



Corporate address : 1013 Centre Road, Wilmington, DE 19805 - USA | HEADQUARTER: 1 Akti Xaveriou, 185 38 Piraeus - Greece
FIGURES AND FINANCIAL INFORMATION FOR THE YEAR FROM JANUARY 1, 2019 TO DECEMBER 31, 2019

The financial data and information below provide general information about the financial position and the results of Petrogress, Inc., and the group of companies. Readers requiring full information of the financial position and results should refer to the annual financial statements, prepared in accordance with US GAAP. Indicatively, readers may visit the company's website where the above mentioned information can be found.

INFORMATION ABOUT THE COMPANY

Company's website: www.petrogressinc.com
 Board of Directors: Christos Traios, President / Chief Executive Officer

Independent auditor: Turner, Stone & Company, LLP
 Auditors' report: Unqualified opinions for the Financial Statements of years ended December 31, 2018 and December 31, 2019.

BALANCE SHEETS

| | GROUP | | COMPANY | |
|---|----------------------|----|--------------------|--|
| | December 31, 2019 | | December 31, 2019 | |
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 391,360 | \$ | 16,902 | |
| Accounts receivable, net | 2,011,430 | | - | |
| Claims receivable, net | 478,500 | | - | |
| Inventories | 1,206,612 | | - | |
| Due from affiliated companies | - | | 43,970 | |
| Prepaid expenses and other current assets | 3,143,221 | | 17,940 | |
| Total current assets | 7,231,123 | | 78,812 | |
| Non-Current Assets | | | | |
| Goodwill | \$ 900,000 | \$ | - | |
| Vessels and other fixed assets, net | 4,249,763 | | - | |
| Deferred charges, net | 15,629 | | - | |
| Security deposit | 10,584 | | 7,775 | |
| Total non-current assets | 5,175,976 | | 7,775 | |
| Total Assets | \$ 12,407,099 | | \$ 86,587 | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current Liabilities | | | | |
| Accounts payable and accrued expenses | \$ 1,402,198 | \$ | 219,115 | |
| Due to related party | 1,271,450 | | - | |
| Due to affiliated companies | - | | 370,110 | |
| Loan facility from related party | 148,900 | | 148,900 | |
| Accrued Interest | 23,636 | | 23,636 | |
| Convertible promissory notes | 237,197 | | 237,197 | |
| Derivative liabilities | 809,877 | | 809,877 | |
| Total current liabilities | 3,893,258 | | 1,808,835 | |
| Total Liabilities | 3,893,258 | | 1,808,835 | |
| Commitments and Contingencies | - | | - | |
| Shareholders' equity: | | | | |
| Preferred stock | \$ 10,000 | \$ | 10,000 | |
| Common stock | 4,447 | | 4,447 | |
| Additional paid-in capital | 10,073,810 | | 1,403,131 | |
| Accumulated comprehensive loss | (9,783) | | - | |
| Retained earnings | (1,834,845) | | (3,139,826) | |
| Equity attributable to Owners of the Company | 8,443,849 | | (1,722,249) | |
| Non-controlling interests | 69,992 | | - | |
| Total liabilities and shareholders' equity | \$ 12,407,099 | | \$ 86,587 | |

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

| | GROUP | | COMPANY | |
|--|----------------------|--|-----------------------|--|
| | December 31, 2019 | | December 31, 2019 | |
| Equity opening balance (January 1, 2019) | \$ 10,958,788 | | \$ (869,919) | |
| Net income/ (loss) | (2,984,681) | | (1,436,004) | |
| Common stock issued as commitment | 77,000 | | 77,000 | |
| Common stock issued to settle liabilities | 86,334 | | 86,334 | |
| Cancellation of common stock issued for services | 420,341 | | 420,341 | |
| Elimination of Petrogress Africa Ltd apic/ due from shareholders | (43,940) | | - | |
| Equity closing balance (December 31, 2019) | \$ 8,513,842 | | \$ (1,722,249) | |

STATEMENT OF OPERATIONS

| | GROUP | | COMPANY | |
|--|-----------------------|--|-----------------------|--|
| | December 31, 2019 | | December 31, 2019 | |
| Revenues | \$ 15,961,220 | | - | |
| Costs of goods sold | (13,431,020) | | - | |
| Gross profit | 2,530,200 | | - | |
| Operating expenses: | | | | |
| Corporate expenses | (362,993) | | (362,993) | |
| Selling, general and administrative expenses | (2,899,482) | | (377,961) | |
| Provision for losses on accounts receivable | - | | - | |
| Amortization of Dry docking | (6,619) | | - | |
| Depreciation expense | (914,748) | | - | |
| Total operating expenses | (4,183,842) | | (740,954) | |
| Operating income/ (loss) before other expenses and income taxes | (1,653,642) | | (740,954) | |
| Other income/ (expense), net: | | | | |
| Interest and finance expenses | (217,100) | | (217,100) | |
| Amortization of note discount | (166,197) | | (166,197) | |
| Change in fair market value of derivative liabilities | (294,083) | | (294,083) | |
| Other income/ (expense), net | (653,659) | | (117,670) | |
| Total other income/ (expense), net | (1,331,039) | | (695,050) | |
| Income before income taxes | (2,984,681) | | (1,436,004) | |
| Income tax expense | - | | - | |
| Net income | (2,984,681) | | (1,436,004) | |
| Net income attributable to: | | | | |
| Owners of the company | (2,950,515) | | (1,436,004) | |
| Non-controlling interests | (34,166) | | - | |
| | \$ (2,984,681) | | \$ (1,436,004) | |
| Other comprehensive loss | | | | |
| Foreign currency translation adjustment | - | | - | |
| Comprehensive income | \$ (2,984,681) | | \$ (1,436,004) | |
| Comprehensive income attributable to: | | | | |
| Owners of the company | (2,950,515) | | (1,436,004) | |
| Non-controlling interests | (34,166) | | - | |
| | \$ (2,984,681) | | \$ (1,436,004) | |
| Weighted average number of shares of Common Stock: | | | | |
| Basic | 3,953,461 | | 3,953,461 | |
| Diluted | 3,953,461 | | 3,953,461 | |
| Basic earnings per share | (0.7500) | | (0.3632) | |
| Diluted earnings per share | (0.7500) | | (0.3632) | |

STATEMENTS OF CASH FLOWS

| | GROUP | | COMPANY | |
|--|-------------------|----|-------------------|--|
| | December 31, 2019 | | December 31, 2019 | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Net income / (loss) | \$(2,984,681) | \$ | (1,436,004) | |
| Adjustments to reconcile net income to net cash provided by / (used in) operating activities: | | | | |
| Depreciation | 914,748 | | - | |
| Provision for doubtful receivables | - | | - | |
| Change in fair value of share-based payments for services | 294,083 | | 294,083 | |
| Share-based compensation expense | 583,674 | | 583,674 | |
| Loss on disposition of fixed assets | 16,331 | | - | |
| Amortization of discount on convertible note | (77,606) | | (77,606) | |
| Amount of derivative in excess of face value of PCN | 349,597 | | 349,597 | |
| Elimination of PGAS Africa APIC | (43,940) | | - | |
| Changes in working capital: | | | | |
| -(Increase) / decrease in Accounts receivable, net | 2,768,002 | | - | |
| -(Increase) / decrease in Claims receivable, net | 69,100 | | - | |
| -(Increase) / decrease in Inventories | (789,477) | | - | |
| -(Increase) / decrease in Amounts due from related party | - | | 28,495 | |
| -(Increase) / decrease in Amounts due from affiliated companies | - | | 51,252 | |
| -(Increase) / decrease in Prepaid expenses and other current assets | (1,377,945) | | (14,000) | |
| -(Increase) / decrease in Security deposit | 54 | | - | |
| -(Increase) / decrease in Amounts due to affiliated companies | - | | (335,082) | |
| -(Increase) / (decrease) in Accounts payable and accrued expenses | 136,746 | | 143,096 | |
| -(Increase) / (decrease) in Amounts due to related party | (246,863) | | (80,000) | |
| -(Increase) / (decrease) in Accrued Interest | 14,892 | | 14,892 | |
| -(Increase) / decrease in Deferred charges, net | 11,121 | | - | |
| Net cash used in operating activities | (362,164) | | (477,603) | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Purchase of property, plant and equipment | (109,936) | | - | |
| Purchase of vessels and other equipment - related party facility | (341,450) | | - | |
| Purchase of vessels and other equipment | (278,550) | | - | |
| Net cash used in investing activities | (729,936) | | - | |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | | | |
| Proceeds from convertible promissory notes | 481,000 | | 481,000 | |
| Proceeds from advances from related party | 341,450 | | - | |
| Net cash provided by financing activities | 822,450 | | 481,000 | |
| Effect of exchange rate changes on cash | - | | - | |
| Net increase / (decrease) in cash and cash equivalents | (269,650) | | 3,397 | |
| Cash and cash equivalents, Beginning of Year | 661,010 | | 13,505 | |
| Cash and cash equivalents, End of Year | \$ 391,360 | | \$ 16,902 | |

FURTHER INFORMATION

Petrogress Inc. (Delaware), is an integrate energy company, engaged in the upstream, downstream and midstream segments. The Upstream segment consist of exploration, and production of crude oil in West Africa, associated with processing and storage. The downstream segment comprises refining of crude oil into petroleum products, marketing of crude oil and the refined products; marine and land transportation, marketing, and retailing of Gas Oil, Naptha, Fuels and lubricants. The company operates Internationally through its wholly owned subsidiaries "Petrogress Intl LLC.", "Petrogress Africa Co. Ltd." and "Petronav Carriers LLC.". Petrogress is involved in diversified oil and gas activities throughout West Africa, and has also branches and representations in Cyprus, Ghana and Nigeria. Also provides sea-transportation services as an independent established Maritime Company- by its tankers fleet and ships either its own oil products or third parties. Since last year, the company entered into the retailing market by operating a number of Gas-filling stations in Ghana and Greece. The company maintain its principal marketing and operating offices at 1, Akti Xaveriou, 18538 Piraeus, Greece. Our telephone number at that address is +30 (210) 459-9741 and our corporate address and registered agent in Delaware is 1013 Centre Road, Suite 403-A, Wilmington, DE 19805 - USA