PARADISE GAS CARRIERS CORP.

Consolidated Financial Statements for the year ended December 31, 2025 prepared under US GAAP

These financial statements set out on pages 5 to 29 have been approved by the Board of Directors of Paradise Gas Carriers Corp. on May 27, 2026

Signed on behalf of the Board of Directors

CEO

Constantinos Tsakiris

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Report of Independent Auditors

To the Management and Board of Directors of Paradise Gas Carriers Corp.

Opinion

We have audited the accompanying consolidated financial statements of Paradise Gas Carriers Corp. and its subsidiaries (together "the Company"), which comprise the consolidated balance sheets as of December 31, 2025 and December 31, 2024, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and December 31, 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

PricewaterhouseCoopers S.A.

Athens, Greece
May 27, 2026

PARADISE GAS CARRIERS CORP.
CONSOLIDATED BALANCE SHEETS AS AT DECEMBER 31, 2025 and 2024
(Expressed in thousands of United States dollars or unless otherwise stated)

	Notes	As of December 31, 2025	As of December 31, 2024
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	12,503	10,784
Trade receivables, net		3,698	6,893
Inventories	4	1,046	1,274
Insurance and other claims		18	79
Due from related parties	12	378	173
Other receivables		485	338
Prepaid expenses		401	426
Total current assets		**18,529**	**19,967**
NON-CURRENT ASSETS			
Vessels, net	5	103,023	130,031
Vessels under construction	6	15,006	8,480
Deferred charges, net	7	2,357	10,464
Total non-current assets		**120,386**	**148,975**
Total assets		**138,915**	**168,942**
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable	8	3,472	3,414
Accrued liabilities	10	729	698
Current portion of long-term debt	9	7,289	8,859
Unearned revenue		853	1,219
Dividends payable	12	-	1,546
Due to shareholder	12	-	6,398
Other current liabilities		453	527
Total current liabilities		**12,796**	**22,661**
LONG-TERM LIABILITIES			
Long-term debt, net of current portion and deferred financing costs	9	56,987	54,337
Total long-term liabilities		**56,987**	**54,337**
Total liabilities		**69,783**	**76,998**
Commitments and Contingencies	19	-	-
SHAREHOLDERS' EQUITY			
Common stock, no par value; 100,000 Class A shares authorized; 68,250 issued and outstanding as of December 31, 2025 and 2024, respectively	11	-	-
Additional paid-in capital		61,500	71,500
Preferred Stock, no par value; 10,000 Class B shares authorized; 3,250 issued and outstanding, 1,000 Class C shares authorized, nil issued and outstanding as of December 31, 2025 and 2024	11	-	-
Preferred stock	11	-	-
Equity attributable to non-controlling interest	11	3,930	2,080
Retained earnings		3,702	18,364
Total shareholders' equity		**69,132**	**91,944**
Total liabilities and shareholders' equity		**138,915**	**168,942**

The accompanying notes on pages 9 to 29 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2025 and 2024
(Expressed in thousands of United States dollars or unless otherwise stated)

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
Operating revenue	16	53,696	67,031
Total operating revenue-net		**53,696**	**67,031**
Operating expenses			
Voyage expenses	18	(1,410)	(2,245)
Vessels' operating expenses	17	(19,442)	(19,240)
Depreciation	5	(7,388)	(7,864)
Amortization of deferred dry-docking and special survey costs	7	(2,348)	(4,182)
Commissions		(1,398)	(1,607)
Management fees	12	(2,277)	(2,292)
General and administrative expenses		(144)	(84)
Loss on sale of vessels	5	(6,521)	-
Net operating expenses		**(40,928)**	**(37,514)**
Operating profit		**12,768**	**29,517**
Other (expenses)/ income			
Interest income		75	93
Interest expense and finance cost		(4,906)	(5,630)
Other finance expenses		(288)	(133)
Other (losses)/ income, net		536	(387)
Total other (expenses)/ income, net		**(4,583)**	**(6,057)**
Profit for the year		**8,185**	**23,460**
Less: Profit attributable to non-controlling interests		-	-
Profit attributable to parent		**8,185**	**23,460**
Other comprehensive income for the year		-	-
Less: Other comprehensive income attributable to non-controlling interests		-	-
Total comprehensive income for the year attributable to parent		**8,185**	**23,460**

The accompanying notes on pages 9 to 29 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025 and 2024
(Expressed in thousands of United States Dollars unless otherwise stated)

	Common Stock	Preferred Stock	Additional Paid-in Capital	Retained Earnings	Non-Controlling Interest	Total
Balance December 31, 2023	**-**	**-**	**71,500**	**14,144**	**-**	**85,644**
Net profit for the year	-	-	-	23,460	-	**23,460**
Equity attributable to Non-controlling interest	-	-	-	-	2,080	**2,080**
Dividends	-	-	-	(19,240)	-	**(19,240)**
Balance December 31, 2024	**-**	**-**	**71,500**	**18,364**	**2,080**	**91,944**
Balance December 31, 2024	**-**	**-**	**71,500**	**18,364**	**2,080**	**91,944**
Net profit for the year	-	-	-	8,185	-	**8,185**
Capital contributions/ (reductions)	-	-	(10,000)	-	-	**(10,000)**
Equity attributable to Non-controlling interest	-	-	-	-	1,850	**1,850**
Dividends	-	-	-	(22,847)	-	**(22,847)**
Balance December 31, 2025	**-**	**-**	**61,500**	**3,702**	**3,930**	**69,132**

The accompanying notes on pages 9 to 29 are an integral part of these consolidated financial statements.

PARADISE GAS CARRIERS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025 and 2024
(Expressed in thousands of United States Dollars unless otherwise stated)

	Notes	Year ended December 31, 2025	Year ended December 31, 2024
Cash Flows from operating activities:			
Net income for the year		8,185	23,460
Adjustments to reconcile net profit to net cash provided by operating activities			
Depreciation	5	7,388	7,864
Amortization of deferred dry-docking and special survey costs	7	2,348	4,182
Amortization of deferred financing costs	9	411	135
Loss on disposal of vessels	5	6,521	-
Changes in operating assets and liabilities			
Decrease/ (increase) in trade receivables, net		3,195	(1,799)
Decrease in insurance and other claims		61	769
Decrease/ (increase) in prepaid expenses		25	(110)
(Increase)/ decrease in other receivables		(147)	31
Decrease/ (increase) in inventories	4	228	(199)
Increase in related parties	12	(205)	(225)
Increase/ (decrease) in accounts payable	8	58	(1,695)
Increase/ (decrease) in accrued liabilities	10	31	(149)
(Decrease)/ increase in unearned revenue		(366)	105
(Decrease)/ increase in other current liabilities		(74)	8
Payments for dry dock and special survey costs	7	-	(1,967)
Net cash provided by operating activities		**27,659**	**30,410**
Cash Flows from investing activities:			
Investments in affiliates, net of return of affiliate's capital		-	953
Payments of vessel under construction	6	(6,526)	-
Cash received relating to the sale of a vessel, net of transaction costs paid	5	18,856	-
Net cash provided by investing activities		**12,330**	**953**
Cash flows from financing activities:			
Proceeds from bank borrowings, net of deferred financing costs	9	60,600	-
Borrowing costs paid	9	(288)	-
Repayments of bank borrowings	9	(59,641)	(10,012)
Contributions from non-controlling interests	11	1,850	-
Dividends paid		(24,393)	(17,694)
Return of paid-in capital	11	(10,000)	
Repayment of shareholder loan		-	(2,001)
Due to shareholders	12	(6,398)	-
Net Cash used in financing activities		**(38,270)**	**(29,707)**
Increase in cash and cash equivalents		**1,719**	**1,656**
Cash and cash equivalents, beginning of year	3	10,784	9,128
Cash and cash equivalents, end of year		**12,503**	**10,784**
Supplemental disclosures of cash flow information:			
Cash paid for interest (net of capitalized interest)		4,512	5,629
Non-cash investing activities			
Acquisition of subsidiary	11	-	6,398
Non-cash financing activities			
Dividends payable		-	1,546

The accompanying notes on pages 9 to 29 are an integral part of these consolidated financial statements.

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

1. Description of organization and business operations

Paradise Gas Carriers Corp. ("Paradise" or the "Company" and, together with its subsidiaries, the "Group"), was formed on May 9, 2013, in Monrovia, Liberia. The Group's principal business is the acquisition and operation of vessels. Paradise conducts its operations through vessel owning subsidiaries that have as principal activity the ownership and operation of oil tanker and gas carrier vessels that are under the exclusive management of Paradise Navigation S.A., a related party of the Group (refer to Note 12 - Related Party Transactions).

The Group's vessels operate worldwide, carrying oil and LPG for many of the world's leading charterers. The Group manages its operations from the offices of the management company, Paradise Navigation S.A., in Athens, Greece.

The consolidated financial statements of Paradise Gas Carriers Corp include the results of the following companies:

Company	Country of incorporation	Date of Incorporation	Activity	% Shareholding
Paradise Gas Carriers Corp.	Monrovia, Liberia	May 9, 2014	Holding Co	-
Darko Maritime Ltd(i)	Monrovia, Liberia	January 13, 2014	Subsidiary	100%
Aspropyrgos II Maritime Ltd(iii)	Monrovia, Liberia	December 8, 2014	Subsidiary	100%
PST S.A	Marshall Islands	July 2, 2014	Subsidiary	100%
K11 Maritime LTD (ii)	Monrovia, Liberia	February 19, 2024	Subsidiary	75%

i) Darko Maritime Ltd was revoked and dissolved on April 1, 2024
ii) On November 25, 2024, the Group acquired 75% of the equity interest in K11 Maritime Ltd (refer to note 11)
iii) Aspropyrgos II Maritime Ltd was revoked and dissolved on March 1, 2025.

The consolidated financial statements also include the results of the following vessel-owning subsidiaries, all wholly owned by Paradise Gas Carriers Corp. as of December 31, 2025 and 2024.

Company	Date of Incorporation	% Shareholding	Vessel Name	Vessel Type	Year Built	DWT
Marina Maritime & Trading Ltd	May 8, 2013	100	PGC MARINA*	Oil Tanker	2005	72,854
Aratos Maritime Ltd	July 24, 2013	100	PGC ARATOS	Gas Carrier	2003	9,328
Strident Force Maritime Ltd	January 13, 2014	100	PGC STRIDENT FORCE	Gas Carrier	1999	8,485
Patreas Maritime Ltd	June 2, 2016	100	PGC PATREAS	Gas Carrier	2017	7,500
Periklis Maritime Ltd	June 2, 2016	100	PGC PERIKLIS	Gas Carrier	2017	7,500
Taormina Maritime Ltd	June 2, 2016	100	PGC TAORMINA	Gas Carrier	2017	7,000
Eirini Maritime Ltd	June 2, 2016	100	PGC EIRINI	Gas Carrier	2018	7,000
PGC Alexandria Maritime Ltd	July 29, 2020	100	PGC ALEXANDRIA	Oil Tanker	2006	75,000
Companion Maritime Ltd	December 22, 2022	100	PGC COMPANION*	Oil Tanker	2005	72,900

** During 2025, the Group sold both PGC Marina and PGC Companion (refer to note 5).*

2. Significant Accounting Policies

***Basis of presentation*:** The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") on a going concern basis. The reporting and functional currency of the Group is the United States Dollar.

Principles of Consolidation: The accompanying consolidated financial statements represent the consolidation of the accounts of the Company and subsidiaries it controls. The subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. All intercompany balances and transactions are eliminated on consolidation.

Subsidiaries are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition. Costs directly attributable to the acquisition are expensed as incurred. The excess of the cost of acquisition over the fair value of the net tangible and intangible assets acquired and liabilities assumed is recorded as goodwill.

Use of Estimates: The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates the estimates and judgments, including those related to uncompleted voyages, future dry-dock dates, the selection of useful lives for tangible assets and scrap value, expected future cash flows from long-lived assets to support impairment tests, provisions necessary for accounts receivable, provisions for legal disputes and contingencies. Also, for operating and finance leases where the Group is acting as the lessor/lessee and in accordance with the provisions of ASC 842, management applies judgement to determine the rate implicit in the lease. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates under different assumptions and/or conditions.

***Foreign Currency Translation**:* The functional currency of the Group is the U.S. dollar. Transactions in currencies other than the functional currency are translated at the exchange rate in effect at the date of each transaction. Difference in exchange rates during the period between the date a transaction denominated in a foreign currency is consummated and the date on which it is either settled or translated, are recognized in the accompanying consolidated statement of comprehensive income.

On the balance sheet dates, monetary assets and liabilities denominated in other currencies are translated to reflect the current exchange rates. Resulting gains or losses are reflected in the accompanying consolidated statement of comprehensive income.

Cash and Cash Equivalents: Cash and cash equivalents consist of current, call, and time deposits with original maturity of three months or less which are not restricted for use or withdrawal.

Trade Receivables, net: The amount shown as Trade Receivables at each balance sheet date includes receivables from charterers for hire, freight and demurrage billings,

2. Significant Accounting Policies (continued)

net of a provision for doubtful accounts. At each balance sheet date, all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate provision for doubtful accounts. No allowance for doubtful accounts has been taken in any period included in these consolidated financial statements.

Prepaid Expenses: Prepaid expenses consist mainly of prepayment of insurance expenses.

Inventories: Inventories, consisting mainly of bunkers, lubricants, and provisions remaining on board the vessels at each period end, are valued at the lower of market value or cost as determined using the weighted average cost basis method. Inventories include also EU Emissions Trading System (“EU ETS”) emissions allowances (“EUAs”), which are also stated at the lower of cost or net realizable value.

Insurance Claims: Insurance claims consist of claims submitted and/or claims in the process of compilation or submission (claims pending against vessels’ insurance underwriters). They are recorded on an accrual basis and represent the claimable expenses, net of applicable deductibles, incurred through December 31 of each reported period, which are expected to be recovered from insurance companies. Any remaining costs to complete the claims are included in accrued liabilities. Insurance claims are included in the balance sheet line item “Insurance and other claims”. The classification of insurance claims into current and non-current assets is based on management’s expectations as to their collection dates.

Deferred Financing Costs*:* Deferred financing costs include fees, commissions and legal expenses associated with the Group’s long- term debt. These costs are amortized over the estimated life of the related debt using the effective interest method and are included in interest expense or are capitalized in the case of vessels under construction. Unamortized fees relating to loans repaid or refinanced as debt extinguishment are expensed as interest and finance costs in the period the repayment or extinguishment is made. Deferred financing costs are presented as a deduction of long term debt, net of current portion.

Vessels’ Cost: Vessels are stated at historical cost, which consists of the contract price, delivery and acquisition expenses and capitalized interest costs while under construction. Vessels acquired in an asset acquisition or in a business combination are recorded at fair value. Subsequent expenditures for ballast water treatment system, major improvements and upgrades are capitalized, provided they appreciably extend the life, increase the earning capacity or improve the efficiency or safety of the vessels. Expenditures for routine maintenance and repairs are expensed as incurred.

Depreciation is computed using the straight line method over the useful life of the vessels, after considering the estimated residual value. Management estimates the residual values of their vessels based on scrap value cost of steel times the weight of the ship noted in light displacement weight (ldt). Residual values are periodically reviewed and revised to recognize changes in conditions, new regulations or other reasons. Revisions of residual values affect the depreciable amount of the vessels and affects depreciation expense in the period of the revision and future periods.

Management estimated the residual value of the Group’s vessel at $430 per ldt for the years ended December 31, 2025 and 2024.

Management estimated the useful life of the Group’s vessels to be 24 years from the vessels’ original construction for the Oil Tankers and 30 years for the Gas Carriers for the years ended December 31, 2025 and 2024.

2. Significant Accounting Policies (continued)

Capitalized Interest Expense: Interest costs are expensed as incurred except for interest costs that are capitalized. Interest costs are capitalized on all qualifying assets that require a period of time to complete for their intended use. Qualifying assets consist of vessels constructed for the Group's own use.

Impairment of Long-lived Assets: Long-lived assets are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount of a particular asset may not be fully recoverable. Management evaluates the carrying amounts and periods over which long-lived assets are depreciated to determine if events or changes in circumstances have occurred that would require modification to their carrying values or useful lives. In evaluating useful lives and carrying values of long-lived assets, certain indicators of potential impairment are reviewed such as, undiscounted projected cash flows, vessel sales and purchases, business plans and overall market conditions.

Undiscounted projected net operating cash flows are determined for each asset group (consisting of the individual vessel, deferred charges related to the unamortized portion of the Drydock and Special Survey, the unamortized portion of ballast water treatment system and the intangible, if any, with respect to the time charter agreement attached to that vessel) and compared to the vessel carrying value and related carrying value of the intangible with respect to the time charter agreement attached to that vessel or the carrying value of deposits for new-buildings, if any. Within the shipping industry, vessels are often bought and sold with a charter attached. The value of the charter may be favorable or unfavorable when comparing the charter rate to then current market rates. The loss recognized either on impairment (or on disposal) will reflect the excess of carrying value over fair value (selling price) for the vessel individual asset group.

As of December 31, 2025 and 2024, the Group concluded that no events and circumstances triggered the existence of potential impairment of its long-lived assets.

Accounting for Special Survey and Dry-docking Costs: The Group's vessels are subject to regularly scheduled dry-docking and special surveys which are carried out every 30 or 60 months to coincide with the renewal of the related certificates issued by the classification societies, unless a further extension is obtained in rare cases and under certain conditions. The costs of dry-docking and special survey are deferred and amortized over the above periods or to the next dry-docking or special survey date if such has been determined. Drydocking and special survey costs are reported in the balance sheet within "Deferred charges, net if special survey or dry-docking is performed prior to the scheduled date, the remaining unamortized balances are immediately written off.

The unamortized portion of special survey and dry-docking costs for vessels sold is included as part of the carrying amount of the vessel in determining the gain / (loss) on sale of the vessel.

Pension and Retirement Benefit Obligations-Crew: The crew on board of the Group's vessels serves in such capacity under short-term contracts (usually up to nine months) and accordingly, the vessel-owning companies are not liable for any pension or post-retirement benefits.

Accounts payable: Accounts payable are obligations to pay for goods or services that have been acquired in the ordinary course of the Group's business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

2. Significant Accounting Policies (continued)

Leases: Vessel leases where the Group is regarded as the lessor are classified as either finance leases (sales-type / direct financing leases) or operating leases based on an assessment of the terms of the lease.

For charters classified as operating leases where the Group is regarded as the lessor, refer to section "Revenue recognition" below.

For charters classified as operating leases where the Group is regarded as the lessee, a right of use asset and a corresponding lease liability are recognized on the consolidated balance sheet. The expense is recognized on a straight line basis over the rental periods of such charter agreements. The lease expense is included under the line item Time Charter Expenses of the Consolidated Statements of Comprehensive Income. In cases of lease agreements where the Group acts as the lessor under an operating lease, the Group keeps the underlying asset on the consolidated balance sheet and continues to depreciate this over its useful life. In cases of lease agreements where the Company acts as the lessor under a finance lease, the Group derecognizes the underlying asset and records a net investment in the lease. The Group acts as a lessee in a bareboat arrangement which constitutes an operating lease, while it acts as the lessor under operating leases in connection with its revenue arrangements.

For charters classified as finance leases the minimum lease payments are recorded as the gross investment in the lease. The difference between the gross investment in the lease and the sum of the present values of the two components of the gross investment is recorded as unearned income which is amortized to income over the lease term as finance lease interest income to produce a constant periodic rate of return on the net investment in the lease. For finance leases, interest expense is determined using the effective interest method and amortization on the right-of-use asset is recognized on a straight-line basis.

In cases of sale and lease back transactions, if the transfer of the asset to the lessor does not qualify as a sale, then the transaction constitutes a failed sale and lease back and is accounted for as a financing transaction. For a sale to have occurred, the control of the asset would need to be transferred to the lessor, and the lessor would need to obtain substantially all the benefits from the use of the asset.

Operating lease assets used by the Group are reviewed periodically for potential impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. Measurement of the impairment loss is based on the fair value of the asset. The Group determines the fair value of its assets on the basis of management estimates and assumptions by making use of available market data. In evaluating carrying values of operating lease assets, certain indicators of potential impairment are reviewed, such as undiscounted projected operating cash flows, business plans and overall market conditions. Undiscounted projected net operating cash flows are determined for each asset group and compared to the carrying value of the operating lease asset. As of December 31, 2025 and 2024, management concluded that were no events and circumstances which may indicate the existence of potential impairment of the Group's operating leases.

Current and Deferred Income Tax: The Group is not liable for corporate income tax, either in the country of incorporation or, in the case of the vessel - owning companies, in the country of the vessel's registration. The Group therefore does not provide for either corporate income tax or for deferred taxation.

The Group's vessel owning companies are liable to pay an annual tonnage tax to the tax authorities of the country where the vessels are registered. This tax has been included in vessels' operating expenses.

2. Significant Accounting Policies (continued)

Effective from 1 January 2013, an annual tonnage tax is also payable to the tax authorities of Greece, which is the country of operation of the Managing Agent of the Group. This tax has been included in vessel's operating expenses.

Provisions and contingencies: The Group, in the ordinary course of its business, is subject to various claims, suits and complaints. The Group will provide for a contingent loss in the financial statements if the contingency has been incurred and the likelihood of loss is deemed to be probable at the date of the financial statements and the amount of the loss can be reasonably estimated. In accordance with the accounting for contingencies, if the Group has determined that the reasonable estimate of the loss is a range and there is no best estimate within the range, the Group will accrue the lower amount of the range. The Group participates in Protection and Indemnity (P&I) insurance coverage plans provided by mutual insurance societies known as P&I clubs. Under the terms of these plans, participants may be required to pay additional premiums to fund operating deficits incurred by the clubs ("deferred calls"). Obligations for deferred calls are accrued annually based on information provided by the clubs regarding supplementary calls.

Provisions for estimated losses on uncompleted voyages and vessels time chartered to others are provided for in the period in which such losses are determined. At December 31, 2025 and 2024, the balance for provision for loss making voyages in progress was nil.

Revenue Recognition: Revenue is recognized when (or as) the Group transfers promised goods or services to its customers in amounts that reflect the consideration to which the Group expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Group satisfies its contractual obligations and transfers control of the promised goods or services to its customers. Revenues are recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

In determining the appropriate amount of revenue to be recognized as it fulfills its obligations under its agreements, the Group performs the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations based on estimated selling prices; and (v) recognition of revenue when (or as) the Group satisfies each performance obligation.

Revenue is generated from time charters, spot voyage charters and pooling arrangements.

Revenue from Time Charters

Revenues from time chartering of vessels are accounted for as operating leases and are thus recognized on a straight line basis as the average revenue over the rental periods of such charter agreements, as service is performed. Time charter revenue involves placing a vessel at the charterers' disposal for a period of time during which the charterer uses the vessel in return for the payment of a specified daily hire rate. Under time charters, operating costs such as for crew, maintenance and insurance are typically paid by the owner of the vessel. The performance obligations in a time charter contract are satisfied over the term of the contract beginning when the vessel is delivered to the charterer until it is returned to the Group.

Revenues are recorded net of address commissions. Address commissions represent a discount provided directly to the charterers based on a fixed percentage of the agreed upon charter or freight rate. Since address commissions represent a discount (sales incentive)

2. Significant Accounting Policies (continued)

on services rendered by the Group and no identifiable benefit is received in exchange for the consideration provided to the charterer, these commissions are presented as a reduction of revenue.

Revenue from Pooling arrangements (“pool revenues”)

For vessels operating in pooling arrangements, the Group earns a portion of total revenues generated by the pool, net of expenses incurred by the pool. Operating revenue and voyage expenses of the pool are posted and allocated to the pool participants on a time charter equivalent basis, according to an agreed formula. Formulas used to allocate net pool revenues vary among different pools but generally allocate revenues to pool participants on the basis of the number of days a vessel operates in the pool with weighting adjustments made to reflect vessels’ differing capacities and performance capabilities. Certain pools are responsible for paying voyage expenses and distribute net pool revenues to the participants.

Certain pools require the participants to pay and account for voyage expenses, and distribute gross pool revenues to the participants such that the participants’ resulting net pool revenues are equal to net pool revenues calculated according to the agreed formula. Revenue under pooling arrangements is accounted for as variable rate operating leases on the accrual basis and is recognized in the period in which the variability is resolved. The Group recognizes net pool revenue on a monthly basis, when the vessel has participated in a pool during the period and the amount of pool revenue can be estimated reliably based on the pool report. The allocation of such net revenue may be subject to future adjustments by the pool however, such changes are not expected to be material.

Revenue from spot voyage charters

Under a spot voyage charter, a vessel is provided for the transportation of specific goods between specific ports in return for payment of an agreed upon freight per ton of cargo. The Group recognizes revenue ratably from port of loading to when the charterer’s cargo is discharged as well as defer costs that meet the definition of “costs to fulfill a contract” and relate directly to the contract. Revenue is a factor of the weight of the cargo which is known at the time of loading and before the voyage begins. Probable losses on voyages are provided for in full at the time such losses can be estimated.

Deferred Revenue: Deferred revenue primarily relates to cash received from charterers prior to it being earned. These amounts are recognized as revenue over the voyage or charter period, when the service is provided.

Commissions: Commissions calculated on hires and freights generated from the vessels represent discounts and fees respectively, provided directly to the charterers and brokers based on a fixed percentage of the agreed upon charter or freight rate of the vessels.

General and Administrative Expenses: General and administrative expenses include bookkeeping, audit and accounting services, legal and insurance services, administrative and clerical services, banking and financial services, advisory services, client and other services.

Vessels Operating Expenses: Vessel operating expenses include crew wages and related costs, the cost of insurance, expenses for repairs and maintenance, the cost of spares and consumable stores, lubricants, exchange differences, crew travelling, provision, communication, tonnage taxes and other miscellaneous expenses related to the operation of the vessel. Aggregate expenses increase as the size of the Group's fleet increases.

Dividends: Dividends are recorded in the Group’s financial statements in the period in which they are declared.

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

2. Significant Accounting Policies (continued)

***Financial Instruments*:** Financial instruments carried on the balance sheet include cash and cash equivalents, trade receivables and payables, other receivables and other liabilities and long term debt. The particular recognition methods applicable to each class of financial instrument are disclosed in the applicable significant policy description of each item, or included below as applicable.

a) **Financial risk management:** Group's activities expose it to a variety of financial risks including fluctuations in future freight rates, time charter hire rates, and fuel prices, credit and interest rate risk. Risk management is carried out under policies approved by executive management. Guidelines are established for overall risk management, as well as specific areas of operations.

b) **Credit risk:** The Group closely monitors its exposure to customers and counterparties for credit risk. The Group has entered into the Management Agreement with the Manager, pursuant to which the Manager agreed to provide commercial and technical management services to the Group. When negotiating on behalf of the Group various employment contracts, the Manager has policies in place to ensure that it trades with customers and counterparties with an appropriate credit history. For significant customers constituting more than 10% of the total revenue refer to Note 16, "Operating Revenue".

c) **Foreign exchange risk:** Foreign currency transactions are translated into the measurement currency rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of operations.

Recent Accounting Pronouncements:

There are no recent accounting pronouncements published, that might have an impact on the consolidated financial statements. There are no recent accounting pronouncements published, that might have an impact on the consolidated financial statements.

3. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and at bank	11,212	8,753
Short-term deposits	1,291	2,031
	12,503	**10,784**

4. Inventories

	December 31, 2025	December 31, 2024
Bunkers	-	273
Lubricants	402	569
Stores	188	252
EUAs and Fuel oil(see note 8)	456	180
	1,046	**1,274**

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

5. Vessels, net

	Vessels' Cost	Accumulated Depreciation	Net Book Value
January 1, 2024	**186,338**	**(48,443)**	**137,895**
Depreciation for the year	-	(7,864)	(7,864)
December 31, 2024	**186,338**	**(56,307)**	**130,031**
December 31, 2024	**186,338**	**(56,307)**	**130,031**
Disposals (Cost)	(32,008)	-	(32,008)
Disposals (Accumulated dep'n)	-	12,388	12,388
Depreciation for the year	-	(7,388)	(7,388)
December 31, 2025	**154,330**	**(51,307)**	**103,023**

The scrap value of the Group's vessels was determined by multiplying their light displacement weight (ldt) by an estimated price for scrap of $430 per ldt.

Sale of vessels

On September 25, 2025, the Group sold the vessel PGC Marina, following a Memorandum of Agreement ("MoA") signed between the Group and Mistral Fleet Co Limited dated August 21, 2025, for a gross consideration of $9,750.

On October 29, 2025, the Group sold the vessel PGC Companion, following a Memorandum of Agreement ("MoA") signed between the Group and Oryx Kell Maritime Limited dated September 19, 2025, for a gross consideration of $9,640.

The loss resulting from the transactions comprises of:

	PCG Marina	PGC Companion	Total
Proceeds from sale of vessels	9,750	9,640	19,390
Less: Commissions paid and other sale expenses	(270)	(262)	(532)
Net proceeds from sale of vessels	**9,480**	**9,378**	**18,858**
Less:			
Cost of vessel sold	17,008	15,000	32,008
Accumulated depreciation of vessels sold	(8,457)	(3,931)	(12,388)
Net book amount at the date of sale	**8,551**	**11,069**	**19,620**
Special survey component written-off on vessels disposals	2,883	2,876	5,759
Total loss on sale of vessels	**(1,954)**	**(4,567)**	**(6,521)**

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

6. Vessels under construction

	December 31, 2025	December 31, 2024
Opening balance	**8,480**	**-**
Payments under contracts	6,400	8,320
Capitalized other expenses	126	160
Closing balance	**15,006**	**8,480**

On March, 26, 2024, the Group's subsidiary K11 Maritime Ltd., signed a contract with Kyokuyo Shipyard Corporation for the construction of a gas carrier type vessel (Hull No S-585) which is expected to be delivered to the Group during 2026. The total contract price is $32,320.

7. Deferred charges, net

	Dry-dockings and Special Surveys
As of January 1, 2024	**12,679**
Additions	1,967
Amortization	(4,182)
As of December 31, 2024	**10,464**
Write-off due to vessels disposal (refer to note 5)	(5,759)
Amortization	(2,348)
As of December 31, 2025	**2,357**

8. Accounts Payable

Accounts payable comprise of the following:

	December 31, 2025	December 31, 2024
Suppliers and other creditors	1,293	2,249
Brokers	26	32
Agents	155	115
Due to charterers	145	172
Other payables	1,853	846
	3,472	3,414

Other payables for the year ended December 31, 2025 and 2024, mainly relate to EU Emissions Trading System ("EU ETS") emissions allowances ("EUAs") and the FuelEU maritime regulation ("FuelEU").

The EU ETS extended to cover the maritime transportation industry commencing January 1, 2024, with application to all large ships of at least 5,000 gross tonnage. Vessels are in the scope of the scheme for those voyages which begin, end or pass through European Union ("EU") waters. The Group has an obligation to surrender EUAs to the EU for each ton of reported greenhouse gas emissions in the scope of the EU ETS. Where vessels are operated under time

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

8. Accounts Payable (continued)

charters, such EUAs due to the EU are provided to the Group by the charterers pursuant to the terms of the time charter agreement. Liabilities in relation to EUAs obligations under the EU ETS, but not yet surrendered, are categorized as "Other payables" within "Accounts Payable" line item in the consolidated balance sheets, if settlement to the EU is due within 12 months of the reporting date and as "Other non-current payables" within "Accounts Payable" line item in the consolidated balance sheets, if settlement is due after 12 months of the reporting date.

The liability is based on the total number of EUAs required to be submitted based on level of emissions occurring on or prior to the period end. For partially completed voyages, the value of the liability is initially estimated using the cost of EUAs that may be required to be submitted at the reporting date and updated following completion of the voyage. An equal and opposite asset is recognized in relation to EUAs due from charterers, within "Trade receivables, net" or in case when the charterer has provided the Group with EUAs within "Inventories". EUAs purchased and held by the Group intended to be used to settle its EUA obligations are categorized as inventory.

The FuelEU became effective from January 1, 2025 and applies to vessels of 5,000 gross tonnage and above trading within the European Union. The FuelEU framework requires vessels to meet specified limits on the greenhouse gas ("GHG") intensity of energy used on board, measured on a "well-to-wake" basis. Where a vessel's GHG intensity exceeds the applicable threshold, the Company is required to settle a financial penalty with the competent authorities. Accordingly, a liability is recognized for non-compliance with FuelEU requirements based on energy consumption and emissions generated up to the reporting date. Such liabilities are classified within "Accounts payable" when settlement is expected within 12 months from the reporting date and within "Accounts payable-non current" when settlement is expected beyond 12 months. The liability is measured based on the estimated compliance deficit at the reporting date and the applicable penalty rates.

9. Borrowings, net of deferred financing costs

The Group's borrowings are analyzed by loan facility as follows:

Loan	As of December 31, 2025	Current Portion	Long-term Portion	As of December 31, 2024	Current Portion	Long-term Portion
A	**1,939**	1,939	-	**2,919**	1,000	1,919
B	**-**	-	-	**804**	652	152
C	**-**	-	-	**3,830**	1,400	2,430
D	**4,187**	1,000	3,187	**21,840**	3,080	18,760
E	**-**	-	-	**33,803**	2,727	31,076
F	**58,150**	4,350	53,800	**-**	-	-
	64,276	**7,289**	**56,987**	**63,196**	**8,859**	**54,337**

Loans

A) On July 9, 2021, one vessel owning company of the Group (Aratos Maritime Ltd) entered into a new loan facility with Hellenic Bank amounting to $7,400 to refinance an existing indebtedness and for general working capital purposes.

As of December 31, 2025, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $1,939 (2024: $2,919). The loan bears interest at 3,6% over the applicable term SOFR.

9. Borrowings, net of deferred financing costs (continued)

B) On March 18, 2022, one vessel owning company of the Group (Strident Force Maritime Ltd) entered into a new loan facility with Hellenic Bank amounting to $3,000 to finance the purchase price of the vessel and for general working capital purposes. As of December 31, 2024, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $804. The loan bore interest at 3,5% over the applicable term SOFR.

On November 4, 2025, the Group fully repaid the outstanding loan amount.

C) On December 12, 2022, one vessel owning company of the Group (Marina Maritime & Trading Ltd) entered into a new loan facility with Piraeus Bank S.A amounting to $7,050 to refinance the existing indebtedness and for general working capital purposes. As of December 31, 2024, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $3,830. The loan bore interest at 2,9% over the applicable CME term SOFR.

On September 15, 2025, the Group fully repaid the outstanding loan amount.

D) On September 28, 2023, three vessel owning companies of the Group (Companion Maritime Ltd, PGC Alexandria Maritime Ltd and Taormina Maritime Ltd) entered into a new loan facility with Aegean Baltic Bank S.A amounting to $27,650 to refinance the existing indebtedness and for general working capital purposes.

On October 29, 2025, Companion Maritime Ltd prepaid its outstanding balance with the proceeds from the sale of its vessel (see note 5), while on May 8, 2025, Taormina Maritime Ltd prepaid its outstanding balance with the proceeds from the loan agreement entered with Piraeus Bank S.A as stated below.

As of December 31, 2025, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $4,187 (2024: $21,840). The loan bears interest at 2,6% over the applicable CME term SOFR.

E) On October 20, 2023, three vessel owning companies of the Group (Eirini Maritime Ltd, Patreas Maritime Ltd and Periklis Maritime Ltd) entered into a new loan facility with Piraeus Bank S.A amounting to $36,703 to refinance the existing indebtedness and for general working capital purposes.

As of December 31, 2024, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $33,803. The loan bore interest at 2,5% over the applicable CME term SOFR.

On May 8, 2025, the Group fully repaid the outstanding loan amount.

F) On May 6, 2025, four vessel owning companies of the Group (Eirini Maritime Ltd, Patreas Maritime Ltd, Periklis Maritime Ltd and Taormina Maritime Ltd) entered into a new loan facility with Piraeus Bank S.A amounting to $60,600 in order to refinance the existing indebtedness and for general working capital purposes.

As of December 31, 2025, the outstanding balance of the loan, net of deferred borrowing costs, amounted to $58,150. The loan bears interest at 1,95% over the applicable CME term SOFR.

9. Borrowings, net of deferred financing costs (continued)

The key terms of the outstanding loan agreements as at December 31, 2025 are as follows:

Loan A

Loan A is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp.

The debt agreement includes positive and negative covenants, the most significant of which are:

- The borrowers shall procure that the Guarantor shall ensure that it maintains:
  a) leverage which does not exceed 75%
  b) minimum cash equal to:
     i) until December 31, 2022, $750 per fleet vessel fully owned and controlled by the Guarantor or a member of the Group for not less than six month prior to each test date
     ii) at all times thereafter $500 per fleet vessel.
- The Borrower shall ensure that there is transferred to the Liquidity Account, on the Utilization Date an amount of $200 and thereafter on each repayment date an amount of $50, until the aggregate amount of $400 is accumulated in the Liquidity account.
- The Borrowers shall ensure that:
  a) the Market Value of the vessel plus
  b) the net realizable value of additional Security is above:
     i) until the second anniversary of the Utilization Date, 130% of the Loan and
     ii) at all times thereafter, 140% of the Loan

Loan D

Loan D is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp..

The debt agreement includes positive and negative covenants, the most significant of which are:

- The borrowers shall procure that the Guarantor shall ensure that it maintains:
  a) leverage which does not exceed 60%
  b) minimum cash and cash equivalents of not less than 6 months debt service
- Each Borrower shall as from the Drawdown Date and at all times thereafter during the security period maintain a minimum liquidity of not less than $200 in its Earnings account, free of security interests other that in favor of the Security Trustee.
- The Borrowers shall ensure that:
  a) the aggregate of the Market Value of all Mortgage Ships plus
  b) the net realizable value of any additional security is at any time during the Security period above 140% of the Loan

Loan F

Loan F is collateralized by a Corporate Guarantee of Paradise Gas Carriers Corp. and Paradise Navigation S.A.

The debt agreement includes positive and negative covenants, the most significant of which are:

- The borrower shall ensure that, on and from the Utilization Date and throughout the remainder of the Security Period, persons which are of the same beneficial ownership as the Borrower shall maintain in bank accounts held with the Lender freely available average credit balance in those accounts of not less than $400 per mortgaged ship

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

9. Borrowings, net of deferred financing costs (continued)

during six month period. First such period commencing June 30, 2025 and every subsequent period commencing at 6 months internal thereafter.

- The Borrowers shall ensure that:
  a) the aggregate of the Market Value of each Mortgaged Ship
  b) the net realizable value of additional security is above 130% of the aggregate of:
     i) the Loan
     ii) the hedging Close-Out Liabilities

As of December 31, 2025, the Group was in compliance with all covenants under each of its credit facilities.

Deferred Borrowing costs

	December 31, 2025	December 31, 2024
Deferred financing cost	447	582
Additions	288	-
Amortization of deferred borrowing cost	(411)	(135)
	324	**447**

Repayment Terms

The annual repayments of the above loan facilities and financing arrangements as of 31 December 2025 are as follows:

Year	31/12/2025
2026	7,300
2027	5,200
2028	5,100
2029 and thereafter	47,000
	64,600

10. Accrued Liabilities

Accrued liabilities consist of the following:

	December 31, 2025	December 31, 2024
Accrued commissions	61	61
Accrued interest and finance cost	513	530
Accrued voyage and operating expenses	155	107
	729	**698**

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

11. Common and Preferred Stock

Paid-in capital

On November 11, 2025, the shareholders authorized the decrease of the paid-in capital of the Group from $71,500 to $61,500, representing a total decrease of $10,000. The reduction of paid-in capital was implemented among all existing shareholders pro-rata to their participation, without affecting the number or classes of shares outstanding, so that each share will represent an equal proportion of the decreased capital.

Non-controlling interest

On November 25, 2024, the Group acquired 75% of the equity interest in K11 Maritime Ltd (the "K11") for a total purchase consideration of $6,398. As a result of the acquisition, the Group obtained control over K11 and has consolidated its financial statements from the acquisition date. K11 is a shipowning company under development, with one vessel currently under construction, scheduled for delivery in 2026 (see note 6).

Substantially all of the fair value of the gross assets acquired is concentrated on the vessel under construction, and the Group therefore accounted for the acquisition of K11 Maritime Ltd. as an asset acquisition.

The following summarizes the consideration exchanged, the fair value of assets acquired and the fair value of non-controlling interest:

	31/12/2024
Total consideration transferred (75%)	6,398
Fair value of net assets acquired (100%)	8,320
Fair value of non-controlling interest (25%)	2,080

The non-controlling interest was measured at its fair value, based on fair value of the assets acquired. Any excess consideration exchanged for the acquisition of K11, was allocated to the assets acquired, based on their relative fair values.

During 2025, an additional amount of $6,400 was contributed to K11, in order to fund the scheduled yard installments. Such amount was contributed on a pro rata basis from the shareholders of K11, meaning $4,800 from the Group and $1,600 from the non-controlling interests.

On May 15, 2025, and after the amendment of K11's articles, K11 issued preferred shares amounting to $250, to a third party outside of the Group's ownership. The preferred shares issued and registered without par value and with no voting rights.

As of December 31, 2025, K11 had no revenue or net income, and its only significant asset was the vessel under construction, with cumulative installment payments to the shipyard amounting to $14,720 (2024: $8,320).

The non-controlling interest of K11 as of December 31, 2025, amounted to $3,930 ($2,080 in 2024) and included the contributions regarding yard installments of $3,680 plus the amount of preferred shares issued of $250.

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

12. Related Party Transactions

a) Technical Management Services

Pursuant to the ship management agreement between each of the vessel owning companies and Paradise Navigation S.A. (the "Management Company"), a Company with a common shareholder as the Group, the Management Company acts as the fleet's technical manager responsible for (i) recruiting qualified officers and crews, (ii) managing day to day vessel operations and relationships with charterers, (iii) purchasing of stores, supplies and new equipment for the vessels, (iv) performing general vessel maintenance, reconditioning and repair, including commissioning and supervision of shipyards and subcontractors of dry-dock facilities required for such work, (v) ensuring regulatory and classification society compliance, (vi) performing operational budgeting and evaluation, (vii) arranging financing for vessels and (viii) providing accounting, treasury and finance services, (ix) supervising the sale and physical delivery of the Vessel under the sale agreement, (x) arranging for the sampling and testing of bunkers, (xi) arranging crew insurances and (xii) providing information technology software and hardware in support of the Group's processes.

According to the aforementioned agreement, the Management Company received fees of $0.715 (2024: $0.695) per day per Oil Tanker vessels and $0.639 (2024: $0.621) per day per Gas Carrier vessel. For the services rendered during 2025, the Technical Manager charged the Group's vessels management fees of $2,277 (2024: $2,292).

b) Commercial Management Services

Paradise Navigation S.A. also acts as the "Commercial Manager" for the Group's vessels, for which it charges a commission of 1% on all time-charter hire, voyage freight, dead freight, demurrage, pool revenue and any other income earned by the vessels. For the services rendered during 2025, the Management Company in its acting as commercial manager charged the Group's vessels fees of $527 (2024: $652).

c) Due from / to related parties

Balance outstanding with the Technical and Commercial manager.

	December 31, 2025	December 31, 2024
Due from related parties		
Paradise Navigation SA	378	173
	378	**173**

The balance outstanding as of December 31, 2025 as due from Paradise Navigation S.A. represents mainly cash advances to the management company for settlement of various expenses on behalf of the Group.

d) Share transfer agreement

On November 25, 2024 the Group entered into a share transfer agreement with Paradise Group Holding II Inc (the "PGHII"). for the acquisition of 75% of the share

12. Related Party Transactions (continued)

capital of K11 Maritime Ltd. K11 Maritime Ltd is a shipowning entity with a vessel currently under construction, expected to be delivered in 2026.

The total consideration agreed for the acquisition was $6,398, based on the fair value of K11 Maritime Ltd net assets, which solely comprised the construction-in-progress amount related to shipbuilding installments, plus additional transaction costs which were allocated to the value of assets acquired, based on the relative fair value basis as described in Note 11.

The agreed consideration was structured as follows:

- $3,840 representing the 75% of the 1st installment paid by PGHII to the shipyard on March 26, 2024.
- $2,400 relating to the 3rd shipyard installment, paid by PGHII on behalf of the Group on December 6, 2024.
- $158 representing interest accruing from the installments date since December 31, 2024.

As of December 31, 2024, the total outstanding amount payable to PGHII totaled $6,240 with accrued interest of $158 and is presented in "Due to Shareholders" in the consolidated balance sheet of the Group. During 2025 and up to the date of the full settlement of the loan, an additional amount of $98 of accrued interest was capitalized. The entire amount was settled in May 2025.

13. Taxes

The Group is not liable for corporate income tax, either in the country of incorporation or in the country of the vessel's registration. The Group therefore does not provide either for corporate income tax or for deferred taxation.

An annual tonnage tax is payable to the tax authorities of the country where the vessel is registered. Effective from January 1, 2013 and pursuant to Law 4110/2013, an annual tonnage tax is also payable to the tax authorities of Greece where the management company has its offices established under article 25 of law 27/1975. This tax is calculated based on the same criteria, rates and scales applicable to vessels registered under the Greek flag pursuant to article 13 of LD 2687/1953. Any equivalent taxes or duties paid to the state of the vessels' registration are set off against the Greek tonnage tax. These taxes have been included in vessel operating expenses in the accompanying consolidated statement of comprehensive income.

14. Financial Instruments

Fair Value of Financial Instruments:

The following methods and assumptions were used to estimate the fair value of each class of financial instrument:

Cash and cash equivalents: The carrying amounts reported in the consolidated balance sheets for interest bearing deposits approximate their fair value because of the short maturity of these investments.

Due (to)/ from related parties: The carrying amount of due from / to related parties reported in the consolidated balance sheets approximate their fair value due to the short-term nature of these amounts.

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

14. Financial Instruments (continued)

Long-term debt: The carrying amount of the floating rate loans approximates their fair value due to their variable interest rates.

Investments in affiliates: The fair value of the Group's investment in affiliates is estimated based on the its proportionate share of the investee's adjusted net assets.

The following table presents the carrying amounts and estimated fair values of the Group's financial instruments at December 31, 2025 and 2024.

	December 31, 2025		December 31, 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Assets				
Cash and cash equivalents	12,503	12,503	10,784	10,784
Amounts due from related parties	378	378	173	173
Liabilities				
Long-term borrowings*	64,276	64,276	63,196	63,196

**net of deferred borrowing costs*

Fair value Hierarchy

The estimated fair value of the financial instruments that are not measured at fair value on a recurring basis, categorized based upon the fair value measurement, are as follows:

Level I: Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets that have the ability to be accessed. Valuation of these items does not entail a significant amount of judgment.

Level II: Inputs other than quoted prices included in Level I that are observable for the asset or liability through corroboration with market data at the measurement date.

Level III: Inputs that are unobservable. The Group did not use any Level III inputs as of December 31, 2025.

Fair value December 31, 2025

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	12,503	12,503	-	-
Long-term borrowings	64,276	-	64,276	-
Amounts due from related parties	378	378	-	-

Fair value December 31, 2024

	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	10,784	10,784	-	-
Long-term borrowings	63,196	-	63,196	-
Amounts due to related parties	173	173	-	-

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

14. Financial Instruments (continued)

The fair value of the Group's long-term debt is estimated based on currently available debt with similar contract terms, interest rate and remaining maturities as well as taking into account the Group's creditworthiness.

15. Leases

The future minimum revenue, expected to be earned on non-cancellable time charters consisted of the following as of December 31, 2025:

	2026
2026	10,896
	10,896

Revenues from time charters are not generally received when a vessel is off-hire, including time required for normal periodical maintenance of the vessel. In arriving at the minimum future charter revenues, an estimated time of off-hire to perform periodic maintenance on each vessel has been deducted, although there is no assurance that such estimate will be reflective of the actual off-hire in the future. The off-hire assumptions used relate mainly to drydocking and special survey maintenance carried out approximately every 2.5 years and 5 years respectively.

16. Operating Revenue

	January 1, 2025 to December 31, 2025	January 1, 2024 to December 31, 2024
Time charter hires	51,729	62,554
Voyages	1,967	4,477
	53,696	**67,031**

Operating revenue from significant customers (constituting more that 10% of total revenue) for the year ended December 31, was as follows:

	January 1, 2025 to December 31, 2025	January 1, 2024 to December 31, 2024
Charterer		
Maersk Tankers (ex. Penfield Marine LLC)	35%	50%
Eni Trading	35%	18%
OQ Trading (Oman Trading)	19%	14%

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

17. Vessels' Operating Expenses

	January 1, 2025 to December 31, 2025	January 1, 2024 to December 31, 2024
Wages	10,465	10,473
Victualling	755	768
Insurances	1,444	1,656
Lubricants	796	795
Repairs & Maintenance	3,453	3,221
Components & Spares	985	909
Tonnage tax	94	110
Crew travelling & other expenses	798	744
Other expenses	652	564
	19,442	**19,240**

18. Voyage Expenses

	January 1, 2025 to December 31, 2025	January 1, 2024 to December 31, 2024
Bunkers	866	1,237
Port expenses	229	695
Agency fees	106	147
Other voyage expenses	209	166
	1,410	**2,245**

19. Commitments and Contingencies

Commitments

a) Outstanding capital commitments under shipbuilding contracts have as follows:

Yard	Hull No.	Contract price	Amounts paid	Outstanding commitments 31.12.2025
Kyokuyo Shipyard Corporation	S-585	32,320	14,720	17,600

Yard	Hull No.	Contract price	Amounts paid	Outstanding commitments 31.12.2024
Kyokuyo Shipyard Corporation	S-585	32,320	8,320	24,000

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

19. Commitments and Contingencies (continued)

The amount of $17,600 representing the total outstanding capital commitments of the Group as at 31 December, 2025 are payable as follow:

	2025
2026	17,600
	17,600

As of December 31, 2025 the Group had no other outstanding or other capital commitments.

Contingencies

Various claims, suits, and complaints, including those involving government regulations and product liability, arise in the ordinary course of the shipping business. In addition, losses may arise from disputes with charterers, agents, insurance and other claims with suppliers relating to the operations of the Group's vessels. Other than the claim mentioned below, the management of the Group is not aware of any such claims pending as at December 31, 2025.

Gawcott Investment Inc. have commenced proceedings under the memorandum of agreement ("MOA") for the sale of the PGC Strident Force, against the Company for wrongful termination of the MOA. Management's estimate is that the probability of any resulting contingent loss is minimal.

20. Subsequent Events

The following events and transactions occurred after the balance sheet date and were evaluated up to May 27, 2026, being the date these consolidated financial statements were available to be issued:

1. In 2026, the Group declared and paid dividends to the shareholders amounting to $8,485.
2. On February 11, 2026, the Group entered into a memorandum of agreement (MOA) with Alberta Shipmanagement Ltd, an unrelated third party company for the sale of vessel PGC Alexandria for a gross consideration of $15,750. The vessel was delivered to her new owners on May 20, 2026.
3. On April 3, 2026, K11 Maritime Ltd. entered into a memorandum of agreement (MoA) with Anchor Trans Inc. and Eifuku Kaiun Co. Ltd. for the sale of Hull No. S585 (to be named PGC Yiannios), for a gross consideration of $19,000. On the same date, K11 Maritime Ltd. entered into a Bareboat Charter agreement ("BBC") with Anchor Trans Inc. and Eifuku Kaiun Co. Ltd. with which it was mutually agreed that K11 will charter the vessel from her new owners for a fixed monthly charter rate of $79,167, plus a variable hire of 2.4% plus CME 1-month term SOFR, over the outstanding balance of the lease. K11 has the option to purchase the vessel at anytime during the lease (after the 3rd anniversary from the delivery date). The duration of the BBC is set to 10 years.
4. On May 27, 2026, K11 Maritime Ltd., took delivery of the new-built vessel, PGC Yiannios.