Equity for the periods ended December 31, 2020 and 2019	5
Consolidated Statements of Cash Flows for the periods ended December 31, 2020 and 2019	6

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT December 31, 2020 AND DECEMBER 31,
2019

(Expressed in thousands of United States dollars or unless otherwise stated)

	As of December 31, 2020	As of December 31, 2019
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	5,750	8,152
Trade and other receivables	3,170	3,371
Inventories	912	851
Insurance and other claims	-	286
Due from related parties	-	90
Right of use asset	-	3,816
Loan receivable from affiliate	-	189
Prepaid expenses	573	286
Lease Receivable	1,607	1,679
Total current assets	12,012	18,720
NON-CURRENT ASSETS		
Vessels, net	150,720	143,707
Lease receivable, net of current portion	4,501	5,983
Investments in affiliates	4,463	2,800
Deferred charges, net	4,002	3,352
Total non-current assets	163,686	155,842
Total assets	175,698	174,562
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	3,652	5,312
Accrued liabilities	782	948
Current portion of long-term debt	15,226	8,765
Lease Liability	-	3,816
Unearned revenue	-	729
Due to related parties	235	-
Dividends payable	188	128
Related parties' loan	-	105
Shareholders' loan	585	387
Other current liabilities	912	290
Total current liabilities	21,580	20,480
LONG-TERM LIABILITIES		
Long-term debt, net of current portion and deferred financing costs	76,398	76,286
Total long-term liabilities	76,398	76,286
Total liabilities	97,978	96,766
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	(80)	(2,116)
Total shareholders' equity	77,720	77,796
Total liabilities and shareholders' equity	175,698	174,562

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE PERIOD
ENDED December 31, 2020 and 2019
(Expressed in thousands of United States dollars or unless otherwise stated)

	Period ended December 31, 2020	Period ended December 31, 2019
	<u>2020</u>	<u>2019</u>
Operating revenue	39,914	39,529
Total operating revenue-net	<u>39,914</u>	<u>39,529</u>
Operating expenses		
Voyage expenses	(2,577)	(2,987)
Vessels' operating expenses	(14,723)	(18,282)
Depreciation	(6,927)	(7,507)
Amortization of deferred dry-docking and special survey costs	(1,141)	(1,564)
Time charter expenses	(4,050)	(1,575)
Commissions	(1,177)	(1,209)
Management fees	(1,786)	(2,056)
General and administrative expenses	(95)	(128)
Other gains/ (losses)	-	(30)
Gain on sale of vessel	-	565
Net operating expenses	<u>(32,476)</u>	<u>(34,773)</u>
Operating profit/(loss)	<u>7,438</u>	<u>4,756</u>
Other income/ (expenses)		
Interest income	135	128
Interest expense and finance cost	(4,244)	(5,501)
Gain from change in fair value of investments	-	281
Other finance expenses	(354)	(102)
Other expenses, net	(598)	154
Total other expenses, net	<u>(5,061)</u>	<u>(5,040)</u>
Gain / (Loss) for the year	<u>2,377</u>	<u>(284)</u>
Other comprehensive income for the year	-	-
Total comprehensive gain / (loss) for the year	<u>2,377</u>	<u>(284)</u>

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, 2018	-	7,094	71,500	(1,523)	77,071
Net loss for the year	-	-	-	(284)	(284)
Capital contributions	-	1,318	-	-	1,318
Dividends	-	-	-	(309)	(309)
Balance December 31, 2019	-	8,412	71,500	(2,116)	77,796
		-			
Balance December 31, 2019	-	8,412	71,500	(2,116)	77,796
Net gain for the year	-	-	-	2,377	2,377
Capital contributions	-	(2,112)	-	-	(2,112)
Dividends	-	-	-	(341)	(341)
Balance December 31, 2020	-	6,300	71,500	(80)	77,720

PARADISE GAS CARRIERS CORP.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR PERIOD
December 31, 2020 and 2019

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

	Period ended December 31, 2020	Year ended December 31, 2019
Cash Flows from operating activities:		
Net gain / (loss) for the year	2,377	(284)
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation	6,927	7,507
Amortization of deferred dry-docking and special survey costs	1,141	1,564
Amortization of deferred financing costs	151	115
Gain on sale of vessels	-	(565)
Gain from change in fair value of investments	-	(281)
Interest Income receivable	-	(14)
Changes in operating assets and liabilities		
Decrease in trade and other receivable	201	422
Decrease/ (increase) in insurance and other claims	286	(286)
(Increase)/ decrease in prepaid expenses	(287)	100
(Increase)/ decrease in inventories	(61)	157
Decrease in related parties	325	(80)
Increase/ (decrease) in accounts payable	(1,660)	884
(Decrease)/ Increase in accrued liabilities	(166)	(144)
Increase/ (decrease) in unearned revenue	(729)	655
(Decrease)/ increase in other current liabilities	622	(22)
Decrease in lease receivable	1,554	-
Sellers Credit	-	2,000
Payments for dry dock and special survey costs	(1,767)	(3,046)
Net cash provided by operating activities	8,914	8,682
Cash Flows from investing activities:		
Net cash proceeds from sale of vessel	-	564
Investments in affiliates	(1,663)	(1,004)
Payments for additions to vessels	(2,055)	(1,389)
Payments for acquisition of vessel	(11,887)	-
Loan receivable from/ (to) affiliate	189	(184)
Net cash used in investing activities	(15,416)	(2,013)
Cash flows from financing activities:		
Proceeds from bank borrowings	71,671	-
Repayment of bank borrowings	(64,129)	(8,361)
Deferred financing fees paid	(1,142)	-
Net proceeds from issuance of preferred shares	(2,112)	1,318
Dividends paid	(281)	(239)
Payments to related parties' loan	(105)	-
Receipt/ (payments) from shareholders loans	198	(454)
Net Cash provided by financing activities	4,100	(7,736)
Net (decrease)/ increase in cash and cash equivalents	(2,402)	(1,067)
Cash and cash equivalents, beginning of year	8,152	9,219
Cash and cash equivalents, end of year	5,750	8,152