

# 3<sup>RD</sup> QUARTER REPORT

## 2017



- PETROGRESS, INC.
- PETROGRESS Oil & GAS ENERGY, INC.
- PETROGRES CO. LIMITED
- PETRONAV CARRIERS LLC.
- PETROGRES AFRICA CO. LTD.

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**PERIOD ENDED SEPTEMBER 30, 2017**

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**PETROGRESS, INC.**



**Salt-Pond Oil field**

# PETROGRESS, INC.

## THIRD QUARTER 2017 FINANCIAL RESULTS

### EBIDTA Results US\$2,007,231

**Deliveries of more than 162,000 barrels  
Crude Oil and 3,600 Tons of Gas Oil**

<b>Crude Oil volume traded</b> <b><u>162,000</u></b> <b><i>Barrels</i></b>	<b>Gas Oil Volume traded</b> <b><u>3,600</u></b> <b><i>M. Tons</i></b>	<b>Shipments performed</b> <b><u>18</u></b> <b><i>Voyages</i></b>
<b>Sales: \$7,077,232</b>	<b>Sales: \$1,692,160</b>	<b>Sales: \$3,020,200</b>

Continued strong profitability growth coupled with healthy financial liquidity strengthens our position as an integrate company in the oil industry during the Nine months period of 2017 fiscal year.

Petrogress, core business is physical trading and logistics; our assets and investments complement and enhance these activities. Our success is driven by our people and their commitment!

Our Vision is to be a global, vertically integrated energy company well-regarded for its people, partnerships and performance. We look continuously to build on our reputation, values, integrity and work ethic with honesty and ingenuity. Striving for harmony and synergy between our planet and society, we look to inspire creativity and grow our business by finding effective solutions to even the most complex issues!

# PETROGRESS, INC., AND SUBSIDIARIES

## Summary Consolidated Financial and Other Data

	(Unaudited) September 30, 2017	(Audited) December 31, 2016
<b>ASSETS</b>		
Current Assets:		
<b>Cash and cash equivalents</b>	\$ 1,515,388	\$ 362,083
<b>Accounts receivable</b>	4,662,282	2,427,668
<b>Prepaid expenses and other current assets</b>	2,240,650	1,058,088
<b>Marketable securities</b>	26,767	20,940
<b>Total Current Assets</b>	8,445,087	3,868,779
<b>Property and Equipment, net</b>	5,777,730	5,919,067
Security deposit	8,775	8,775
<b>Total Assets</b>	<b>\$ 14,031,592</b>	<b>\$ 9,796,621</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
<b>Accounts payable and accrued expenses</b>	\$ 1,321,661	\$ 148,269
<b>Due to related party</b>	796,645	234,600
<b>Convertible promissory notes</b>	-	44,887
<b>Derivative liability</b>	-	65,499
<b>Total Current Liabilities</b>	2,118,306	493,255
<b>Commitments and Contingencies</b>		
<b>Stockholders' Equity:</b>		
<b>Common stock</b>	177,995	166,796
<b>Additional paid-in capital</b>	9,473,640	8,423,641
<b>Accumulated comprehensive income</b>	15,660	15,660
<b>Retained earnings</b>	2,245,991	697,269
<b>Total Stockholders' Equity</b>	11,902,088	9,303,366
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 14,020,394</b>	<b>\$ 9,796,621</b>

# PETROGRESS, INC.

## THIRD QUARTER 2017 FINANCIAL RESULTS

### Nine months Financial Highlights

Compared to prior year period:

- Decrease sale volume by - 34.33%
- Increase profitability to 13,14% from 3,82%
- Increase operating income by \$ 965,381
- Generated record adjusted EBITDA of \$2,007,231

### Nine months Financial Highlights

- Ramped-up the Crude Oil Sales;
- The Company is negotiating in acquiring 55% interest in a shuttle tanker vessel;
- The Company is negotiating the purchasing of two Aframax tankers Vessels;
- The Company negotiating its participation in Saltpond Off-Shore oil field and Blending storage;
- The Company formed an affiliated in Cyprus to provide port facilities and terminal to the gas exploration platforms;

### Generating Solid Financial Results

**Revenue** – The Company reported total revenue of \$11,789,592 for the first nine months of 2017, a decrease of - 27.96 % compared to the same period in 2016, primary due to the drop of oil prices.

**Gross Profit** – Gross Profit, which equals total revenue less directly attributable cost of revenue increase by 42.57% to \$ 6,271,113 during the first nine months of 2017 compared to \$4,398,680 in the same period in 2016;

- **Operating Expenses** – The Company reported operating expenses of \$4,785,286 for the first nine months of 2017, an increase of \$ 907,052 or 23.39% compared to the same period of 2016;
- **Operating Income** – Operating income for the nine months of 2017 reported of \$1,485,827 compared to \$520,446 in the same period of 2016, an increase of 185,49%;
- **Net Income** – Net income attributable for the first nine months of 2017 reported of \$1,549,223 compared to \$577,385 for the same period of prior year;

# PETROGRESS, INC.

## THIRD QUARTER 2017 FINANCIAL RESULTS

### Operational Metrics

- Sales Volume – For the nine months ended September 30, 2017, the Company reported Crude Oil sales volume of 162,349 barrels a decrease of 34.33% and Gas Oil volume of 3,600 metric tons, compared to 14,460 metric tons for the same period of 2016.
- Adjusted EBITDA of Oil (Crude & Gas) Sold – For the nine months ended September 30, 2017 the Company reported adjusted EBITDA of crude and gas oil sold of \$2,007,231. Adjusted EBITDA in the same period of 2016 was \$1,026,205.
- Crude Oil Net Profit Per Barrel – For the nine month ended September 30, 2017, the crude oil net profit per barrel sold was \$ 29.02 compared to \$19.26 for the same period of 2016;
- Gas Oil Net Profit Per Ton – For the nine month ended September 30, 2017, the gas oil net profit per metric ton sold was \$127.34 compared to \$148.34 for the same period of 2016;

### Liquidity and Capital Resources

- Net cash used in operating activities was \$ 328,259 for the nine months ended September 30, 2017.
- Net cash provided by investing activities \$ -180,067 for the nine months ended September 30, 2017.
- Net cash provided by financing activities \$ 1,005,112;
- As of September 30, 2017, the Company had cash and cash equivalents of \$1,515,388;

**CEO Comments to Shareholders:** *“We are generating strong operational and financial results in spite to the adverse oil market pricing; however we are pleased with the momentum we have going into the second half of the year. Our top-and bottom- line results benefitted from our initiatives to strengthen our platform in the area of our existing oil operations. We are seeing strong indications of continued growth and remain confident in our ability to drive profitability and increase volumes across our platform to deliver enhanced shareholders value.”*

*Christos P, Traios*  
*President/CEO*

FORWARD-LOOKING DISCLAIMER: This report may contain certain forward-looking statements and information, as defined within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the Safe Harbor created by those sections. This material contains statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Such forward-looking statements by definition involve risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Petrogress, Inc. to be materially different from the statements made herein.